

Conclusions of the 48th ECRB EWG meeting

Location: Hotel Europa, Sarajevo

23 Oct 2019 (09:00h – 17:30h)

Meeting material published at: <https://www.energy-community.org/events/2019/10/EWG.html>

1. Agenda and Conclusions

Agenda of the meeting has been approved with no remarks at the meeting.

Conclusions from the previous meeting are approved with an inclusion of AERS statement on TF4 G-component and attachment on position on ECRB Recommendation on CCC. The amended document will be uploaded as final.

2. Outlook on Energy Community activity

a). ECRB Section informed the members that at the last ECRB plenary meeting it was agreed to have a procedure on approval of documents at Working Group level before submission for approval at ECRB. ECRB CWG agreed for simple majority, without requesting the positive approval by the EC.

- This was proposed to the EWG as an option. NERC proposed qualified majority, while AERS proposed the consensus as the best solution, so that the issues and disagreement are not transferred to the ECRB. ERC agrees that consensus is the best, however at some point of time an agreement should be reached, and deliverables sent to ECRB. SERC agrees that consensus is ideal but we need to agree on fallback. ERO proposes simple majority in the cases where there is no consensus. The same view, as ERO, were stated by ERE and ANRE.
- ECRB EWG agreed that consensus should be aimed, but the reserve procedure for case the consensus could not be met on time, and in order to meet the deadlines for deliverable to ECRB could be used, voting on the basis of qualified majority (2/3 of the present at the meeting with 2/3 quorum; all by email), adding an extra annex with full explanation of the reasons why the consensus could not be met; such combined decision procedure will be proposed.
- ECRB meeting material: <https://www.energy-community.org/events/2019/10/ECRB.html>

Actions and conclusions:

- ECRB EWG agreed that consensus should be aimed, but in order to meet the deadlines for deliverable a fallback process, voting on the basis of qualified majority (2/3 of the present at the meeting with 2/3 quorum; all by email) will be proposed to the ECRB.
- ECRB Section to circulate two documents to the EWG members: (1) Derogations paper for the Connection Network Codes; and (2) Draft Law/template on REMIT that is developed by the ECS for Albania
- ECRB EWG will aim to distribute an early draft of the agenda(s) as early as possible together with invitation.

b). ECRB Section informed the EWG that at the last PHLG meeting in September, EC presented a diagram of processes related to reciprocity and a draft Procedural Act on the exchange of information and cooperation between the European Commission, the Secretariat and the Contracting Parties in the fields of compliance with Treaty obligations and the reciprocity mechanism.

EC is targeting a principle agreement as soon as possible, so that they run internal procedures and have a formal adoption in an informal Ministerial Council some time mid-2020.

PHLG meeting material: <https://www.energy-community.org/events/2019/09/PHLG.html>

c). ECRB Section informed the EWG on Regulatory School past events and the planned ones. Also noted that the programme for 2020 is being finalised and invited EWG members to submit any specific topic to be considered for the next year's programme. ECRB EWG members are invited to provide input by the end of October.

d). ECRB Section presented the draft results of the TA launched by ECS regarding System Adequacy and Capacity Mechanism. Slides are available as the meeting documents.

3. General update on WB6 activities

ECRB Section informed EWG that the WB6 TA will end soon and the final meetings under the TA will be on 5th (afternoon WB6 panel) – 6th (PSCs) December 2019, Montenegro. The process will continue including also the work of PSCs, however meeting frequency, organisational aspect, etc. will be discussed and agreed at the last meeting.

All final reports from the TA will be published.

Actions and conclusions:

- Conclusions from the last meeting remain the same:
 - EWG input to DAMI PSC: DAMI PSC should update the roadmap. The updated roadmap should reflect the real commitment of stakeholders to work under certain coupling project.
 - EWG input to X-Border Balancing PSC: X-Border Balancing PSC should update the roadmap on implementation of x-border balancing projects.

4. TF1 – Wholesale market opening

a). Update on CACM and FCA implementation in EU

The TF1 Leader provided a very detailed update on the implementation of CACM in the EU MSs covering the period June – September 2019.

EWG appreciated the detailed presentation. Slides are uploaded as meeting material.

Actions and conclusions:

- TF1 Leader will provide a further update at the next meeting, subject to the approval of work plan.
- In addition, the TF1 Leader will provide additional information on ACER monitoring procedure for the 70% requirement and on co-optimisation of day-ahead and balancing cross-border capacity.

b). Joint ECRB-ACER workshop on CACM

ECRB Section informed EWG members that the ECRB-ACER workshop is confirmed for 5 (afternoon) – 6 (morning) November 2019 and will be held in Vienna at the premises of ECS.

