

## 18<sup>th</sup> Market European Stakeholder Committee (MESC)

Tuesday, 17 September 2019 from 10:30-16:00  
ENTSO-E, Avenue Cortenbergh 100, 1000 Brussels

### Draft Minutes

Participants		
Christophe	Gence-Creux	ACER/Chair
Markela	Stamati	EC
Juliane	Steffens	EC
Matthias	Rützel	BNetzA
Reinhard	Kaisinger	E-control
Paul	Giesbertz	EFET
Jerome	Le Page	EFET
Sonia	Saly	EFET
Rickard	Nilsson	Europex
Steve	Wilkin	Europex
Cosimo	Campidoglio	NEMO Committee
Rafael	Gomez-Elvira	NEMO Committee
Karol	Nicia	NEMO Committee
Selim	Boussetta	CRE
Michaël	Van Bossuyt	IFIEC
Paul	De Wit	CEDEC
Petteri	Haveri	GEODE
Hélène	Robaye	Eurelectric
Pierre	Castagne	Eurelectric
Ioannis	Retsoulis	Eurelectric
Tim	Schittekatte	EUI-FSR
Konrad	Purchala	ENTSO-E
Tore	Granli	ENTSO-E
Kjell	Barmsnes	ENTSO-E/Nordic TSOs
Benjamin	Genet	ENTSO-E/CWE TSOs/Core TSOs
Arnaud	Schülke	ENTSO-E/RTE
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Marta	Mendoza	ENTSO-E
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### 1. Opening

#### 1.1 Welcoming address, Approval of minutes, and Draft Agenda (Christophe Gence-Creux; ACER)

The chair opens the meeting and welcomes all the participants. The approval of the meeting minutes is postponed as Eurelectric would like to see all essential comments made during the meeting, in the final version while ENTSO-E has proposed changes on several of them that paint a different picture of the discussions held. ENTSO-E kindly asks Eurelectric to keep balanced minutes and Eurelectric kindly explains that the target should be, as stipulated in MESC's ToR to inter-alia accurately capture both the spirit and letter of the discussions held, especially on important aspects. Both organisations agree to work together to find a way forward that keeps all parties satisfied and is in line also with the respective ToR.

Eurelectric explains it is critical to circulate the final draft minutes, both in track changes and in a clean version at least 3 working days before the meeting considering all comments received, as this will allow sufficient time to all stakeholders to review them and prepare ahead of the meeting. Eurelectric points again to the respective ToR which addresses this aspect.

**Action:** ENTSO-E to send out the final draft minutes in both track changes with all comments received, and a clean version, at least 3 working days prior to the meeting.

### **1.2 Update recent developments (Christophe Gence-Creux; ACER)**

The chair reminds the entry into force of the CEP in summer and invites the participants to give feedback to ACER on whether the CEP adequacy methodologies should be discussed in the MESC. The Chair informs that informal discussions on this proposal will continue with ENTSO-E.

Moreover, the chair informs that eight methodologies have been forwarded to ACER for decision on Market Codes: three under the FCA GL, three under the EBGL and two from CACM GL. The consultation on the Nordic LTTR CCM under the FCA GL is still open until today.

### **EC presentation info for the integration of Switzerland (Markela Stamati; EC):**

The EC started the process to find a technical solution on the integration of Switzerland in capacity calculation processes of EU TSOs for DA and ID coupling. TSOs were asked for options to consider them and the next meeting will take place in October.

The EC looks for a fair solution for all parties, defining conditions for considering Swiss constraints. The approach would need to be approved by relevant NRAs and has to be a package, including cost sharing and countertrading and redispatching.

E-control states that all Swiss borders should be treated as a whole and in the same way although there may be different ways for capacity calculation. ENTSO-E reminds about the 3<sup>rd</sup> country integration needed to strike a compromise that fits all 3<sup>rd</sup> countries. The EC informs that there is also a process for the Baltics with a different approach. EFET asks whether the paper issued by ElCom on how their constraints could be included in FBMC, i.e. inclusion of Swiss CNE(C)s in flow-based calculation without actual coupling of the Swiss market, is part of the solution.

