

10th Market European Stakeholders Committee

Monday 11th December 2017

CEER, Brussels

Draft Minutes

Participants		
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Jerome	LE PAGE	EFET
Paul	Giesbertz	EFET
Petteri	Haveri	GEODE
Cosimo	Campidoglio	Europex/NEMO Committee
David	Assaad	EPEX Spot
Steve	Wilkin	Europex
Christian	Baer	Europex
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All presentations and documents are available on the MESC webpage:

<https://www.entsoe.eu/major-projects/network-code-implementation/stakeholder-committees>

1. Opening

1.1 Welcoming address + Approval of minutes + Draft Agenda

The minutes of last meeting are approved.

1.2 Update on recent developments

ACER presented latest development:

- ACER Market monitoring report is published
- ACER decision on min-max prices is published
- ACER will circulate a guidance document on Network Codes amendment process for feedback, a public consultation is envisaged to be launched during the second half of 2018.

ENTSO-E (S. Twohig) made an update on the high-level group on Network Code implementation: ToR of the group have been approved and published on EC, ACER and ENTSOs website. The group is expected to provide high-level guidance on the NC implementation and overview the implementation. Last meeting took place on 29 November and the outcomes will be published soon.

Following a question of EFET, it is to be noted that content issues should keep on being handled in the respective ESCs. Clarifications or complementary questions from high level group meeting minutes can be discussed in MESC if needed. The high-level group can be used for escalation.

2. Capacity Allocation and Congestion Management Guideline

2.1 General update on the status of the TSOs' proposals

ENTSO-E (A. Troupakis) presented an update on the submitted methodologies and proposals:

- CCR request for amendment
- Schedule exchange methodology
- Redispatching and countertrading methodologies

On the latest, ENTSO-E notes that a guidance for regions was prepared on cost sharing, but the decision is upon NRAs as it concerns national policy on grid tariffs.

Following a question on the DK-DE border, ACER acknowledges that these cost-sharing solutions will be binding once new methodologies are approved and entered into force, but in the meantime the bilateral agreement may apply.

ACER stresses that redispatching and counter-trading methodologies should be harmonized at the level of the CCR.

ENTSO-E gave an update on the upcoming tasks for CACM and FCA.

2.2 General update on the status of the NEMOs' proposals

The NEMO Committee (Cosimo Campidoglio) presented an update on the timeline for MCO plan implementation (SDAC and SDIC)

EFET commented on ACER's decision on Harmonised Max-Min Clearing prices for SDAC and SIDC respectively: (i) timescale for implementation, (ii) interrelation between the maximum DA price and the ID prices, e.g. a situation where the DA price has been reached and the ID is high but there is no mechanism of adjusting the ID price cap, (iii) will the cap on offers and bids be removed?

ACER clarifies (i) implementation is already binding with no relation to NEMOs' proposals, (ii) not having a dedicated (and separate from the DA one) adjustment ID mechanism is not an omission but it was not possible to define a clear rule for triggering such mechanisms, (iii) ACER shares the concerns but this point was not under the scope of ACER's decision, it may be reopened in the framework of the CEP but for the time being ACER can only provide a recommendation (which it did in the decision). ACER invites EFET to provide any concrete proposals on ID price adjustment rules.

2.3 General update on the NRAs

NRAs (N. Schoutteet, CREG) gave an update:

- Amended methodologies (algorithm, ID and DA product, and back up methodologies): NRAs requests are quite extensive and NRAs acknowledge the engagement of NEMOs to update their proposals. A decision may be issued end of January
- Harmonised Maximum and Minimum Clearing Pricing methodologies (for respectively SDAC and SIDC) were transferred by All NRAs to ACER in August and decisions were made by ACER in mid-November 2017.
- TSOs proposal on ID capacity auctions are under analysis. Decision is expected for the end of February.
- On CCR amendments, the feedback will be given by the end of 2017.

On regional aspects, NRAs are working on:

- CC methodologies
- Redispatching and counter trading and cost sharing

On CCM CORE, NRAs will not approve the received proposals, with two options: request for amendment for March 2018 or transfer to ACER for its decision. On the content, crucial aspects (CNECs, GSKs) are not enough described in the methodology, the difficulties for the TSOs to do so are acknowledged by the NRAs.

Eurelectric recalled that CCM should give principles, and should not be delayed because of a lack of experimentation. CREG replied that for NRAs, CCM go beyond principles. ACER is also checking the content of the CCMs, compliance with CACM, consistency among all regions

ACER will issue shortly its decision on congestion income sharing methodology. ACER has had to clarify and specify in the methodology itself a number of open points, which were supposed, according to the initial TSOs' proposal, to be defined at a later stage.

On the IDCZGT methodology, ACER intends to challenge the TSOs on the unfeasibility of an earlier ID gate opening time (3 pm). From the last discussions with TSO and NRAs, some TSOs claim that additional uncertainties brought by an earlier gate opening time could be a problem for TSOs in some regions. ENTSO-E recalls that it is a first proposal, and room for improvement based on experience gained with the running is possible.

EFET recalls that the TSOs proposal is not clear on the reason to see a late ID gate opening time.

