

**122nd ACER Board of Regulators Meeting**

**7 March 2024 | 09:00 - 13:30**

Brussels / Online

**MINUTES**

Represented institutions	Name <sup>1</sup>
E-CONTROL (Austria)	M: Wolfgang Urbantschitsch; O: Christine Materazzi-Wagner
CREG (Belgium)	M: Koen Locquet; A: Geert Van Hauwermeiren
EWRC (Bulgaria)	O: Borislava Petrakieva
HERA (Croatia)	M: Željko Vrban
CERA (Cyprus)	A: Alkis Philippou; O: Maria-Eleni Delenta
ERU (Czech Republic)	A: Jana Haasová; O: Tomáš Kupčiha
DUR (Denmark)	M: Carsten Smidt
ECA (Estonia)	A: Marilyn Tilkson
EV (Finland)	M: Simo Nurmi
CRE (France)	M: Emmanuelle Wargon; A: Ivan Faucheux; O: Claire Hellich-Praquin; O: Amélie Redortier
BNetzA (Germany)	M: Annegret Groebel; O: Alexander Linov
RAEWW (Greece)	O: Yuriy Bilen
MEKH (Hungary)	M: Pál Ságvári; O: Tamás Gyarmati
CRU (Ireland)	M: Jim Gannon
ARERA (Italy)	M: Clara Poletti; A: Francesco Cariello
PUC (Latvia)	M: Rota Šņuka; O: Alda Ozola (Chair); O: Lija Makare
NERC (Lithuania)	M: Renatas Pocius; A: Irma Zdanienė
ILR (Luxembourg)	A: Claude Hornick

<sup>1</sup> M: Member; A: Alternate; O: Observer.

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REWS (Malta)	A: Phyllis Micallef; O: Manuel Manuzzi
ACM (Netherlands)	M: Michiel Denkers; O: Nora Meray
URE (Poland)	M: Rafal Gawin; A: Malgorzata Kozak
ERSE (Portugal)	M: Pedro Verdelho; A: Natalie McCoy
ANRE (Romania)	A: Tatiana Iosiper
URSO (Slovakia)	A: Maria Bronisova
AGEN-RS (Slovenia)	A: Bojan Kuzmic
CNMC (Spain)	M: Josep María Salas; O: Gema Rico
EI (Sweden)	M: Ulrika Hesslow; O: Johan Roupe
NVE-RME (Norway)	A: Anne Dønnem
EEA-EFTA State - Iceland	A: Hanna Björg Konráðsdóttir
EFTA Surveillance Authority	M: Árni Páll Arnason; O: Anne De Geeter
ACER	Christian Zinglensen, Christophe Gence-Creux, Rafael Muruais Garcia, Csilla Bartok, Maria Barroso Gomez, Fay Geitona, Tina Voncina, Mitsuko Akivama
European Commission	Catharina Sikow-Magny, Christof Lessenich, Michael Schuetz, Joachim Balke

## 1. OPENING

### 1.1 Approval of the agenda & declaration of conflicts of interest

The agenda of the 122<sup>nd</sup> BoR meeting was approved.

The draft agenda was sent to the European Parliament.

The BoR Chair asked for declarations of conflict of interest. None was declared.

### 1.2 Minutes of the 121<sup>st</sup> BoR meeting

The minutes of the 121<sup>st</sup> BoR meeting were approved and sent to the European Parliament on 2 February 2024.

#### Decisions/Conclusions

1.1	The BoR approved the agenda.
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## 2. UPDATES FROM THE ACER DIRECTOR AND THE BOR CHAIR

### 2.1. Update from ACER

The Director updated members on the status of the eplatforms following the security incident, which are not yet operational.

Ms Geitona informed the BoR that with the recent ACER reorganisation, she has taken up a new position within the Agency and is no longer member of the BoR Secretariat since 1 February. She thanked the BoR Chair and BoR members for the excellent cooperation and trust throughout the years.

### 2.2. Update from the BoR Chair

The BoR Chair recalled the obligation of BoR members and alternates to submit in due time their duly signed annual Declarations of Interests (Dols) and CVs, for review by the Review Panel and publication on the ACER website. AWG Chairs and Vice-Chairs and TF Convenors must also submit their Dols and CVs.