The EC informs that current work addresses the technical concerns in capacity calculation, however it does not cover the integration of Swiss borders in the market coupling. The package shall include economic aspects such as cost sharing. The next meeting between Swiss and European authorities is scheduled for 2 October.

EFET reminds about their background paper on the ownership and operation of electricity storage assets, in relation to the CEP.

## **2. Market suspension (Tore Granli; ENTSO-E)**

ENTSO-E updates on the process of drafting the 'Report on harmonisation of rules for suspension of market activities. As a first step, ENTSO-E will prepare a questionnaire for a TSO survey. This questionnaire will be shared with stakeholders, who will be requested to provide feedback. In parallel, the rules from 4-5 TSOs (mixed by size, regions) will be assessed in detail. Following these steps, and the answers to the questionnaire by the TSOs, ENTSO-E will start the drafting process of the report.

EFET appreciates that the report will be developed. They see a need for harmonisation e.g. on cross border issues, DA coupling and balancing markets as any suspension of a market activity by one TSO will affect other markets. It seems still unclear how it works with integrated processes. The questionnaire should also investigate criteria for triggering suspension and their justification (why does suspension of a certain activity help system security).

Eurelectric points to the legal obligation (NC ER Art.36), which is clearly depicted on slide 2 of ENTSO-E's presentation and consists of two consecutive and distinct steps. On the one hand ENTSO-E shall assess the proposals and on the other hand it shall identify areas of harmonisation, as appropriate. They add that on pages 3 and 5 the step of identification of harmonisation has been effectively removed, as ENTSO-E seems to claim this is neither their task nor the purpose itself. ENTSO-E responds that the report will assess the level of harmonisation, but it will not necessarily make suggestions as to what should be further harmonised. Eurelectric argues that had the legislators not envisaged the necessity for harmonisation, the second distinct step would not be stipulated in the respective article which makes the end purpose rather straight-forward. The Chair suggests ENTSO-E keeps an open mind when it comes to potential recommendations for harmonisation, as the end purpose of the respective article is clear.

Geode welcomes the work and underlines the importance to report on different aspects. The target is to identify areas that need harmonisation, first assess status quo and then ENTSO-E should continue to identify items for harmonisation.

Europex encourages ENTSO-E to organise a stakeholders' workshop before the next MESC to analyse market consequences and to identify the scope of the market issues and processes that may be affected. There is a need to know what market activity exactly will be suspended, for what duration, and when the information is circulated, e.g. in case the triggering event has occurred before or after DA market results have been published and trades and shipping have been reported/settled. Transparency on the process is needed and details of the proposals should be published e.g. in an active library on the ENTSO-E website. EFET and ACER support the idea of organising this workshop aside of and ahead of the next MESC meeting. EFET mentioned that they already requested an informal exchange of ideas on this topic with ENTSO-E.

The Chair proposes to add this topic to the agenda for the next MESC meeting to have a better overview of the next steps.

#### 4. Forward

##### 4.1 Update on the latest developments (HAR, Nordic LT CCM, Core Regional Design of LTTRs) (Christophe Gence-Creux; ACER)

ACER informs about the three on going consultations. All three methodologies have the same deadline for ACER to issue a decision: by the end of October.

For **Nordic LT CCM**, ACER consults around an implementation of flow-based allocation since the methodology proposed by Nordic TSOs already presents many aspects that can easily lead to this approach. In ACER's view flow-based allocation is the target model, enabling more transparency. An interim period where NTCs would still be extracted until the Single Allocation Platform can handle flow-based allocation of long-term transmission rights would be foreseen. Another aspect concerns the need for more coordination on dynamic stability needs. The deadline to submit answers to the public consultation is today.

The NEMO Committee asks whether LT capacity calculation will be done flow-based or if also the allocation would be done flow-based. ACER clarifies that only calculation is considered at this stage.

EFET hints regarding the Nordic LT CCM that the FCA GL says CC is done NTC unless there are good reasons for FB, thus proper justification is needed. ACER explains that the main value of going to FB methodology is transparency, as the steps will be described in more detail. A move to FB allocation won't happen overnight, it needs further discussion and may require an update of FCA GL.

