

Appendix 1 - ENTSO-E 2013-2014 Work Programme - Treatment of Responders' Submissions

This note contains a summary of remarks received and indications on how they have been taken into consideration in the version of the Work Programme 2013-2014 as submitted to ACER.

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
1	Executive Summary		No comments
2	General Description		No comments
3	<p>Network Codes</p> <p>Development</p> <p>EURELECTRIC takes note that the current timeline for finalising the network codes' development is tentative and wants to stress that it is very important to ensure that the timeframe for the development, pre-comitology and comitology phases is confirmed in the final ENTSO-E work program 2013-14 to ensure transparency and better stakeholders' preparation in following-up the process at both European and national levels.</p> <p>We also had a general impression that despite the efforts from the market stakeholders and DSOs to actively contribute to the drafting of the codes during workshops and consultations, market and other network operators needs are not sufficiently reflected in the Network Codes, while it should be exactly the purpose of the codes to improve and integrate the market while</p>	<p>EURELECTRIC</p> <p>EURELECTRIC</p>	<p>ENTSO-E shares the concerns about the challenge of flexible and loosely defined timelines for the conclusion of network codes. ENTSO-E is also tested by the uncertainties around the ACER opinion and the subsequent preparatory work by the European Commission. These issues have been raised in the Planning Group and we have pointed out the issues they create for resource planning for ENTSO-E and stakeholders. ENTSO-E has updated the Work Programme with the newest available timing information and will keep updating our network codes web pages to include information on timing of the network code phases after delivery to ACER.</p> <p>ENTSO-E appreciates this feedback as well as that provided by participants in meetings and agrees on the importance of reflecting a diverse range of views within the network code development process and of drawing on the skills that exist in the market place. To date this has been</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
3	<p>maintaining the security of supply and quality of service. We would therefore strongly advise to include in the ENTSO drafting teams experienced market stakeholders from the early phase in the drafting process to improve the understanding.</p> <p>Role of ENTSO-E and TSOs in the network codes comitology process: The Work Programme mentions on page 3 that “the timing of the comitology proceedings for the various network codes is more uncertain than anticipated, and the amount of Member TSO and Secretariat experts needed to explain certain network code provisions before and during comitology is also only a rough estimate.” Though market participants value TSOs’ input in the network codes drafting and adoption process, we believe that the exercise as a whole is meant to fulfil Regulation 714/2009’s objectives of “non-discrimination, effective competition and efficient functioning of the market” while ensuring system security. The network code drafting process has often given the impression, that market participants’ concerns were not appropriately considered and that ENTSO-E was rather pushing TSOs’ views. As a consequence, parts of the network codes’ wording fail, in our view, to reflect the core principles of the Regulation. The use of the word “explain” rather than “discuss” in the work programme is perhaps symptomatic of the underlying mind set.</p>	EFET	<p>achieved through workshops, expert groups and bilateral meetings. ENTSO-E is open to the possibility of direct engagement in future codes and would be keen to explore how this could be made to work in practice.</p> <p>ENTSO-E notes these comments, and that ACER is required to provide a view on the consultation process followed by ENTSO-E in its opinions. Those opinions have commended the process followed. We accept there is scope for improvement but do not recognise the assertion that market participants’ comments are not considered. Nonetheless we have added some wording to the Work Programme to make clear that discussion is very important.</p>
3	<p>Likewise, page 6 of the Work Programme mentions that “ENTSO-E consults fully and effectively including responding to comments received via workshops and public feedback”. This, we believe, shows the laudable efforts of ENTSO-E to create a framework for stakeholder interaction but also reflects the actual outcome of this interaction. For the most part the outcome consists of a top-down clarification of ENTSO-E’s (or, more precisely, TSOs’) point of view, rather than a proper justification</p>	EFET	<p>ENTSO-E’s approach to stakeholder engagement has evolved considerably over the past years and the feedback we continuously collect demonstrates a marked change in stakeholder perception. We intend to continue to work closely with market players and build on the steps made to date.</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
