

**63rd ACER Board of Regulators Meeting
Wednesday, 25 January 2017, 11.00 – 16.00
CEER premises**

Minutes final

Member States	Name ¹	Member States	Name
Austria (E-Control)	M: Wolfgang Urbantschitsch O: Vera Gusenbauer	Italy (AEEGSI)	A: Clara Poletti O: Ilaria Galimberti
Belgium (CREG)	M: Marie-Pierre Fauconnier A: Koen Locquet O: Geert Van Hauwermeiren O: Tom Maes	Latvia (PUC)	O: Lija Makare
Bulgaria (EWRC)	O: Svetla Todorova	Lithuania (NCC)	M: Inga Žilienė
Croatia (HERA)	M: Tomislav Jureković A: Sonja Tomašić Škevin	Luxemburg (ILR)	M: Camille Hierzig
Cyprus (CERA)	M: Andreas Poullikkas	Malta (REWS)	O: Marjohn Abele
Czech Republic (ERO)	A: Martin Sik O: Kateřina Firlová	Netherlands (ACM)	A: Remko Bos O: Maarten Klijn
Denmark (DERA)	M: Finn Dehlbæk	Poland (URE)	A: Małgorzata Kozak
Estonia (ECA)	A: Külli Haab	Portugal (ERSE)	O: Natalie McCoy
Finland (EV)	A: Antti Paananen	Romania (ANRE)	O: Florin Tobescu
France (CRE)	M: Helene Gassin O: Aude le Tellier	Slovakia (RONI)	O: Marián Parkányi
Germany (BNetzA)	A: Annegret Groebel	Slovenia (AGEN-RS)	M: Bojan Kuzmič O: Duška Godina
Greece (RAE)	M: Sotirios Manolkidis	Spain (CNMC)	M: Fernando Hernández
Hungary (HEA)	A: Attila Nyikos O: Tamas Gyarmati	Sweden (Ei)	M: Anne Vadasz Nilsson
Ireland (CER)	M: Garrett Blaney	United Kingdom (Ofgem)	M: John Mogg (BoR Chair) A: Mark Copley O: Dermot Nolan

¹ M: Member – A: Alternate – O: Observer

ACER	Alberto Pototschnig, Fay Geitona, Sean Hennity
European Commission	Adriano Addis
CEER	Andrew Ebrill

Draft MEETING CONCLUSIONS SUMMARY

- 1) *The minutes from the 62nd BoR meeting were approved. As was the agenda for the 63rd meeting.*
- 2) *The Director updated the BoR on the Agency's recent publications; in particular the views of stakeholders on contractual congestion at gas interconnection points and the ACER Opinion on gas network developments. He informed the BoR on the ACER plans for the next edition of the Market Monitoring Report including the reduction of the scope of the retail market chapter in the light of the overall discussion on reprioritisation of the ACER activities to address resources constraints. He also informed the BoR on the latest appeal requests.*
- 3) *Mr Addis provided an update on the next steps on the EC's new energy market design proposal – Clean Energy for all Europeans. Some final proof reading will be undertaken to ensure consistency between all the acts (the EC proposals for amendment of the two Regulations (ACER and Electricity) and the Electricity Directive (including the proposal on RES and the governance); a second version of the proposals will be released shortly. The discussion on the Council will start in the first half of the year with the view to increase awareness of the proposals starting with a presentation of the EC's impact assessment next week.*
- 4) *The BoR received an update on the next steps to the revision of the ACER 2017 work programme (WP). The revision for the WP 2017 will essentially align the human resources foreseen in the WP adopted by the AB in September to the effective resources approved by the budgetary authority in late 2016. The proposal by the Director on the revision of the ACER 2017 work programme will be submitted to the BoR for approval through electronic procedure. The BoR agreed to the use of the electronic procedure for the approval of the 2017 WP.*
- 5) *The 2018 Programming Document (PD), as well as the 2018 budget was submitted for endorsement and a BoR opinion, respectively, through electronic procedure on 13 January (in a single round). The BoR took note of the outcome of the electronic procedure. By the deadline, 18 January, 26 members participated in the EP and all endorsed the PD and supported the proposal for the budget. On 19 January, the Director wrote to the AB to invite them to adopt the draft PD 2018-2020 in order to finalise it for submission to the Institutions by 31 January.*
- 6) *The BoR was informed of a meeting held on 11 January in AEEGSI, Rome to discuss the revision of the AWGs RoP. The BoR note took note of the statement from the Director: In light of the comments at the November meeting and of the discussion in Rome, the Director has come to the view that currently the conditions do not exist to proceed with a consensual comprehensive revision of the RoP and it may be more appropriate to wait for the outcome of the legislative process before proceeding with a revision of the RoP. The participation of third countries in the AWG, initially expected to be governed by the revised RoP, will be dealt by a specific Director's Decision.*