On the **HAR**, ACER raised the possibility to allocate transmission rights (TR) with flexible reduction periods. Some NRAs would like to organise earlier auctions of TRs, but the information on reduction period is available too late. ACER understands that the market has no appetite for this flexibility. Furthermore, they discussed the remuneration scheme in case where there is no reference price. They propose to use the price of the explicit DA auction when it exists, instead of the initial price of the LTR. They had not raised the issue on the possibility to curtail FTR as the text in the HAR is in line with FCA GL. ACER doesn't see a need to curtail FTRs for operational security reasons. Eurelectric informs that FTR were curtailed a number of times for operational security reasons on the BE/NL border.

CWE TSOs remind that FTRs still have physical relevance due to the LTA inclusion, and hence the possibility to curtail them for operational security reasons should be maintained. Reductions are needed when the LTA capacities are difficult to meet. The validation phase in the DA calculation is a last resort to reduce the LTA domain. This measure is normally applied only in case remedial actions are not sufficient and market parties are compensated with the price spreads.

EFET suggests that the clean long-term solution would be to remove the LTA inclusion of FTRs and the right to curtail FTRs for any other reason than Force Majeure but acknowledges that there are other considerations that do not make it directly implementable. EFET recommends an open discussion on the subject.

CWE TSOs would find it surprisingly to change the LTA patch item as it was not open in the ACER consultation. ENTSO-E asks whether the HAR will be approved on time to have auctions under the new regime, as the HAR annex needs to be finalised one month before the auction. ACER informs the methodologies shall be approved in their BOR meeting on 21 October.

**Core regional design of LTTRs:** Core TSOs inform that FTRs shall be introduced on the borders: D/F, AT/CZ and AT/HU.

**Other:** ACER noted the CORE and Channel regions failed to submit the LT CCM proposals. CORE TSOs confirm they couldn't agree via qualified majority voting on 21 August. They informed NRAs and ACER respectively who shall coordinate with EC to identify the next steps. CORE TSOs underline the efforts they took and that they will share all draft material with the involved NRAs. CORE TSOs couldn't agree especially as no test results were available to give confidence into the methodology, but also because they had diverging views on some features of the method. ENTSO-E adds that for the Channel region, the issue was regarding the timing of capacity calculation. In the past, for some interconnectors the capacity was given very early in the year, but it is not compatible anymore with the timing of the outage planning. TSOs failed to agree despite clear guidance from NRAs. The file is now with the EC to determine further steps. The EC confirms they are working on it and don't foresee another consultation, but rather envisage informal discussions with stakeholders.

#### **4.2 Update on the splitting rules (E-control; Reinhard Kaisinger)**

E-control informs that the timeline to submit the splitting rules is the same as for the LT CCM. NRAs in the CORE region are assessing the proposal from CORE TSOs. CORE TSOs inform they consulted on a 50/50 split between yearly and monthly timeframe. As market participants asked for more capacity in the yearly auction, TSOs proposed an 80(Y)/20(M) split. They consider allocating monthly products in a yearly timeframe was not part of the proposal.

EFET finds that the final TSO proposal is going in the right direction but does not meet their request of maximisation of capacity in the year-ahead auction yet. They inform that the Dutch NRA is consulting on the topic and that they reintroduce their earlier suggestion to consider monthly products in the yearly timeframe.

### **5. Capacity Allocation and Congestion Management Guideline**

#### **5.1 Update on the 70% (Christophe Gence-Creux; ACER)**

ACER thanks the TSOs for submitting all the data needed. ACER intends to present preliminary results of their assessment by the end of the month. TSOs and Member States to decide whether to go for a derogation, action plan or actually apply the 70% rule from 1 January 2020. The way forward is to be agreed by the end of the year. Further guidance about the implementation, action plans and derogations are not in ACER's scope. ACER is offering with their calculations a view on current achievement of each member state. However, the ACER recommendation is not binding, and Member States can calculate it their own way.

The EC informs they organised a meeting in September to follow up with MS. They inform the topic is more a question for EC and the ECBC (Electricity Cross Border Committee). Member States have to comply with the rule as of 1 January 2020, apply an action plan or go for a derogation. ACER's input will also be discussed in the ECBC.

EFET warns about the huge uncertainty the market participants face. The 70% rule and whether derogations/actions apply impacts prices and decisions. In addition to the uncertainty, we may face a step back in capacity availability at certain borders. They request more transparency from MSs on what is happening in the next weeks/months. The Chair expressed he shared EFET's concerns.