3	<p>thereof or a comprehensive accommodation of valid needs of wholesale market participants. We sincerely hope for a change of paradigm in ENTSO-E's approach during the drafting and comitology processes and when it comes to later code modifications.</p> <p>Any further codes introduced, such as that on Emergency Requirements and Procedures, should be highlighted to market participants in advance so that their considered input can be coordinated better with current codes such as Load-Frequency Control & Reserves (LFR&C), Electricity Balancing (EB) etc.</p> <p>We strongly agree it would be sensible to consider similar codes in parallel such as the RfG and Demand Connection Codes. Similarly, we believe the Forward Capacity Allocation (FCA), EB, LRF&C and CACM need to be considered together to understand how they will interact and work in practice and whether together they efficiently meet the original intent for them.</p> <p>In this context, it would assist the market to have a guidance document demonstrating how these codes interact, to better understand how they will work in practice. In turn, this could lead to fine-tuning of the codes, itself then simplifying and reducing the final Comitology process.</p> <p>Network Codes Implementation</p> <p>EURELECTRIC strongly supports the view that the implementation phase of the network codes will be critical for</p>	<p>EDF Energy</p> <p>EDF Energy</p> <p>EURELECTRIC</p>	<p>The European Commission consults annually on a priority list and establishes network code priorities on this basis. ENTSO-E makes the information that we have on network code development available via our website. We have added the current timeline for the NC on Emergency and Restoration to the table in the Work Programme.</p> <p>ENTSO-E agrees that there are important interactions between network codes. The order in which network codes have been developed is a consequence of the priority list established by the European Commission. However, the European Commission controls when exactly, and for which codes in parallel, codes enter the comitology process. ENTSO-E has issued a "vision paper" and accompanying presentation, available via our website, which explains the interactions between codes. Further a dedicated mini web site has been established by ENTSO-E to convey the overall need, approach and direction of network codes. In the future this site might be used to address the specific consumer and industry needs described by EDF Energy.</p> <p>Implementing network codes will be a crucial focus for ENTSO-E over the next few years. ENTSO-E shares the</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
	<p>ensures a fair representation of stakeholders. We support the view of the European Commission that its composition should be similar to AESAG and could include an escalation clause in the case no agreement is reached in the phase of nominating the members. We believe that this Committee should be the place to genuinely engage with stakeholders and provide transparent information about the implementation of the network code.</p> <p>Finally, EURELECTRIC wants to recall that entering the implementation phase makes it all the more urgent to develop a review process of the network codes in order to enable rapid adjustments whenever needed on the basis of the experience gained.</p>	EURELECTRIC	<p>ENTSO-E fully shares the view that nimble change management processes are critical to the long term success of network codes. We have been and will be discussing this with Commission, ACER and stakeholders.</p>
4	<p>Market Development Activities</p> <p>REGIONAL MARKET DEVELOPMENT</p> <p>Regarding the go-live of the Day-Ahead price coupling project, we are pleased to note that project leaders are striving for a go-live in November 2013 and hope that the testing and preparation phase will confirm the feasibility of this date. In the course of the operation of the price coupling, some specific points will have to be given further attention, in particular the treatment of the losses. EURELECTRIC believes that TSOs should explain how this should be handled at regional level in a consistent manner. For this purpose, there should be over time a common assessment of next steps at DA and ID, namely the development of a common methodology at regional level. Furthermore, liability should be clarified to include a clear allocation of responsibilities of PXs between NEMO and MCO as well as between MCO and TSOs. Further efficiency in the timing of decoupling projects could also be found over time. We would appreciate to see these points tackled in the final work program of ENTSO-E.</p>	EURELECTRIC	<p>ENTSO-E thanks Eurelectric for its support on the go live of North West Europe Day Ahead project. ENTSO-E within the framework of its mandate is working to enhance consistency across all regions on market integration implementation. Regional implementation projects will take the lead on solving specific remaining issues as treatment of losses and timing. ENTSO-E will ensure consistency between regions and with the NC through its Task Force on Coordination of European Market Coupling.</p> <p>Regarding the clarification on the liabilities, ENTSO-E is cooperating with the EC and ACER on the preparation of a new updated draft of the Governance Guideline before Comitology starts. The new updated draft would bring clarity on the different roles.</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