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| 7) <i>The Chair informed the BoR that the call for nominations for the Chairs of the AEWG and AIMP was suspended due to a consideration of restructuring of the CEER WGs which will be initiated. The BoR</i> |
| 8) <i>thus recommended to the Director the extension of the terms of the current AEWG and AIMP Chairs for this period. The Director noted that he will take account of the BoR recommendation; he also informed the BoR on his initial thoughts on the future role of the activities of the AIMP and whether those should be better undertaken under the CEER Working Group. The members outlined the value of the discussions at the AIMP even where the views are diverging and pointed to the role of the AWGs vis a vis the Director as well as the BoR.</i> |
| 9) <i>The joint ACER and CEER conference “Towards the Future-proofed EU energy market design” took place on Monday 23 and 24 January 2017 in the Albert Borschette Congress Centre, Brussels. EC Vice President Šefčovič, Commissioner M.Arias Cañete, the EP ITRE Chair Mr J. Buzek and Mr N. Kerr from the Council Presidency attended the event alongside many European stakeholders. The conference was attended by over 300 participants with approximately 1000 accessing it through a web-streaming service over the 2 dates. The overview paper “Initial Reactions to the European Commission’s proposals on Clean Energy” has been adopted following its BoR endorsement through electronic procedure, and was submitted to the 8 weeks EC’s feedback-consultation. It has been released on 23 January along with a press release.</i> |
| 10) <i>The AMIT WG chair presented the latest update on the ongoing work on REMIT implementation and operation. In respect of national implementation, a questionnaire is now being finalised to be sent soon. The next AMIT WG will be held on 20 February. The Director also informed the BoR that the Agency’s market surveillance solution SMARTS and the data sharing solution are currently being further stabilised, under ongoing resource constraints. The Director also informed members that amongst the AMIT priorities in 2017 will be the further stabilisation of the Agency’s REMIT Information System (ARIS), the migration of the ARIS hosting environment to an in-house solution, the procurement of all expired framework contracts for REMIT IT and the improvement of data quality. The AMIT WG chair also updated on the latest discussion on financial legislation. The Director informed the BoR that ACER has received a number of requests from NRAs for access to data in respect to events that they are investigating and that any data sharing is subject to certification that NRAs can comply with the requirements for data sharing. However, in parallel, ACER is glad to have NRAs’ experts visiting ACER’s office in Ljubljana to access the data on site.</i> |
| 11) <i>Mr Hernandez provided an update on the ongoing work of the AEWG and on the latest progress on network codes discussions and adoption in Comitology. In respect of the Balancing Guidelines there are 2 meetings scheduled in February and March. Mr Addis mentioned that, as balancing provisions are also touched upon in the Market Design proposal, and as discussion of the two will now overlap, the EC cannot rule out that the negotiation process may lead to some of the provisions on balancing being shuffled between the EC Market Design proposals and the Guidelines.</i> |
| 12) <i>The Agency’s list of relevant information to be communicated by ENTSO-E to monitor the implementation of the RfG Network Code was endorsed by the BoR (by consensus of the members represented). The BoR Chair suggested adding an item on enforcement/compliance with the Agency’s opinions/decisions in the agenda for the next BoR).</i> |
| 13) <i>The ACER Opinion on the ENTSO-E Winter Outlook Report 2016/2017 and the Summer Review 2016 was given the favourable opinion of the BoR (by consensus of the members present or represented).</i> |

