

# NEMO Governance: Stakeholder Involvement

On behalf of Provisional NEMO Committee  
ESC, 3 December

# Context

- PXs, ahead of formal NEMO designation, have already started work on the development of the potential NEMO governance framework required to facilitate the tasks assigned to NEMOs under CACM. Elements of the proposed framework have already been discussed with TSOs and presented to the ESC – notably the creation of a NEMO Committee (“NEMCom”) to oversee the common tasks of NEMOs (in particular the MCO functions)
- Stakeholder involvement has been identified as a critical feature of the NEMO governance structure; PXs were asked to discuss further their proposals at the next ESC
- Focus in this paper is on wider stakeholder engagements; NRAs may have additional specific requirements
- Focus is on stakeholder involvement at a European level (i.e., regarding common NEMO responsibilities); regional or local engagement are assumed to be outside the competence of the NEMCom
- It is anticipated that the NEMO governance framework will be described in the MCO Plan to be submitted to NRAs in April. Consequently it is important to get quick feedback on the proposed approach, so that this can be taken into account

# CACM Obligations: Art 10

Art 10 Day-to-day management: *TSOs and NEMOs shall meet regularly ... and shall invite the Agency and the Commission as observers to these meetings and shall publish minutes of the meetings*

## Proposal:

- Engage with ACER/EC in development of MCO Plan/ Methodologies (also re: art 7.4)
- Apply the provisions of art 10 to NEMCom meetings (day-to-day management)
  - Invite ACER/EC
  - Publish (approved) minutes (focusing on decisions)

# CACM Obligations: Art 11

Art 11 Stakeholder involvement: *The Agency in close cooperation with ENTSO-E shall organise stakeholder involvement regarding single day-ahead and intraday coupling.... This shall include regular meetings with stakeholders to identify problems and propose improvements*

## Proposals:

- Within this overall framework organised by ACER, NEMCom should take responsibility for stakeholder engagement regarding NEMO common responsibilities (in particular, the MCO function)
- Seek the views of stakeholders on options for organising NEMO-stakeholder engagement – e.g.:
  - Integrated with ACER-led ESC (under art 11) or discrete?
  - Regular (in which case, what frequency), or ad hoc (in which case, how triggered)? Align with ESC meetings?
  - DA/ID combined or separate?
  - Participation: open? European associations/bodies?
- Any Stakeholder Group ToR should be agreed with ACER/ESC

# CACM Obligations: Art 12

*Art 12 Consultation: TSOs and NEMOs responsible for submitting proposals for terms and conditions or methodologies or their amendments ..... shall consult stakeholders ..... The consultation shall last for a period of not less than one month*

## Proposals:

- NEMCom shall be responsible for ensuring compliance with this art 12 consultation requirement – i.e., on art 9 Methodologies and any future amendments
- Future amendments should be infrequent: Methodologies should define key principles while allowing technical details to be defined in subsidiary documents, subject to a more appropriate change approval process (not necessarily needing to apply the full CACM amendment process – see following slide)

# Managing Changes

Preliminary

## Types of Change

**0. Non-Notifiable Change:** Stakeholders not informed of change – e.g., no impact on market parties

**1. Notifiable Change:** Stakeholders informed of change (ahead of implementation) – e.g., a non-discretionary change likely to have some impact on market parties

**2. Consulted Change:** Requirement on NEMCom to consult Stakeholder Group and to take response into consideration – e.g., where there is material market impact and discretionary choices exist

**3. Methodology Amendment:** NEMCom required to follow formal CACM amendment process, including art 12 consultation – e.g., where change impacts key principles established in the methodologies or is a very contentious change

- Establish in the individual Methodologies the rules or principles that would determine which approach should be adopted for different change proposals. For example, the set of detailed technical rules (detail below that of Methodologies) could indicate what should require a consulted change
- NEMCom applies these rules/principles to change proposals. Minutes of NEMCom and/or Change Register (showing process/status of all change requests) should be published within 2 weeks of meeting. If a necessary quorum (to be defined) of stakeholders disagree with the NEMCom approach, they can request the change to be discussed at a special Stakeholder Group meeting
- NEMCom is then required to call a Stakeholder Group meeting, which may request further consultation and give guidance on the form that consultation should take
- On request of ACER, following advice of the ESC, NEMCom may be required to address any change as a formal methodology amendment (including full art 12 consultation)