## 3. WIDER ENERGY UNION

### 3.1. Updates from the European Commission

- Communication on Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society EU; implications for the energy sector

Ms Sikow-Magny informed the BoR about the Communication issued on 6 February 2024 on possible pathways to reach the agreed goal of making the European Union climate neutral by 2050. To achieve this, the Commission proposes a new framework requiring a 90% net greenhouse gas emissions reduction by 2040 compared to 1990 levels. The precondition is the full implementation of the existing legislation to reduce emissions by at least 55% by 2030. Alongside this, it is important to ensure the competitiveness of the European industry and its access to affordable energy as well as a level playing field with international partners. Fairness, solidarity and social policies need to remain at the core of the transition. The recommendation on a 2040 climate target represents the start of a political debate and triggers dialogue with all stakeholders in the process. The regulatory authorities are invited to contribute their views that should help deliver a more integrated and competitive Europe. It is however for the next Commission to propose a new legislative proposal.

Many sectors, including the most challenging ones like transport and agriculture, will need to undergo a deep transformation to meet the recommended 2040 target. Regarding the impact on the energy sector, it is acknowledged that all net-zero and low carbon energy technologies are needed to decarbonise the energy system by 2040 (renewables, nuclear and bioenergy, energy efficiency and storage, carbon capture utilisation and storage (CCU and CCS), carbon removals, geothermal, hydropower), accompanied by an adequate regulatory framework. The recommended 2040 climate target corresponds to a close to full decarbonisation of electricity with smarter grids, system integration, demand flexibility and storage solutions, while it is expected that electrification will increase from 25% to 50% in final consumption by 2050. This will require huge investments among others in renewables and the grids. The Commission is counting on regulatory expertise to support a smooth transition.

- Outcome of the Clean Transition Dialogue of 26 February to accelerate the modernisation, expansion and smartening of the integrated infrastructure needed for the European Green Deal

The third Clean Transition Dialogue took place on 26 February, with 20 high-level representatives of energy infrastructure sectors, clean energy producers, technology providers, regulators, financial institutions and social partners discussing ways of accelerating the modernisation, expansion and smartening of the integrated infrastructure needed for the European Green Deal. Regular dialogue will be pursued with the aim of supporting transition industries and creating workable clusters to produce performing products and services from panels to grids, batteries, EVs and overall avoid the deindustrialisation of Europe, combining private equity and public funding. The first dialogue intended to build a collaborative diagnostic of the issues at highest stake and provide solutions in the form of actions.

- Invitation for regulatory authorities to join the Pact for engagement for a successful stakeholder engagement at EU and local, national and EU level

The EC invited regulatory authorities to join the Pact for Engagement, which was launched with the EU Grids Action Plan for early, regular and meaningful stakeholder engagement and regulatory support, to raise public awareness of the crucial role of grids in accelerating the clean energy transition. Distribution grids will require substantial transformation to accommodate the expansion of renewables, and decision-making processes need to be more inclusive, more transparent and accountable. The Pact for Engagement therefore calls on EU

Member States, regulators, project promoters and civil society to work together towards early and regular public participation in grid development projects and communication on the role of grids for the clean energy transition.

### 3.2. ACER-CEER paper on anticipatory investments

At the 9th Energy Infrastructure Forum (June 2023), ACER and CEER were tasked with analysing key barriers and developing recommendations for national incentive schemes to promote anticipatory investments to accelerate the integration of renewables. The AEWG Chair presented the joint ACER-CEER paper, which findings are based on 2 reviews of national regulatory frameworks: a survey from January 2023, which indicated that there was no regulatory barrier/need for incentives, but highlighted that NRA assessments of the need for investment and the level of assurance about the value/need of the project is key; and a survey from February 2024, in coordination with the European Commission, to feed into the EC work on guiding principles identifying conditions under which anticipatory investments in grid projects should be granted (action 4 of Grids Action Plan) indicating that there is no distinction between regular and so-called “anticipatory” investments.

Decisions/Conclusions	
<b>3.2</b>	The BoR unanimously agreed to endorse the ACER-CEER paper on anticipatory investments by way of electronic procedure.

## 4. ITEMS FOR BOR OPINION/APPROVAL/AGREEMENT

### 4.1. ACER decision on the European Resource Adequacy Assessment (ERAA) 2023 & letter to ENTSO-E and TSOs on the 2024 priorities to ensure consistency of the model

ERAA 2023 was submitted to ACER on 15 December 2023 and ACER has 3 months to issue a decision. The ERAA methodology is expected to be fully implemented by ENTSO-E in ERAA 2024. On 6 February, ACER was informed of a data/modelling error in ERAA 2023 and the need to perform a rerun of the models and hence members were invited to discuss the substance of the decision at this meeting, and they unanimously agreed to proceed by electronic procedure to issue the BoR favourable opinion. The AEWG advice was circulated.