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| <p>14) <i>The Director provided an update on the ACER Opinion on the updated ENTSO-E Manual of Procedure for the Transparency Platform. In the Agency's view, the MoP correctly addresses the major concerns raised by stakeholders (e.g. during the users group, ETUG meetings). Nevertheless, further improvements in the Transparency Platform, hence in the MoP, will be necessary in the near future. The BoR took note of the ACER Opinion.</i></p> |
| <p>15) <i>The AGWG Vice Chair provided an update on the ongoing work of the AGWG. He provided an update on the Quo Vadis study, a status update on the tariffs network code and the preparations for the EIP paper.</i></p> |
| <p>16) <i>The AGWG vice chair provided an update on the gas target model self-assessments and the summary of feedback to the internal survey (from 14 countries received so far). The next steps include the preparation of the report on the status of self-evaluations/ summary of the findings of the self-evaluations on which a draft for discussion will be submitted to the AGWG in February. The NRAs which have not yet provided their feedback have committed to do so shortly.</i></p> |
| <p>17) <i>The ACER Director presented to the BoR the draft Annual Regional Initiatives Status Review Report. This report presents the results from the monitoring of the status and the activities carried out by the two active gas regions that are part of the GRI structure: the South GRI and the South South-East GRI (the SSE GRI). The draft report will be finalised for publication possibly by the end of January, even though the exact date is still to be confirmed.</i></p> |
| <p>18) <i>The AGWG vice Chair provided an update on the Quo Vadis discussion papers and informed the BoR on the letter sent to the EC. The letter stressed that a sound problem identification would need to be carried out before proposing any regulatory amendment that would significantly affect the market design and makes a series of remarks. The BoR was keen to discuss further the issues raised by the study (on the need for the gas market design) given it has a broader impact and there are links with the Winter Package. Members noted the importance of avoiding putting on the same footing ACER/regulators and other stakeholders responding to the consultation. It was agreed that the Task Force Chairs will present these initial views to the workshop on 30 January organised by the EC.</i></p> |
| <p>19) <i>The ACER Opinion on the Adoption of Common Network Operation Tools by ENTSOG was given the favourable opinion of the BoR (by consensus of the members present or represented).</i></p> |
| <p>20) <i>The AIMP WG chair provided an update on the ongoing work of the AIMP WG and its Task Forces including of the next meeting of the Market Monitoring TF which will discuss a skeleton for the future edition of the MMR.</i></p> |
| <p>21) <i>The BoR discussed the ACER Opinion on the ENTSO-E draft TYNDP 2016. Ms Groebel suggested including in a footnote that for the projects which are not in the NDPs but are proposed to be included in the TYNDP, the ENTSOG should consult with the NRAs (given that BNETZA is amongst the NRAs which approve the NDP). The Director clarified that in such a case he would need to withdraw the opinion and resubmit it to the BoR. The ACER Opinion on the ENTSO-E draft TYNDP 2016 was given the favourable opinion of the BoR (by the majority of the members present or represented).</i></p> |

Part A: Items for discussion and/or decision

1. Opening

1.1. Approval of the agenda

BoR Decision agreed: (D 1)

The agenda was approved.

1.2. Approval of the minutes of the 61st BoR meeting

BoR Decision agreed: (D 2)

The 62nd BoR minutes were approved.

2. Update from the Director

2.1. Update on recent developments

- ACER

The Director updated the BoR on the recent ACER publications. On 15 December, ACER published its views on stakeholders' responses on indicators for contractual congestion at gas interconnection points. On 21 December, ACER published its opinion on gas network developments.

2.2. The Director also informed the BoR on the appeals received against the Capacity Calculation Regions Decision.

The Director informed the Board about the plans for the preparation of the next edition of the Market Monitoring Report. Given the overall 2017 Work Programme reprioritisation discussion due to resources' constraints, ACER is considering how to shape each of the MMR volumes. The main wholesale electricity and gas markets volumes remain crucial and there is not much room for reducing their scope. Thus the broad analysis of the wholesale volumes will be maintained. The consumer volume is being prepared mainly on the CEER side and, therefore, does not greatly affect ACER resources. This points to the need for reduction of the retail markets volume. ACER is currently considering a significant de-scoping of this volume and the possibility that this should cover maximum 10 pages. In organisational terms, the same process will be followed in respect of the involvement of the AEWG and AGWG and CRM and the joint Task Force on Market Monitoring. In terms of its publication, we shall aim to release the report at the end of October and we still consider whether we publish the volumes at different times. ACER will continue to collect data on all analyses, so that in the future and if granted more resources, it will be able to use the information.