For ENTSO-E it is also uncertain what is the process going forward and what the timing for approval is. They raise the issue that there might be a need to get time to update capacity calculation tools, also for FB. It could be a tight timeline to be compliant with the regulation. They expect that some TSOs/MSs propose to take more time to ensure the capacity calculation tool is compliant and robust.

→ The EC suggests adding the topic to the ECBC and discuss it with the MSs.

EFET asks whether, how and when market participants would be informed in case a derogation is granted. ENTSO-E answers that action plans, if applied, would need to be adopted by the end of the year and the minimum capacity would be known by the end of the year for each border/CNEC. More clarity should come in the next months. CWE TSOs expect that in most countries NRAs have to consult for the derogation, thereby ensuring transparency. EFET argues that the necessary IT tools for calculating the capacity should be available. For EFET, visibility and predictability are of highest priority, higher than having more capacity.

Eurelectric presents their views. Visibility and transparency are important to them. They appreciate the efforts to increase capacity but the timeline until 1 January is very tight. Action plans and derogations may apply, but it is not known yet. They hint that a parallel run could be a way to achieve more transparency and visibility. Also, there are difficulties in the interpretation of XB flows outside CCRs on which they would welcome clarification from ACER. IFIEC and Europex agree with EFET and Eurelectric, visibility is needed, and the timeline is tight.

CRE acknowledges the difficult situation for MPs, TSOs and NRAs. They expect a clear view around October, latest November. Derogations should be submitted by October so that relevant NRAs can approve proposals on time. Content-wise, MSs will decide the action plans on figures.

EFET expresses a need for inputs to the calculation to see how available capacity is affected and to build forecasts, instead of ex post reports. They remark that EFET members cannot agree on the idea of a parallel run without a more concrete proposal of the TSOs.

ACER suggests the topic to be discussed at the next ECBC. ACER intends to publish their calculation, potentially via the market monitoring report in October/November. The results will be available one day before the ECBC.

EFET expects a huge impact unscheduled allocated flows from third party countries, e.g. Norway, on the application of the 70% rule. EC informs about their interpretation that flows from other countries (Norway to be confirmed) will not be considered to achieve the 70% target. ENTSO-E states that not everyone agrees with this interpretation and that they support the calculation of two values, with and without inclusion of unscheduled allocated flows from 3<sup>rd</sup> countries, as proposed in ACER recommendation.

### **5.3. Update on the implementation of regional CCM (Marta Mendoza, ENTSO-E)**

ENTSO-E presents the information provided by the CCRs on their plans to implement the CCMs. For CORE, the official deadline is still 1 Dec 2020 for DA and 1 December 2021 for ID, even if a delay is expected but can not be yet defined. CORE TSOs suggest keeping the regional topics at the regional organisation, where regular calls and meetings with NRAs and ACER and exchanges with market participants are organised. CORE TSOs sent a letter informing about expected delays to CORE NRAs and NEMOs. Following discussion among TSOs a delay seems difficult to mitigate, however investigations are ongoing to contain it as much as possible. The topic will also be discussed in an IG meeting on 8 October. ACER deems the project sufficiently important to discuss in the MESC and explains that feedback from TSOs and NRAs is needed.

E-control informs that two other regions made the implementation dependent on the implementation of the CGM. ENTSO-E confirms they are working hard on the implementation of the CGM. GEODE informs that stakeholders in the Nordics emphasized for ensuring a working and robust FB methodology before implementing it. A parallel run of one year is foreseen to begin next summer.”.

→ Regional CCM update in next MESC meeting on issues at stake and potential delays.

NEMO committee / Europex ask about the need for interaction and alignment between regional implementation projects since as a key example CORE FB is assuming certain properties, which may be different from those in the Nordic FB and when combined it can be challenging to cope with. ACER explains that the CACM GL foresees to harmonise regional CCMs by 31 December 2020 at the latest.

E-control reminds that the CGM is the common basis and thus the reliability margin should be the same, otherwise results may be diverging.