Actions and conclusions:

- ECRB Section to distribute the draft agenda while the final agenda will be uploaded once the speakers are confirmed by the ACER TF CACM.

c). NEMO designation in the Contracting Parties and the role and responsibilities of NEMOs and TSOs – state of play on CPs

ECRB Section noted that, the message from EU MS (Italy primarily) that the minimum condition for market coupling is NEMO designation in the CPs.

EWG members were invited to report on the state of play regarding the establishment of PX on their national market and with regards to implementing the ECRB Recommendation on NEMO designation.

- ERE (Albania): Council of Ministers Decided on PX establishment is approved. The ECRB Recommendation needs to be considered in setting the licensing requirements.
- SERC (Bosnia and Hercegovina): No developments on this respect so far.
- GNERC (Georgia): Market operator will be established and will be licensed by GNERC, but due to specific situation of Georgia no need to specific designation as NEMO.
- ERO (Kosovo*): Issues related to operation of Kosovo* market delay the process.
- ANRE (Moldova): The PX/MO needs to be established by the Government.
- REGAGEN (Montenegro): Currently there is an ongoing gap analysis of legal and regulatory framework related to enabling PX operationalisation, and solution for NEMO designation is only one of the elements that should be defined in this package. The option which is considered is an act by the Government.

- ERC (North Macedonia): According to the Law, TSO has the obligation to establish the MO. End of September ERC issued the license which entered into force as of 1 October. Government issued a draft decree regarding the NEMO conditions that the MO needs to fulfil (based on ECRB Recommendation). The decree is expected to be adopted very soon. Once approved the MO needs to submit to ERC data and documents (proof) on fulfilling the criteria and after reviewing of materials will recommend to Government to designate the MO as NEMO as one option from the Law.
- AERS (Serbia): AERS does not have mandate to designate NEMO as such. AERS licensed SEEPEX, but the Energy Law should change to enable AERS to designate SEEPEX as NEMO. This is the view of the Ministry as well.
- NERC (Ukraine): Currently there are issues with decision-making powers of the Regulator, so for now no feedback on NEMO designation. Also changes to the market model require some time to achieve sustainability.

Actions and conclusions:

- EWG members to provide a follow up update at the next meeting.

d). Follow up Coordinated Capacity Calculation (CCC)

ECRB Section informed the EWG that the ECRB Recommendation on CCC is being consulted with EU NRAs and already received some feedback by Bulgarian, Greek and Italian NRAs.

AERS noted that it provided written remarks and reiterated that AERS cannot realize the proposed Decision as it goes beyond its obligations and authorization, prescribed by the Energy Law in Serbia.

AERS informed about an activity under AIMS project “Precondition Analyses”, which includes an initiative for coordinated capacity calculation under ENTSO-E activities and based on bilateral TSO-TSO agreements, supported by Italian TSO and NRA (TERNA, ARERA) and involved CPs TSOs and NRAs (Albania, Montenegro, Serbia).

As a compromise solution the EWG Chair proposed that the ECRB recommendation should be amended into a recommendation for the TSOs rather than a decision.

Actions and conclusions:

- ECRB Section will amend the text accordingly and provide references to the CACM articles considered in the decision and submit it to the EWG members for comments. EWG members are invited to provide comments in 15 days.

5. TF2 – Balancing

a). Update on the state of Balancing Guideline in EU

The TF1 Leader covered an update on the state of play with implementation of GLEB in the EU MSs, noting the key issue.

EWG appreciated the detailed presentation. Slides are uploaded as meeting material.

Actions and conclusions:

- TF1 Leader to provide a further update at the next meeting, if possible.

b). Update on the x-border balancing project (WB6 TA)

ECRB Section presented the high-level results from the TA on cross-border balancing projects under WB6 initiative. High-level results show significant level of benefits.

Actions and conclusions:

- To consider this matter for potential early implementation through an ECRB recommendation/support.

6. TF3 – SEE Market Monitoring

a). Follow-up on SEEAMMS Activity Report

TF3 Leader reported on the ongoing processes. Montenegro TSO turn to administer the SEEAMMS. The feedback rate is low. In this respect, discussions on how the 70% criteria from the CEP could be included in this SEEAMMS activity.