Lord Mogg reported on the meeting on 12 January with the EC and ENTSOs on the codes and the plans of the EC to organise an event to accumulate experience from the codes, possibly with a training and the organisation of a celebratory event perhaps in May.

Mr Nolan introduced again himself to the BoR and mentioned the current and future challenges OFGEM is facing. He stressed that despite the obvious uncertainties about Britain's future relationship with the EU, OFGEM will continue to play an active part in ACER and CEER activities.

Mr Blaney also noted the major implications for Ireland and the need to set out a common approach along with other (neighbouring) countries which are significantly affected.

- EC (Clean energy Package)

Mr Addis provided an update on the next steps on the EC's new energy market design proposals – Clean Energy for all Europeans. Some final proof reading will be undertaken to ensure consistency between all the EC proposals for amendment of the two Regulations (ACER and Electricity) and the Electricity Directive (including the proposal on RES and the governance); a second version of the proposals will be released shortly and will be sent to translation. The discussion in the Council will start in the first half of the year with the view to increase awareness of the proposals and identify the problems starting with a presentation of the EC's impact assessment next week. The second half of the year the discussion will focus on the substance of the Articles.

3. ACER cross-sectoral activities

3.1. Next steps on the revision of the ACER work programme 2017

The Director informed the BoR that the revision for the WP 2017 will essentially align the human resources foreseen in the Work Programme adopted by the Administrative Board in September to the effective resources approved by the budgetary authority in late 2016. This has led to a reprioritisation of the activities and is a matter that the HoDs are currently looking into but it is not ready yet. The Director hopes to submit soon his proposal for the revision of the ACER 2017 work programme to the BoR for approval through electronic procedure.

The BoR agreed the use of electronic procedure in 2 stages for the approval of the 2017 ACER revised WP.

3.2. Draft Programming Document 2018-2020 and draft 2018 budget – Outcome of the BoR Electronic Procedure

In line with the new requirements of the Framework Financial Regulation, ACER must submit its draft Programming Document (PD) 2018-2020 to the institutions by 31 January 2017. The PD, as well as the 2018 budget was submitted for endorsement and a BoR opinion, respectively, through electronic procedure (EP) on 13 January (in a single round). By the deadline, 18 January, 26 members participated in the EP and all endorsed the PD and supported the proposal for the 2018 budget. A note on the outcome of the EP is circulated for information.

On 19 January, the Director wrote to the AB to invite them to adopt through written procedure the draft PD 2018-2020 which ends on 25 January in view of its submission to the institutions on 31 January. The EC has already remarked that it does not object to the PD.

3.3. Update on the ACER Working Groups, Rules of Procedure revision – joint statement

The Director reported on the meeting which took place in AEEGSI, Rome on 11 January with AWG chairs with the purpose to reach a common understanding on the goals, objectives and specific roles of the ACER Working Groups, in the light of the previous discussions (Bled and BoR Summit). He reported that the participants had a constructive discussion on the key goals of the AWGs including the specific roles and responsibilities. In this respect, the participants in the meeting in Rome agreed that the current RoP might still be adequate to support the cooperation between the Director, the Agency's staff and the NRAs' experts in the AWGs. Therefore, the Director will not proceed at this stage with a revision of the RoP. The participation of third countries in the AWG, which was expected to be governed by the revised RoP, will be dealt by a specific Director Decision.

Lord Mogg noted that the Court of Auditors is still interested in the efficiency of resourcing of ACER.

3.4. Next steps on BoR Recommendation to the Director on AEWG and AIMP Chairs

The Chair informed the BoR that the call for nominations for the Chairs of the AEWG and AIMP was suspended due to a consideration of restructuring of the CEER WGs which is being initiated. The BoR thus recommended to the Director the extension of the terms of the current AEWG and AIMP Chairs for this period. The Director noted that he will take account of the BoR recommendation. He also informed the BoR of his initial thoughts/concerns on the future role and the activities of the AIMP.