Eurelectric highlights that the criticality of the CGM has become apparent to many stakeholders, and as it is linked to several market aspects/projects, inter-alia the CCMs, and the BZR, it is important to have recurrent discussions in the MESC, even on an informal basis with no minutes taken, in order to inter-alia raise awareness and transparency.

The Chair explains that he sees the importance of the CGM in relation to the CCMs, but also understands the need to have the reporting usually done in one committee i.e. in the SO, and to report to MESC when needed.

### **5.2: BZ review process (Marta Mendoza (ENTSO-E), Bogdan Oprescu (ENTSO-E), Arnaud Schülke (RTE), Kjell Barmnes, (Statnett))**

ENTSO-E presents how the BZ review methodology, that is to be submitted by 4 October, will look like. ENTSO-E presents an overview of the main assumptions, the technical overview of the model chain, the indicators and the assessment process to achieve a recommendation.

E-control asks if prototypes from TSCNET and CORESO could be used for doing the calculations related to remedial action optimiser. ENTSO-E explains that the methodology allows regions to use different models and softwares, but the decision on how to perform the BZ review itself will be done regionally at a later stage.

Eurelectric asks whether remedial actions (RA) are applied only in security analysis or also in capacity calculation. ENTSO-E confirms they are applied in both steps. CC allows use of non-costly RA and use of phase shifters (PSTs). After market coupling, PSTs are considered again in the step of RA. Costly RA are not explicitly considered in capacity calculation, but the application of the 70% rule will implicitly lead to consider that RAs are available. ENTSO-E explains the complexity of applying different redispatch regimes across the countries. The complexity (and computation time) of the models applying different redispatching regimes will be very high. ENTSO-E explains that the EU model is much more complex than national and regional models which has consequences on the model's calculation time. ENTSO-E explains that the interaction between topology and other measures is difficult to represent in the model. Only in theory TSOs have access to all resources, however not in reality. They explain that flows between regions will be incorporated in a simplified manner.

FSR suggests calibrating the model with past data. ENTSO-E agrees that calibration could be done on current bidding zones, however, a dataset for the future, and also considering different BZ will be difficult, but of course calibrations will be done and compared to historical data if possible. ENTSO-E further explains that a survey among TSOs was done to estimate future redispatch needs. They explain that the minimisation of total system costs could be considered, but it is deemed not relevant to compare these prices against zonal dispatch due to different settings and ways flows would go. In the zonal approach, total system costs would be calculated. They plan to get an estimation for transitional costs via a survey to market participants. Stakeholders raise concerns with the survey approach and ask for concrete guidance on what is to be included. The FSR asks whether social welfare delta would be one number or a distribution and why the delta would be accounted for three years (transitional costs considered over 3 years). ENTSO-E explains that the three years timeline comes from the technical report timeline that has to be done max every three years. Most probably an average of the outcomes of the computed scenarios will be done. The uncertainty will be also assessed as part of the last step of the assessment process.

EFET asks why it is not considered to merge bidding zones in the absence of structural congestions. ENTSO-E answers that the current status quo is used as starting point, and that guidance to maintain political borders has been provided. Eurelectric doubts that the regulation implies no merging should not even be considered as a choice forward in the absence of structural congestions, as ENTSO-E suggests.

Europex asked how the pan-Europe Bidding Zone configurations and fundamentals for supply/demand and imports/exports will be considered in the proposed independently conducted regional based Bidding Zone review processes. The preliminary response from ENTSO-E presenting the work was that neither detailed re-configuration of BZs in other regions, nor running of analysis based on setup and data for both the given regional BZ review and for the adjacent regions, would be considered but rather in each regional BZ review process assumptions would be made on overall import/export flows in/out of the given region being analyzed. While admittedly not having information about the details of how that exercise would be carried out the Europex representative reflected upon the risk of such a strictly regional analysis to become very flawed and based on different assumptions being made by the regional assessment projects while in the end the markets being affected by BZ re-configurations are truly pan-Europe (EU plus) in scope.

ENTSO-E presents the Nordic situation and the press release published last week. Changes are going to be evaluated in Sweden and Norway, for FI and DK no additional internal structural congestion versus before is detected. The Nordic TSOs plan to further analyse given BZ scenarios, which is not yet representing a commitment to implement.