Since strengthening consistency of assumptions and modelling approaches should remain the priority for 2024, the BoR agreed in January to send a letter describing the priorities for ERAA 2024. The draft letter was shared with the BoR.

### 4.2. ACER decision on amended Intraday (ID) Capacity Calculation Methodology

Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (the CACM Regulation) laid down a range of

requirements for cross-zonal capacity allocation and congestion management in the day-ahead and intraday markets in electricity. These requirements also include the development of the capacity calculation methodology (CCM) in each of the capacity calculation regions (CCRs) in accordance with Article 20 et seq. of the CACM Regulation.

On 21 February 2019, ACER issued its Decision No 02/2019 approving the Core TSOs' proposals for a regional design of the day-ahead and intraday common capacity calculation methodologies according to Article 20(2) of the CACM Regulation. The present decision follows the Core regulatory authorities' request for ACER to adopt a decision on the Core TSOs' proposal for the second and third amendments to the Intraday Capacity Calculation Methodology (ID CCM).

The AEWG advice was circulated. The BoR was invited to vote on the BoR favourable opinion on the Director's initial proposal. 27 members participated (1 voted against, 4 abstained and the rest voted in favour) and the BoR granted its favourable opinion by the requisite two-thirds majority of the members present and represented.

#### **4.3. ACER decision on the TSOs' proposal for amending the determination of Capacity Calculation Regions methodology**

The present decision follows from the TSOs' proposal to amend the determination of Capacity Calculation Regions (CCRs), with the addition of the "Celtic interconnector" IE(SEM)-FR undersea cable to the Core CCR, and the establishment of the Central Europe CCR (partial merger of Core and Italy North (ITN) CCRs, currently only to implement capacity calculation methodology in the day-ahead timeframe).

The AEWG advice was circulated, and in the absence of proposals for amendments and comments, the BoR was invited to vote on the BoR favourable opinion on the Director's initial proposal. 27 members participated and the BoR unanimously granted its favourable opinion.

#### **4.4. ACER decision on the amendments to the Regional Electricity Crisis Scenarios methodology**

Regulation 2019/941 on risk-preparedness in the electricity sector laid down a common framework for how to prevent, prepare for and manage electricity crises. On 8 January 2024, ENTSO-E submitted a proposal to amend the methodology for identifying the most relevant regional electricity crisis scenarios (as adopted by ACER Decision No 7 of 6 March 2020) and ACER has 2 months to issue a decision after consulting with the Electricity Coordination Group in accordance with Article 5(7) of Regulation 2019/941.

ACER considers the proposed amendments in line with the requirements of the Risk-Preparedness Regulation. The AEWG advice was circulated, and in the absence of proposals for amendments and comments, the BoR was invited to vote on the BoR favourable opinion on the Director's initial proposal. 27 members participated and the BoR unanimously granted its favourable opinion.

#### 4.5. ACER decision regarding the time extension for the Hansa proposal for the cross-zonal capacity calculation methodology for the balancing timeframe

This decision follows from the request of the regulatory authorities of the Hansa CCR (Denmark, Germany, the Netherlands, Norway, Poland and Sweden) to extend the period for reaching agreement with regard to the Hansa CCR TSOs' proposal for amending the methodology for cross-zonal capacity calculation for the balancing timeframe in accordance with Article 37(3) of Commission Regulation 2017/2195 (the EB Regulation) by 6 months (to 6 August 2024) pursuant to Article 6(10) of Regulation (EU) 2019/942.

The AEWG advice was circulated, and in the absence of proposals for amendments and comments, the BoR was invited to vote on the BoR favourable opinion on the Director's initial proposal. 27 members participated and the BoR unanimously granted its favourable opinion.

Decisions/Conclusions	
4.1	The BoR unanimously agreed to issue its favourable opinion on the ACER decision on the European Resource Adequacy Assessment 2023 by electronic procedure, and to send the letter to ENTSO-E and TSOs on the 2024 priorities to ensure consistency of the model.
4.2	The BoR granted its favourable opinion on the ACER decision on the amended Intraday Capacity Calculation Methodology by the requisite two-thirds majority of the members present and represented.
4.3	The BoR granted its favourable opinion on the ACER decision on the TSOs' proposal for amending the determination of Capacity Calculation Regions methodology by consensus of the members present and represented.
4.4	The BoR granted its favourable opinion on the ACER decision on the amendments to the Regional Electricity Crisis Scenarios methodology by consensus of the members present and represented.
4.5	The BoR granted its favourable opinion on the ACER decision regarding the time extension for the Hansa proposal for the cross-zonal capacity calculation methodology for the balancing timeframe by consensus of the members present and represented.