Actions and conclusions:

- TF3 Leader proposed and EWG agreed to have the report developed on annual basis rather than bi-annually. As agreed in the previous meeting.

b). Information on transparency template to be published and regularly updated

ECRB Section presented to EWG members an excel format with the data set published and the link. Such spreadsheet will be developed for the publication on the ECS web page. This format will be submitted to the EWG for approval.

AERS proposed to add another sheet on the reasons for not publication, an explanation for non-applicability and expected plan-deadline for publication.

Actions and conclusions:

- Update the spreadsheet and submit it to the EWG members requesting comments within 15 days. NRAs should update the spreadsheet as necessary, add the contact persons from the TSOs and NRAs and add the reasons for non-publication and plans when the data set will be published, as well as an explanation for non-applicability where applicable.

c). Activities on Wholesale Electricity Market Monitoring in the CPs (based on ACER MM Indicators only)

TF3 Leader submitted the questionnaire and feedback is missing by most of the NRAs. AERS informed the EWG that it had partly accomplished template and the remaining data seems burdensome for the TSOs to extract and submit. In the next three weeks, AERS expects to provide the complete data. The fall-back for AERS is to send the partially completed template. ERC and ERO requested from TF3 Leader to re-send the template again to EWG members. ANRE cannot provide all the data, but will see what they can do.

Actions and conclusions:

- TF3 Leader will send a reminder to EWG members including also the questionnaire.
- EWG members are invited to send feedback within 3 weeks, by 15 November 2019 latest.

7. TF4 – Monitoring of transmission charges based on R838/2010

a). Evaluation of the annual average transmission charges paid by producers

TF4 Leader provided a high-level background of this task referring to activity conducted by ACER, which did not include CPs. The aim is to have an overview of annual average transmission charges (as defined by R838/2010) paid by electricity producers in CPs. The questionnaires were submitted to CPs and Moldova is still to provide the feedback.

TF4 Leader presented the preliminary outcome of the report. Slides will be uploaded as meeting material.

Actions and conclusions:

- TF4 Leader to submit the questionnaire and reminder to ANRE and ANRE to send the completed questionnaire back.
- TF Leader to submit the draft report by 25 October 2019 inviting EWG members to provide comments by 7 November 2019.

8. ECRB Work Plan 2020

EWG Chair opened the floor for discussions of the tasks that can be introduced as the new or amendments to existing tasks for 2020.

Proposals:

1. Network codes and guidelines
 - a. Update on EU developments
 - b. Regulatory input on adaptation of market network codes and guidelines

- c. Regulatory input on WB6 initiative
 - d. ACER-ECRB workshops
2. Market Monitoring (SEEAMMS yearly reporting, online transparency publication, Monitoring in line with ACER).
3. Investments
 - a. Cooperation with MEDREG and CEER – jointly work on a report on investment climate.
 - b. Cybersecurity – regulatory input on CSCG (Cybersecurity Coordination Group), in particular on the issue of costs related to cybersecurity.
 - c. Network (TSO and DSO) development plans & generation adequacy
4. RES integration into electricity market / balancing mechanism, support schemes applied.

Actions and conclusions:

- ECRB Section will send a draft Work Programme by 30 October 2019 and invite EWG members to provide comments by 8 November 2019.

9. Update on Georgian Capacity Mechanism

GNERC presented the scheme of capacity mechanism applied in Georgia as defined by the Georgian Law on Energy.

Slides uploaded as meeting material.

10. Update on the state of play of electricity market in Kosovo*

ERO presented a state of play in the electricity market in Kosovo*.

Slides uploaded as meeting material.

11. AOB

No other issues discussed

12. Next meeting

The next ECRB EWG meeting is proposed for 2020:

1. Vienna, 11 February 2020

2. Athens, 3 June 2020 (2 June 2020 Regulatory School; 4 June AF)
3. Vienna, 3 November 2020

List of participants

[Name, SURNAME (Organization)]

Nina GRALL-EDLER (ECRB Section)

Arben KLLOKOQI (ECRB Section)

Milica KNEŽEVIĆ (Chair/REGAGEN)

Zviad GACHECHILADZE (Deputy Chair/GNERC)

Elizabeta ARSOVA (ERC)

Elena KOLEVSKA (ERC)

Rifat BLAKAJ (ERO)

Bledar QIRA (ERE)

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Almir IMAMOVIĆ (SERC)

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Lilian BARCARU (ANRE)

Salvatore LANZA (AEEGSI) – via phone