Europex criticizes that there is no scenario where TSOs test fewer bidding zones. In the greater Stockholm area, there is no flexible production or any significant consumption flexibility so not sure how a bidding zone could be working. ENTSO-E explains they plan to analyze a merger of BZs SE3 and SE4 in Sweden, but also to create a new one within current SE3. for the Stockholm area.

GEODE suggests discussing different options with stakeholders in an earlier stage. BZ review should consider TYNDP and sensitivity analysis. ENTSO-E responds they followed the given process. Norway published a long-term market analysis, addressing these issues. Consultations will take place during the preparation/approval. Nordics already received comments, e.g. on financial market/hedging.

EFET suggests the term social welfare could be misleading and e.g. total dispatch costs could be clearer. They would like to see how the assessment of hedging costs will be done.

ENTSO-E reminds the next step is the submission of the BZ package by 4 October. ENTSO-E will engage in discussions and supports full transparency. As learning from the last BZR, simplification and flexibility are needed, they expect the regional way gives higher chance to complete the study. ENTSO-E will provide the methodology for the EU BZR and the methodology for regional studies together in one recommendation to All NRAs.

GEODE assumes that if Central EU TSOs are not able to agree on configuration, NRAs wouldn't be neither, so the issue may go to ACER. ENTSO-E expects that the package for NRAs will be published.

EFET points to their position paper published yesterday. They request an analysis of the results from splitting the DE/AT BZ and the effects on the CZ, PL, AT, DE borders and loop flows and any take aways for future decisions.

ENTSO-E confirms that there is more capacity available on the borders and fewer loop flows. EFET further asks about the concrete situation on all borders after DE/AT BZ split.

→ ACER will contact respective NRAs, potentially include the topic for next MESC.

In the absence of time, Eurelectric points to their [prepared presentation](#) on this item, raising on the one hand legal doubts on the regional approach with regional governance chosen by ENTSO-E, and the lack of formal stakeholder involvement, and counter-proposing a high-level way-forward for consideration for the BZR which emphasizes inter-alia on a pan-European/central governance, and a synergy of a model and expert based approach.

ACER voices that they share Eurelectric's concerns on both the regional approach proposed by ENTSO-E/TSOs, and the lack of formal stakeholder involvement. To this end, they ask ENTSO-E/TSOs to formally involve stakeholders and consider even delaying the submission of their proposal.

#### **5.8 EC's study on ID market design (Markela Stamati, EC)**

The EC reminds their study published in February on ID market design including the frequency of auctions. Their consultant recommended 8-10 auctions per day, TSOs' proposal and eventually ACER decision opted for less. The EC has no intention to change what has been agreed by ACER.

Eurelectric presents their slides on intraday market design. They remind their concerns related to the combination of auctions and continuous market. The EC confirms that the plan is to stick to ACER decision on intraday capacity pricing.

NEMOs state that there is a solid legal basis in CACM and ACER's decision on ID capacity pricing, setting up IDAs aside the continuous trading, e.g. based on systems and algorithms used for SDAC. NEMOs and TSOs work together on the definition of HL market design and following implementing processes. The Spanish NEMO praised model both. The EC reminds that the target model was not limited to continuous trading but CACM required capacity pricing and reminds that complementary regional auctions are also possible.

#### **5.4. Update on SDAC (Rafael Gomez-Elvira, SDAC NEMO co-chair)**

NEMOs update on the coupling of the MRC with the 4MMC. They finalised the high-level market design and reviewed a roadmap. Testing phase is foreseen to start in May 2020 and testing phase between MRC and 4MMC in June; Go-live around Q3 2020. The testing phase for the Italian border extension, coupling Italy and Greece should begin March 2020 for go live in October 2020. The EC appreciates that the last borders are to be included. They ask to not have delays. Also, the Greek/ Bulgarian border should be included asap.

#### **5.5 Update on lessons learned from decoupling (Rafael Gomez-Elvira, SDAC NEMO co-chair)**

Nemos inform that discussion on next steps and plans for training are discussed but there is no concrete action plan yet. They inform that changes to operational deadlines were reassessed carefully to allow more time for calculation.

→ NEMOs to present concrete way forward in the MESC in December.