Mr Locquet and the members expressed concerns about the reasoning presented and outlined the value of the discussions at the AIMP even where the views are diverging. In their view, this allows a constructive dialogue and engagement of the WG. They also pointed to the role of the AWGs vis a vis the Director as well as the BoR.

The Director is still considering the optimal way to proceed. He intends to discuss further with the AIMP WG Chair and colleagues on the best way to proceed.

Lord Mogg invited the Director to have further consideration with regard to his decision.

4. Joint ACER-CEER Conference – Towards a Future-proofed EU Energy Market Design

4.1. The joint ACER-CEER event on the Energy Market Design

The joint conference took place on 23 and 24 January, afternoon and morning respectively, in Brussels. The conference included keynote speeches from VP Sefcovic, Commissioner Arias Cañete, EP ITRE Chair J. Buzek, and panelled discussions with the EC, Eurelectric, BEUC, ENTSO-E/G, IFIEC etc.

The BoR Chair commented that overall the joint ACER/CEER conference was a great success. Attendance was high with over 300 participants in person with 627 web streaming during the first day and 475 web-streaming during the second. The panel discussions were fruitful and engaging. He

reflected on positive conversations with the speakers and panellists and thanked the ACER and CEER staff for the impeccable organisation.

The Director agreed on the Chair's comments, stating that all participants enjoyed the conference and acknowledged its great success. The conference demonstrated that regulators have an over-arching, well rounded grasp on the proposals and of the package.

4.2. The Clean Energy Package

- Update on the preparations for the reactions to the Winter Package

The BoR Chair informed members that the European energy regulators overview Paper "Initial Reactions to the European Commission's proposals on Clean Energy" was endorsed through electronic procedure on 20 January. 25 members participated in the EP - 23 endorsed and 2 abstained. Following the BoR endorsement, the paper was published alongside a press release on 23 January and was made available for the joint conference. It was submitted to the EC's feedback consultation.

Paper A was circulated to the BoR as a basis for an orientation discussion mainly confirming the comments compiled by members; along with proposals for candidates for regulatory white papers. Preparations are ongoing for the first tranche of the White Papers proposed by the AEWG which are intended to be joint ACER/CEER papers (subject to their agreement). For the rest of the candidates, a proposal must be made by each WG as to whether this should be branded as CEER only or ACER-CEER paper (depending on the area under consideration). In the latter case they will be proposed to the Director.

5. **Market Integrity and Transparency**

5.1. REMIT implementation and operation - Oral update

The Director provided an update on recent activities on REMIT implementation and operation. He informed the BoR that the data collection of the Agency continues to be working very well. The Agency's market surveillance solution SMARTS and the data sharing solution are currently being further stabilised, under ongoing resource constraints. He also informed the BoR that the main AMIT priorities in 2017 will be the further stabilisation of the Agency's REMIT Information System (ARIS), the migration of the ARIS hosting environment to an in-house solution, the procurement of all expired framework contracts for REMIT IT and improving data quality. He outlined that the main focus of this year will be data quality; working together with NRAs on that regard is very important.

The AMIT WG Chair also commented on the need for good quality data to allow for market investigations to be undertaken. There must be a broad overview of EU markets, not just patchwork monitoring. She also updated on the latest discussion on financial legislation. There is no need for double reporting. She concluded that the next AMIT WG will take place on 20 February.

The Director informed the BoR that ACER has received a number of requests from NRAs for access to data and that any data sharing is subject to certification that NRAs can comply with the requirements

for data sharing. Unless NRAs have been certified for data sharing in terms of operational reliability, ACER is not in a position to share data. However, in parallel, ACER is glad to have NRAs' experts visiting ACER's office in Ljubljana to access the data on site.

6. Electricity

6.1. Update on NC implementation and other work – presentation

The AEWG Chair reported that in respect of the Balancing Guidelines there are 2 Comitology meetings scheduled in February and March. Mr Addis mentioned that the EC has prioritised the Clean Energy package rather than the translation of the codes, though this will not delay the final approval of the last network code. The latest version of the balancing code was published on the EC website and on 9 February a meeting with the Committee will take place with the aim to have a vote on 15/16 March. As balancing provisions are also touched upon in the Market Design proposal, and as discussion as the two will now overlap, Mr Addis stated that he can't rule out that the negotiation process may lead to some of the provisions on balancing being shuffled between Market Design and the Guideline.

