

Agenda item 1

Development of codes and guidelines – facts



- Network Code process now supposed to be mature. Stakeholders heavily consulted but very little impact on final NC proposal: **“not needed” effect**
- Even after 10 years of consultation and explanation and already existing solutions, substantial components of CACM FG didn't make it into the proposed NC (Firmness, CC description): **“best efforts” effect**
- ENTSOE's role as “issuer of NC” **conflicts with some of TSOs' interests**
- **Specifications costs are not born by TSOs** but ultimately by end users
- A key role for Regulators, ACER, the Commission and MS to challenge ENTSOE's “wish list” and to revive the original Internal Market objectives of **market orientation** and **cost efficiency**

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Development of codes and guidelines – various issues...



Overall: growing dis-satisfaction	<ul style="list-style-type: none"> TSOs <u>not acting as</u> “<i>market facilitator</i>” or “<i>network services providers</i>” ENSTOE also acting as a TSO lobby at EU level NC used to decrease or transfer TSOs costs\risks : over specification of Market constraints and under specification of TSOs duties Core TSOs activities not described. Left open to delayed processes
CACM (Day-Ahead and Intraday)	<ul style="list-style-type: none"> Other than on intraday, ACER has improved the code, which is now approaching maturity, but without ENTSOE’s help
FCA (Forward Capacity Allocation)	<ul style="list-style-type: none"> Completely undermining Third Party Access on Forward timeframe TSOs duties now fully optional and depending on <i>market liquidity</i>...!
Load Frequency\Balancing	<ul style="list-style-type: none"> Considerable work still needed to ensure a coherent market design Codes must actively facilitate and promote liquidity of intraday markets
Operational security\ planning and scheduling	<ul style="list-style-type: none"> Lack of regulatory oversight, TSO as judge and jury Property rights of generation owners not respected Excessive information requirements

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Development of codes and guidelines – what to do?



- More focus on **internal market efficiency** and **costs** as the overriding goals,
- ENTSOE to show more ambition and objectivity following ENTSOG's example
- Stop dividing stakeholders into “users” and “non users” to freeze progress
- Take into account market size effects and already existing industry solutions and adapt as necessary. Let new markets develop (intraday)
- TSOs primarily providers of flexible TPA – forward, day-ahead and intraday, not “*energy buyers*” or “*market designers*”: very partial views on markets,
- End ambivalence towards intraday markets (control, decouple and choke)

ACER and Commission to re-draft unsatisfactory or legally unsound NC