#### **5.6 Update on NEMO's activities**

##### **MNA implementation (Rafael Gomez-Elvira, SDAC NEMO co-chair)**

NEMOs explain that the go live of Nordic region MNA was postponed to mid Feb/March. It was decided to take on board Nasdaq. Based on the first learnings of MNA implementation in the CWE region, EFET suggests that all NEMOs publish a single, multi-NEMO aggregated bid-offer-curve for each bidding zone to ensure that all information on bids and offers is published. Otherwise confidentiality issues may lead to an absence of publication in case of small NEMOs. Furthermore, EFET asked for clarity about what would be the basis for the Nordic System Price after multi-NEMO implementation. For the latter question Rickard confirmed Nordic System P in the Nordics and it has been agreed to enable for that in the byRemit Forum and needs to be discussed in the market monitoring unit. OMIE further explains that it is difficult for NEMOs to compete and cooperate, and that NRAs approved Nordic MNA.



On a direct question from EFET it was stated by Rickard that Nord Pool & EMCO agrees with the EFET proposal on BZ bid-offer-curve, thus advocates for showing the aggregated and anonymized all NEMO bid-offer-curves per Bidding Zone in CWE for publication. What the view of other NEMOs in CWE is on this matter was not known by Rickard whom therefore suggested that EFET asks that question also to the other NEMOs in CWE. NEMO Committee Chair explains that, according to legal provisions embedded in the DA and ID operational agreements, for each NEMO the access to the anonymized orders of other NEMOs is limited to the operational staff, with the aim to support effective management of operations. Even Market monitoring units don't have access to anonymised bids. It is hence confirmed that NEMOs will take up the request to assess its feasibility, but such solution if ever would anyway require changes in existing governance regimes and so would require some time. They explain this has also been discussed in ACER's Remit Forum NEMOs further explain that it is difficult for them to compete and at the same time to cooperate, and that NRAs guidance is required. CWE TSOs answers that it is not easy, but it is well possible, as proven by the CWE region, so there is no reason to question a competitive approach E-control reminds the CACM GL does not require that NEMOs are separate entities. In Austria, it is for instance only required that they have separate bank account. NEMOs to be re-designated by December. The NEMO Committee registered the EFET request. They will discuss it internally and come back to market participants at the MESC meeting in December.

EFET further asked how the Nordic system would be calculated in case more than one NEMO is active in the region. NEMOs confirm that the Nordic system price is calculated on all bids and offers received by all relevant NEMOs.

➔ NEMOs report back to MESC

#### **NEMO update (Cosimo Campidoglio, NEMO committee)**

NEMOs update.

Eurelectric understands that CACM requires a move towards 15-minute DA and ID products, but the XB Market Time Unit for market coupling needs to be equal to the largest Imbalance Settlement Period (ISP) of two neighboring countries. Eurelectric questions the impact if neighboring countries have different ISPs. They propose that cross product matching within continuous ID could help. NEMOs highlight that cross-product matching especially between bidding zones is a very challenging, not yet implemented, requirement for SIDC that is based on continuous trading. For SDAC which by definition requires cross matching of all products and considering of all grid constraints within and between bidding zones in a simultaneous (implicit auction) calculation process there is currently a performance challenge to combine that with shorter and possibly different ISP's per BZ. Therefore, those aspects are part of the R&D plans for respectively SIDC and SDAC.

➔ Feedback to be given in MESC.

#### **5.7 Update on XBID (Karol Nicia; NEMO Committee)**

NEMOs update. Go-live of 2<sup>nd</sup> wave XBID planned for 19 November 2019.

ENTSO-E understands that monopolistic NEMOs need to sign an agreement with the transit shipper before the go-live of XBID. NEMOs confirm this, acknowledge the challenging task and confirm that processes are in place to achieve it.

EFET asks about news on the inclusion of Slovakia. ACER informs about some exchanges between EC and Slovakia. The reason for Slovakia's reluctance seems to be that the project is not yet the official single ID coupling (no inclusion in 2019).

ENTSO-E points out the risk that if the transit shipping issue is not solved, the 2<sup>nd</sup> wave of joining TSOs could be limited to few borders.

#### **6. Aob**

Eurelectric asks for using the active library for T&Cs for Balancing. ENTSO-E reports that this is in the pipeline but will not be able to force TSOs to use it.