6.2. The Agency's list of relevant information to be communicated by ENTSO-E to monitor the implementation of the RfG Network Code

The Director informed the BoR that the Requirement for Generators (RfG) network code sets out the technical requirements that all future new electricity generators must adhere to. Article 59 of the RfG requires ACER, in cooperation with ENTSO-E, to produce a list of the relevant information to be communicated by ENTSO-E to ACER to monitor implementation of the RfG by 17 May 2017. The collection of this information is meaningful not only to NRAs but also to TSOs that need to be cognisant of the type and behaviour of system users connected to their control areas.

The BoR Chair commented of the Agency's ability to enforce compliance with the opinions and decisions set out in the network codes and Guidelines and sought some clarifications from the EC on how such cases can be pursued and enforced (including in legal terms).

The BoR Chair suggested adding an item on enforcement/compliance with the Agency's opinions/decisions in the agenda for the next BoR.

The Agency's list of relevant information to be communicated by ENTSO-E to monitor the implementation of the RfG Network Code was endorsed by the BoR (by consensus of the members present and/or represented).

6.3. Opinion on the ENTSO-E Winter Outlook Report 2016/2017 and the Summer Review 2016

The Director presented the draft Opinion. On 12 December 2016, ENTSO-E submitted to the Agency, its annual winter generation adequacy outlook report (WOR) for 2016/2017 together with the review of the main events which occurred during summer 2016 (SR) pursuant to Articles 8(3)(f) and 9(2) of Regulation (EC) No 714/2009. The WOR 2016/17 reports on the upcoming winter period, from 30

November 2016 to 2 April 2017, addressing power balances and presenting TSOs' views on matters concerning security of supply.

The Agency's draft Opinion positively notes the probabilistic assessment of potential adequacy issues, but reiterates its request to ENTSO-E further to improve it with a series of recommendations.

The Summer Review 2016 covers the period from 1 June to 2 October 2016. Several isolated issues were reported by individual countries in their transmission networks, but none of them seemed to have impacted adequacy. The Agency's Opinion reiterates its recommendation to include a comparison of the outlook forecasts with the Reviews for the same season, focusing on potential forecast errors and analysing the reasons for them.

The ACER Opinion on the ENTSO-E Winter Outlook Report 2016/2017 and the Summer Review 2016 was given the favourable opinion of the BoR (by consensus of the members present or represented).

6.4. ACER Opinion on the updated ENTSO-E Manual of Procedure for the Transparency Platform

The Director informed the BoR that on 21 December 2016 ENTSO-E, with reference to Article 5 of Regulation (EU) No 543/2013, submitted to the Agency for its opinion, the first update of the 'Manual of Procedures (MoP) for the ENTSO-E Central Information Transparency Platform'. He then presented the draft ACER Opinion which states that ENTSO-E's update of the MoP contributes to improving several aspects of the Transparency Platform and, consequently, to achieving the objectives of Regulation (EU) No 543/2013.

The ACER Opinion states that the MoP correctly addresses the major concerns raised by stakeholders (e.g. during the users group, ETUG meetings). Nevertheless, further improvements in the Transparency Platform, hence in the MoP, will be necessary in the near future. As regards openness and transparency, the Agency acknowledges the success of the ETUG initiative; however, it considers that transparency would be better served by a public consultation and recommends that future reviews should benefit from a more efficient planning of the review process.

On the structure and scope, the draft Opinion makes a number of recommendations on the three documents (such as the use of standardised and more precise definition in the definitions section; improvements in the publication of various data items; wider range of solutions for downloading data from the platform).

The Director confirmed that aspects related to REMIT implementation have been taken into account in the draft Opinion, but offered the possibility for Ms Groebel to provide feedback within a week on the above concerns.