4	<p>In relation to intra-day, we believe that ACER intervention has been able to deliver on the selection of a common platform for the NWE region and efforts should now step up towards the development of a related roadmap for the completion of this platform by the end of 2013 and local implementations in the course of 2014. We believe that TSOs will play a strong role in the success of this initiative and should thereby do their utmost to effectively contribute to this roadmap and meet the deadlines in time. The link of the proposed pilot project for a cross-zonal intraday solution with the on-going work in AESAG and how this project fits into cooperation between TSOs and PXs should thus be further emphasised and clarified. Furthermore, EURELECTRIC will very much welcome clear roadmaps on the local implementation projects from both TSOs and PXs to ensure transparency with regard to when different markets will be linked to this central ID platform.</p>	EURELECTRIC	<p>ENTSO-E stresses its commitment on the completion of the Intra Day solution and its members are working closely with Power Exchanges (PX) to meet the deadlines. The organisation of the pilot project between TSOs and PXs will be presented in AESAG meetings once finalised, aiming to provide transparency to stakeholders. ENTSO-E is using its Intraday Monitoring Group to ensure consistency between the pilot NWE+ Region and the non-directly involved regions on the project. The goal is to ease future extensions paving the way for pan-European implementation.</p> <p>We anticipate clarity on regional market integration roadmaps in late 2014 and have adjusted the Work Programme accordingly.</p>
4	<p>Regional Market Development – we look forward to the pilot project on Intra-day Markets that ENTSO-E will be arranging, along with the development of related cost-sharing and allocation rules.</p>	EDF Energy	<p>ENTSO-E appreciates the support to the joint TSO- PXs pilot project on Intraday. We are committed to facilitate the creation of a seamless EU wide continuous Intraday market in Europe in line with the provisions of the CACM code.</p>
4	<p>We would also suggest including a specific paragraph on balancing projects as they are aimed at complementing the development of the network code on balancing. Attention should in our view be paid in the work programme to the nine ENTSO-E pilot projects that were presented by ENTSO-E in the AESAG meeting in July 2013 and set out in more detail how these projects will be run, in particular how they will be coordinated and which compatibility criteria will be used to merge them over time.</p>	EURELECTRIC	<p>These comments have been accepted and a new section added. ENTSO-E has opened a call for nomination for Balancing Pilot projects. Nine projects were proposed and accepted to provide support and learning for the intermediate steps towards the implementation of the final target model of the Network Code on Electricity Balancing. ENTSO-E will provide more detail on each of these projects and highlight the timings in parallel with the draft future implementation plan of the Network Code. Regular reporting will be made and consultation with ACER to highlight and resolve any potential issues with the timings set forth in the</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
4	<p>Market Development Activities</p> <p>UNPLANNED FLOWS - BIDDING ZONES STUDY AND CROSS-BORDER</p> <p>Given that the importance of potential bidding zones delimitation in terms of its implications on the market cannot be overstated and in view of the wide scope of the study, it is very important the market stakeholders are consulted already at the early stage of the process and the whole study is being conducted in a transparent manner. The work program should specify in more concrete terms the format of the market consultation process in order to enable effective preparation and high quality input from the market stakeholders across Europe.</p>	EFET	<p>draft Network Code.</p> <p>ENTSO-E acknowledges the importance of the bidding zones delimitation for stakeholders. ACER has already launched its Market Participant survey according to the process defined in the CACM code (activity 2). ENTSO-E intends to hold a workshop with stakeholders early next year. Depending on the general interest of stakeholders at that stage, ENTSO-E could have further workshops with stakeholders in 2014. At least one further consultation will be carried out next year. The format of the market consultation will be announced on time so the input can be gathered properly, but it is not possible today to specify the format upfront as it is currently being assessed. The plan has been updated to reflect these events.</p>
4	<p><i>Regulatory framework for coordinated cross-border re-dispatch and countertrading:</i> we agree with ENTSO-E's view that tackling this issue is important both from a market and a network security perspective. However, we believe that before considering any regulatory change, a mechanism for joint actions and cost sharing between TSOs should be implemented, starting with bilateral and regional cooperation arrangements. Market participants would welcome a report from ENTSO-E on the type of cooperation agreements which could be implemented by the end of 2013 and/or by mid-2014 in addition to the solution currently tested at the German-Polish border.</p>	EFET	<p>ENTSO-E and ACER are working together on the Cross-Border Redispatching Task Force identifying the challenges on the current framework to develop a coordinated cross-border redispatching and countertrading, as well as the relevant cost-sharing arrangements.</p> <p>ENTSO-E acknowledges the importance of the bidding zones delimitation for stakeholders.</p> <p>The Technical Study (Activity 1) assesses the status quo and is based on historical data so no public consultation is foreseen on this activity. ACER has already launched its Market Participant survey according to the process defined in the CACM code (Activity 2). For the review of the bidding</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