## 5. AWG KEY ISSUES

### 5.1. AWG/ARC key updates

- AEWG updates; next steps for the ACER-CEER joint paper on the enduring electricity system

The AEWG Chair informed members of the reactivation of the ad hoc group on compliance and enforcement to examine options for improving the monitoring, investigation and enforcement implementation and thereby ensure compliance with obligations contained in the



network codes and guidelines and terms, conditions and methodologies. She also reiterated that the CACM & FCA TF Co-Convenor positions remain open, and announced the appointment of the new (ACER) Balancing and Adequacy & CRMs TF Co-Convenors and Cybersecurity (NRA) TF Co-Convenor.

Concerning the ACER-CEER paper on the enduring electricity market design (EMD), the discussion on the content is planned for the April BoR and GA meetings.

- AGWG updates; update on gas storage levies

The GWG Chair referred to the LNG market volume of the Market Monitoring Report (detailed under item 5.4 below) and the recommendations of the VIS study on the impact of the measures included in the EU and national gas storage Regulations, also to be presented at the 12 March workshop.

The AGWG Chair also updated members on ongoing consultations and analyses undertaken for the Agency Tariff Reports.

- Updates from the 14th ACER REMIT Committee meeting of 14 February

The ARC co-Chair updated members on the next steps in implementing the revised REMIT Regulation, which is likely to enter into force in May/June.

## **5.2. ACER opinion on the necessary developments for the fulfilment of the minimum cross-zonal capacity requirements**

Under Article 15 of Regulation 2019/942 (ACER Regulation), ACER is tasked with monitoring potential barriers to cross-border trade, and to report on any identified barrier to the completion of the internal markets for electricity and natural gas. The minimum 70% requirement, introduced in the Electricity Regulation, sets a clear standard for the availability of cross-zonal capacity in the EU.

ACER's monitoring of the implementation of the minimum 70% requirement over the last years has shown that most TSOs are still not complying and that significant barriers towards the maximisation of cross-zonal capacities persist. In accordance with Article 15(3), ACER will issue an opinion to the European Parliament and to the European Commission on measures to remove those barriers.

Members discussed the opinion. ACER and the members unanimously agreed to the use of an electronic procedure for the endorsement of the opinion by close of play on 11 March 2024.

## **5.3. ACER Monitoring Report on Regional Coordination Centres' reporting obligations**

This first report covers the second half of 2022, as of Regional Coordination Centres' (RCCs) establishment. In accordance with Article 46(3) of the Electricity Regulation, RCCs provided annual reports to ENTSO-E, ACER, the regulatory authorities in the system operation regions and to the Electricity Coordination Group. The annual reports cover the outcome of the continuous monitoring of their operational performance, the coordinated actions and



recommendations issued, and the effectiveness and efficiency of each of the tasks for which they are responsible (and, where applicable, the rotation of those tasks).

The ACER report aims to provide a short factual report on the reporting done by the RCCs on the obligations under Article 46 of the Electricity Regulation. It was drafted in close cooperation with the regulatory authorities and with the input from ENTSO-E and RCCs, and contains an overview of implementation status and some recommendations, including as regards the reporting itself.

The report identified that, in general, comprehensive reports were submitted on the performance of RCCs, covering mainly 7 out of the 16 tasks mandated by the Electricity Regulation and implemented at this stage. In future RCC annual reports, it is expected that the performance reporting will cover a wider range of obligations (as soon as the related methodologies are approved and the tasks implemented). RCCs should progress with the implementation of their tasks, particularly those only partially implemented to date, to contribute to the efficient and secure performance of electricity markets across Europe.

#### **5.4. Market Monitoring Report: LNG Market Volume**

This first edition of the ACER European LNG Market Monitoring Report aims at providing a comprehensive overview of the role of LNG in the EU natural gas market. In doing so, it also offers insights into relevant global LNG market dynamics. The main finding is that the energy crisis has reshaped the global landscape of the LNG trade and gas supply sourcing. Publication is expected around mid-April ahead of the Madrid Forum.

### **Decisions/Conclusions**

**5.2**

The BoR unanimously agreed to the use of a shortened electronic procedure to endorse the ACER opinion on the necessary developments for the fulfilment of the minimum cross-zonal capacity requirements.