7. Gas

7.1. Update on FGs, NCs and other work – presentation

Mr Maes provided an update on the recent activities of the gas Working group which met on 11 January. He informed the BoR that ENTSOG is preparing for the implementation of the tariffs network code. ENTSOG is preparing a handbook to be published mid-March 2017; discussing the high-level overview of the tariffs code requirements and the general timeline for implementation.

He also informed the BoR of the preparations for the EIP paper (which also is planned to be submitted to the February EWG). Most elements are agreed upon and will be taken to the next joint Infrastructure Forum in Copenhagen. The target date for its finalisation is spring.

7.2. Gas Target Model update

Mr Maes provided an update on the GTM including the progress on the self-assessments by NRAs and regarding the next steps. He informed the BoR about the summary of feedback to internal survey (14 countries received so far). The next steps include the preparation of the report on the status of self-evaluations/summary of the findings of the self-evaluations on which a draft for discussion will be submitted to the AGWG in February.

7.3. Annual Regional Initiatives Status Review Report

The Director presented the draft report which is a working document and covers the Gas Regional Initiatives (not the ERI). This report monitors the status and the activities carried out by the two active gas regions that are part of the GRI structure: the South GRI and the South South-East GRI (the SSE GRI). Recently, the creation of an autonomous Baltic Gas Region has been acknowledged. The Agency is open to involving this Gas Region in the GRI activities.

With regard to the SSE GRI, the Agency acknowledges an important role for the SSE GRI as a tool to complete the implementation of the NCs in the MSs that are lagging behind in CMP, CAM and BAL; pave the way for a smooth and early implementation of the TAR NC; foster valuable discussions involving the NRAs, the TSOs and stakeholders; gather technical expertise, to the benefit of the NRAs from EU Member States and EnC Contracting Parties who may voluntarily want to apply certain provisions of the EU energy legislation; concretely work together among EU Member States NRAs and Energy Community Contracting Parties' NRAs on gas market harmonisation and integration.

The Agency believes that voluntary implementation of pilot projects as well as explorative surveys, might bring a higher benefit, if coupled with a full implementation of the NCs by all countries in the region. Thus it plans to exploit the existing synergies between the Regional Initiatives and the NCs implementation monitoring activities.

The Director concluded that the report is currently being finalised. The aim is to issue it by the end of the month, but the date is still to be confirmed.

7.4. Response to the Quo Vadis discussion papers

Mr Maes informed the BoR about the background related to the gas market design. A letter of 16 January to the EC was circulated with comments on the discussion papers regarding the “Quo vadis” study. The aim of the study launched by the EC is to provide substantiated analysis as to whether the current regulatory framework in the EU gas sector is the most effective or whether amendments may be necessary, and if so provide recommendations.

Mr Maes informed the BoR on the main considerations in the letter. It underlines that the current situation for gas and electricity are different, gas being ahead in terms of Network Codes implementation, competition and wholesale market development. The letter noted that a sound problem identification would need to be carried out before proposing any regulatory amendment that would significantly affect the market design and makes a series of remarks, including, *inter alia*, that ACER and NRAs are generally relatively positive regarding the status of the European gas markets and that the major principles of the 3rd package have now been adopted but are not fully implemented yet. The responses of stakeholders are intended for publication on the EC website. The EC have organised a workshop to present all the responses received on 30 January. He asked the BoR if they were happy to publish the letter and if the Agency will be able to present those views at the workshop

The Director informed the BoR that the gas market design and its scope has links to the Winter Package and we must be careful. At this stage the EC often (including at the conference) has announced that proposals on gas will be only mirroring, where necessary, the electricity arrangements. However, the study implies that the gas market design might be more ambitious and the need for that is not proved.

Ms McCoy clarified that the letter is circulated for information. This is an opportunity to discuss ideas and collate them together. We were given a short deadline to handle this. The EC will be hosting a workshop on this to stage a discussion for the beginning on the process. A consultant has been identified and will begin work at the beginning of March for the study to be finished by the end of the year. If results show that necessary changes are needed a new gas package is possible, this will be done after the term of the current Commission. The EC is purely getting ideas for the discussion. The two Task Force chairs will attend the workshop on 30 January and will outline the Agency’s concerns so far. Ms McCoy also told the BoR that this information would move rapidly, with the first Gas Communication in March. The more input we can informally feed into the EC, the better.