4	<p>Considering the ENTSO-E pilot project on the analysis of the current bidding zones, EFET believes that stakeholder engagement, as mentioned on page 8, is currently lacking. A first consultation of wholesale market participants on the approach and criteria for this analysis should already have been completed. EFET expects the delivery of an interim status report to AESAG in the autumn of 2013, followed by regular updates up to the end of 2014.</p> <p>Market Development Activities</p> <p>LONG TERM MARKET DESIGN</p> <p>Long-term market design: ESB would appreciate more detail on what ENTSO-E means with its reference to "future power systems" on page 8. What exactly are the challenges they pose to the current market design, beyond the mentioned intermittence of RES-E output? We believe that the design of "appropriate market mechanisms and investment incentives" should surely not be started before initial discussions are held with wholesale market participants and trading platform operators. Any exploration of alternative market designs should include market participants and trading platform operators from the start to make sure that all parties agree on common criteria for a potential redesign.</p> <p>Our concern with these passages is that it appears that ENTSO-E may itself be proposing market design options. Whilst we believe it completely appropriate that ENTSO-E and its members should be considering the system implications of long</p>	ESB (Ireland)	<p>zones (Activity 4) stakeholders will be consulted for the definition of scenarios. ENTSO-E intends to hold a workshop with stakeholders early next year. Depending on the general interest of stakeholders at that stage, ENTSO-E could have further workshops with stakeholders in 2014. The provisional dates are in the plan.</p> <p>With "future power system" ENTSO-E intends the expected evolutions of European markets, grids and generation mix. Such evolutions can be for instance derived by the 2050 Roadmap scenarios prepared by the EC, the 2030 Visions included in the latest ENTSO-E 2013-2030 Scenario Outlook and Adequacy Forecast. With regard to the challenges, ENTSO-E agrees that the large scale integration of RES-E will be main driver. However, not only variability/intermittency will pose challenges to grids and markets but also the increased level of uncertainty, the increased power flows and their new patterns, the overall flexibility of the generation portfolio, the quality of the power supplied (frequency control, transient stability, etc.).</p> <p>As per the need to "design of appropriate market mechanisms and investment incentives" we fully agree that policy makers (EC, Member States, regulators) should involve all relevant stakeholders: not only TSOs but generators, traders, power exchanges, consumers, DSOs.</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
4	<p>term market design, RES supports and capacity mechanisms, we are concerned that as drafted ENTSO-E is intending to go out with its system operation remit.</p> <p>We would welcome a change in drafting in the areas highlighted above, to clarify that ENTSO-E's work will focus on the transmission system's ability to support, and adjust to, changes in market design and increased renewables penetration rather than looking to redesign the market itself.</p> <p>Market Development Activities RES SUPPORTS AND CAPACITY MECHANISMS</p> <p>EURELECTRIC supports ENTSO-E's view that the RES support schemes and capacity mechanisms should be market-based. In this context, we suggest that the preparation of the ENTSO-E's input on these important topics is accompanied by a dialogue with market stakeholders.</p>	EURELECTRIC	<p>ENTSO-E intends to provide advice at European level via responses to consultations, position papers and input stakeholder forum and platforms such as the Florence Forum and AESAG. Dialogue with key stakeholders will be sought during the preparation of such advice.</p> <p>ENTSO-E is working to explore policy options, evaluate them, and discuss them with all key stakeholders with the aim of finding a common vision. ENTSO-E's main focus is to delivering the target model as soon as possible across Europe, both via top-down network codes and bottom-up regional projects.</p> <p>Nevertheless, we believe it is also our role to signal to policymakers possible shortcomings in the current market design or in its implementation if this poses a threat to the stability of the system or if it jeopardizes the overall efficiency leading to higher costs for grid users.</p> <p>ENTSO-E agrees that work on support schemes and capacity mechanisms should benefit from dialogue with key stakeholders. The timing and nature of the expected EC Communication on the Internal Energy Market and Public Intervention will determine if/when ENTSO-E will elaborate specific input to deliver its feedback to the European Commission.</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