2.4 Update on PCR developments

The NEMO Committee (Cosimo Campidoglio) gave background information (see slides).

2.5 Update on BZ review

ENTSO-E (M. Mendoza) gave an update on the BZ review dates.

On the content, more information will be given on 10th January for the BZ advisory group meeting, and next MESC.

EFET asks to be more involved in the recommendation and discussion on the content, which they claim it was not done after the June BZ advisory meeting. Since then, ENTSO-E informs that they submitted, as requested by CACM, the methodology, assumptions and configurations to the involved NRAs. The other stakeholders (EFET, Eurelectric, IFIEC) asked for this set of documents as well.

ENTSO-E explains that they will ensure that information is available as soon as concrete proposals would be ready, and for this reason, ENTSO-E scheduled the next advisory group on January 10th. ENTSO-E will check internally if consultation documents shared with NRAs could be shared shortly with stakeholders. Besides, ENTSO-E stresses that in a legal process the role of different parties are clearly defined, that the different models used and its limitations will be explained and that one cannot argue that the results shall be disregarded because of the limitations found on the model based configurations. The fact that the information found its way to the public domain is to be avoided in the future, the advisory group is the place to share consistent information on time.

NRAs have concerns on the proposal, but cannot ask amendments without putting lots of delay in the process. NRAs stresses the importance of a good quality BZ review.

EFET notes that the advisory Committee should be more transparent.

2.6 Update on the XBID and LIP projects

EFET (J. Lepage) presented their view on XBID project .

EFET raised practical questions to TSOs and NRAs on the situation in Iberia, the Swiss border, the 30-minutes implicit products at the FR-DE border, fall-back mechanisms.

EFET, supported by Eurelectric and CRE, particularly expressed serious concerns with regard to the Iberian situation and the likely negative impact of the forthcoming Portuguese-Spanish NRA decision (e.g. on market participants with portfolio bidding strategy, on the risk of fragmentation of the ID continuous market and on the risk of discrimination with regard to market participants on the French-Spanish border). The Agency highly regretted the absence of the Spanish NRA at the MESC meeting (despite several invitations) and will escalate this issue at higher level with the possible involvement of the EC, EFET also raised practical questions to NEMOs as well (see slides) on the mechanism itself.

Europex gave information on the Iberian situation on undue cancellations, link between local trading solutions and XBID, 30-minutes implicit products.

On the fallback mechanism, EPEX Spot support as well certainty on the robustness on the solution, and fall-back mechanisms are necessary.

J. Verseille gave an update of the XBID project, highlighting the latest key achievements.

Eurelectric and EFET raised the question of the recent collapse of a PX ID system trading within CWE and stressed the importance of having a fall-back. XBID project replied that extensive tests were made to ensure maximum reliability. In the absence of an EU-wide fall-back methodology, the existing local/regional PX (NEMO) ID platforms will be used as temporary fall-back until a more robust solution is found (if necessary).

3. Forward Capacity Allocation

ENTSO-E (A. Troupakis, M. Lane) gave an update on ongoing development of submitted methodologies/proposals:

- HAR
- SAP
- Nom-PTRs

EFET noted that following a situation in February 2017 (force majeure), cancellation of auctions should not occur. If a cancellation does occur, it should apply the correct remuneration in compliance with FCA i.e. market spread. ACER agreed on the fact that a cancellation of the DA auction should give rise to a market-based compensation for the non-nominated LTRs and does not see any reason why/how TSOs could invoke a case of force majeure for such cancellations.

ACER has expressed some concerns (through a letter with the EC in cc) regarding the recent Greek-Italian NRAs' decision to derogate from the compensation at market spread in case of curtailment; The SEE region has issued a request for an extension of the full HAR implementation on their borders as they do not yet use JAO as a service provider. ACER intends to approve the Annex in view of the fact that SAP is expected to be operational in the course of 2018 and that the impact of the non-full HAR implementation will be limited.

4. Balancing

NRAs (M.Fransen) gave an update on EGBL.

Eurelectric raised concerns on congestion management: is it treated in the activation purpose or in the TERRE project? TSOs should have full view on all the costs, and costs not to be borne by BSPs/BRPs. Eurelectric appreciates that some consultation of 2018 will be extended, but one month delay to answer is very short.

Europex stress the importance of consistency between different projects.

Balancing energy pricing proposal and imbalance settlement will certainly require a dedicated workshop.

5. Transparency

ENTSO-E (C. Cotino) made an update on the Transparency Platform. The project focus on:

- Data quality improvement
- Data completeness through automated reporting
- Graphical user interface improvement

EFET acknowledges positive feedback from some of their members on these developments. Transparency through this platform is useful to market parties if it is consistent with other initiative (e.g. CWE Flow-based and CBCO coding).

6. AOB

CEP

EC made an update on the CEP. Latest proposals are available online.

On the content, EC notes some strong position of Member States to deviate from the ambitious European proposal. On harmonisation on transmission and distribution tariffs, the question is not directly addressed in the CEP.

7. 2018 meetings

Dates

- 6th March (Eurelectric (tbc), Brussels)
- 8th June (CEER, Brussels)
- 4th September (ENTSO-E, Brussels)
- 5th December (CEER, Brussels)