Lord Mogg concluded that we should attend the workshop. The tone of our intervention should be to practice caution, recognise that, that gas and electricity should be in line but a big reform would require much wider consideration.

7.5. ACER Opinion on the Adoption of Common Network Operation Tools by ENTSO-G

The Director presented the draft ACER Opinion under Article 6(3) of Regulation (EC) No 713/2009.

The draft Opinion outlines that the Agency welcomes the adoption of the common network operation tools (the ‘CNOTs’), in line with the provisions of Article 24(1) of the Interoperability Network Code, which requires ENTSO-G to develop a common network operation tool in the areas where data

exchange requirement are identified in Article 20(2) of the same Network Code. The Agency recognises that ENTSOG has worked intensively to develop business requirement specifications for Nominations and Matching, Capacity Allocation Management and Congestion Management Procedures, and, as a result, the relevant requirements were ready on time to support the implementation of the respective network codes.

The Agency's draft Opinion supports the process leading to the adoption of the CNOTs and highly recommends their use by the TSOs, in order to enhance the coordination of network operation, and facilitate appropriate and secure access to and exchange of information.

The Agency finds that the document-based data exchange is the most appropriate solution for near real-time communication, the integrated data exchange for real-time communication, and the interactive data exchange for non-time critical communication.

The Agency's Opinion deems ENTSOG compliant with its obligations under Article 24(1) of the Interoperability Network Code. The Agency underlines that the optional solution does not stand as a replacement of the commonly agreed standard, but is an additional communication possibility among TSOs, as well as between TSOs and Network Users.

The Agency's Opinion draws the attention of ENTSOG to the fact that the periodical review of the CNOTs should be considered along with the evolution of technical processes and needs. Together with such a review, ENTSOG may consider to offer release management and implementation guidelines to facilitate the adoption and the use of the common standard.

8. Implementation, Monitoring and Procedure

8.1. Update on the AIMP – presentation

The AIMP WG Chair provided an update on recent activities on AIMP. He informed the BoR that the next MMR TF will discuss the skeleton of the 2017 report. The 2017 MMR preparatory work is ongoing and working stages should be specified before the end of February.

9. Infrastructure

9.1. ACER Opinion on ENTSO-E's draft TYNDP 2016

The Director presented the draft ACER Opinion. He informed the BoR that on 28 November 2016 ENTSO-E, submitted to the Agency for its Opinion the draft Ten-Year Network Development Plan under Article 9(2) of Regulation (EC) No 714/2009.

While in comparison to the TYNDP 2014, the Agency positively acknowledges some improvements two essential requirements defined by Article 8(10) of Regulation (EC) No 714/2009 do not seem fully complied with, as:

- The assessment of the resilience of the system seems largely missing;

- The draft TYNDP 2016 does not sufficiently build on national network development plans.

The Opinion notes that given the principle of consistency between the TYNDP and the national network development plans and the potential risk to inflate both plans with non-credible projects, ENTSO-E, when preparing future TYNDPs, should include all projects of national network development plans with cross-border relevance; define, after consultation with stakeholders, and duly apply a procedure for inclusion (and exclusion) of additional candidate projects which are not included in the national network development plans.

Furthermore, despite the Agency's recommendations in its Opinion No 16/2015 on PCIs, the draft TYNDP 2016 is not fully fit for an effective identification of infrastructure investment needs and for the subsequent selection of PCIs, due to various missing output data and a lack of appropriate transparency.

Finally, the Agency regrets that all the objectives pursued by Regulation (EC) No 714/2009 are hindered by the approach and structure of the draft TYNDP 2016 and makes a series of remarks on the structure of the draft TYNDP 2016 and the role of complementary reports; on stakeholder involvement; the timeline of the TYNDP process; remarks on scenarios, input data and future perspectives; identification of infrastructure investment needs' methodology; output data; clusters; and application of CBA methodology.

Mr Hernandez clarified that the document was largely welcomed and endorsed by the AEWG.

The ACER Opinion on the ENTSO-E draft TYNDP 2016 was given the favourable opinion of the BoR (by the majority of the members present or represented).