

IEM Governance EURELECTRIC's views

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What should the role of ENTSO-E be in a transformed electricity system? Is market integration possible without system operation integration?

- Progress brought by **regional TSO operational cooperation (RSCIs)** is **welcome** as a first step
- **Further regional system operation integration (going further than the current cooperation) is needed** given the transformation of the European electricity system, as well as the obligations stemming from the EU Network Codes.

What should the role of ENTSO-E be in a transformed electricity system? Is market integration possible without system operation integration?

- **Integrated Regional System Operators could gradually perform the following tasks:**
 - capacity calculation process,
 - capacity allocation process including capacity auction offices, MCO-function, to be further extended with scheduling and nomination process
 - regional adequacy assessment,
 - dispatching of the grid (i.e. balancing, (international) redispatching, ...) as extension of RSCI
 - investment decision process for their region as contribution to the TYNDP
 - regional counterpart for procurement of ancillary services FCR, FRR etc...
- **Transmission owners remain in charge to perform investments, maintenance, ..** (under guidance of the integrated system operator)
- This gradual process will strongly enhance the market integration task of TSOs and should go hand in hand with a changing role of ENTSO-E to focus more on the “System Operator” task (i.e. the European dimension), and be less involved with the local “Transmission Owner” interests.

What would the role be for regulatory authorities and ACER in addressing evolving regional entities (power exchanges, Joint Allocation Office, regional security coordinators, etc.)?

- **ACER should remain an Agency for cooperation of NRAs and realise seamless cooperation of NRAs regarding wholesale market and cross-border issues** (and not on energy policy, retail market issues).
- **ACER should be able to act upon objectively observed disagreements among NRAs:** needed improvements of the process to escalate different opinions between two NRAs on a common border (i.e. possibility for requests from market parties, for appeal on NRA decision, etc.).
- **ACER's role needs to be extended so as to be entrusted with a supervisory role of ENTSOs' (processes and content), regional system operator functions and Power Exchanges' (MCO function) work.**
- ACER should be granted the **appropriate resources and powers** to carry out its mission.
- **ACER's accountability and transparency of governance must be increased** (rules of conduct, disclosure of ToR for NRA participation, etc...).

Which changes might be needed to the process of developing and amending network codes and guidelines?

- **Stakeholder involvement should be strengthened:** the ESCs should be closely involved with a stronger role to be played by ACER.
- **Experienced market stakeholders should be included in the ENTSOs' drafting teams** from the early phase in the process to improve the understanding.
- **Amendment process should be clarified:** Role of the ESCs in this process should be recognised and result in a **co-drafting process** to be set up between ENTSO-E and stakeholders.
- **The monitoring of NCs' implementation cannot be left (solely) to TSOs:** a monitoring role carried out by ACER and the NRAs will obviously favour a common understanding and better contribute to ensure the consistent implementation of Network Codes across Europe.
- **Adoption of the Guideline/NC methodologies:** Is the “all NRA” approval sufficient to make the methodologies legally binding? Is comitology required? How will this work efficiently? We hope for good cooperation from MS to solve this issue and ensure progress for market integration.