4	<p>Market Development Activities</p> <p>THE CHALLENGES OF FINANCING INFRASTRUCTURE – INVESTMENT</p> <p>Challenges of financing infrastructure: when it comes to financing infrastructure, we believe that ENTSO-E should be careful to distinguish what falls under its statutory mandate and what does not when considering what “vital” page 8 is. EFET believes that infrastructure improvement has a greater meaning than solely building more infrastructure. Congestion needs to be addressed by TSOs by making sure that enough existing transmission capacity is made available to the market in the first place. The lowest cost option to do so is to make sure that existing transmission assets have been used to their maximum extent, in all timeframes. The expansion of the transmission grid with the objective to avoid structural congestions, ideally using accumulated congestion revenues to finance those projects, is nonetheless important for a well-functioning market, and therefore for the efficient integration of renewables. Infrastructure investments with other aims, however, should be seen as conducted as part of the commercial activity of TSOs and any related ENTSO-E advocacy should be identified and funded as such.</p> <p>Market Development Activities</p> <p>TRANSPARENCY:</p> <p>The Central Information Transparency Platform</p> <p>Transparency: we welcome the developments linked to the</p>	EFET	<p>We note and share EFET’s concerns about maintaining and building transmission infrastructure, that can be used to their maximum extent, in all timeframes also avoiding structural congestions. Given this ENTSO-E and its member TSOs continue working on the investments which fall under their statutory mandate among which are also projects with European relevance (TYNDP investments).</p> <p>ENTSO-E is concerned about the unintended consequences that the absence of fast enough progress in developing EU wide rules on incentives for transmission investments can have on achieving EU energy policy goals. The suggested work in the ENTSO-E AWP 2014 is aimed at supporting these for Europe common interest important investments.</p> <p>The transmission investments will continue to be financed by the TSOs' financial resources under the national regulatory frameworks, using also accumulated congestion revenues to finance those projects and securing the functioning market, including efficient integration of renewables.</p>
4	<p>Transparency Regulation and the new Transparency Platform,</p>	EFET	

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
4	<p>but we would caution ENTSO-E against shutting down the existing platform in November 2013, as mentioned on page 9, before the new platform has been properly tested for some months by all market participants. Any ENTSO-E platform must accommodate the granularity and timescales involved in generators' disclosure obligations under the Transparency Regulation and also the obligations of suppliers and traders according to the inside information provisions of REMIT.</p> <p>Market Development Activities</p> <p>ELECTRONIC DATA INTERCHANGE (EDI)</p> <p>Electronic Data Exchange: while the Work Programme underlines that "ENTSO-E will continue to develop and maintain the detailed descriptions of common business processes and 'role models', in formats which are easily understood and implemented by the software industry". EFET urges ENTSO-E to use and make available for regulatory reporting purposes under REMIT and EMIR the data formats which market participants have developed in partnership with ACER and ESMA for market participants' compliance obligations. Market participants already face the threat of costly and cumbersome multiple reporting of transaction related data to different recipients; creating new data formats would only add to that burden.</p>	EFET	<p>No change to the text is planned as ENTSO-E is running User Acceptance testing over a period of one month during October, followed by an external test in November 2013. All TSOs have been invited to participate and where there are active contacts in other data providers, they are also invited. ENTSO-E has specific acceptance criteria, and if the new solution passes these, it will go live as planned. However, if there are issues, there will not be a switch over and a rollback is available to the existing platform after the cutover if necessary.</p> <p>Data formats for regulatory reporting purposes under REMIT and EMIR will be defined in the implementing acts based on ACER recommendations. These data formats are currently out of scope of WG EDI work. WG EDI has established a liaison with EFET and its representatives who attends the group's meetings. Hence, we invite EFET to bring their requirements for discussion in that group.</p>
5	<p>System Development Activities</p> <p>TEN YEAR NETWORK DEVELOPMENT PLAN</p>	ENTSO-E	<p>ENTSO-E has updated the consultation period of TYNDP 2014. Initially planned to start in August 2014, the consultation will start before the summer 2014 to ensure a better stakeholder involvement in this consultation.</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
			ENTSO-E will organise a stakeholder workshop by the end of this year to consult stakeholders early enough on the preliminary results of the TYNDP 2014. At a later stage, regional stakeholder workshops will be held in spring 2014.
6	<p>System Operations Activities</p> <p>QUALITY OF THE FREQUENCY We welcome this work to analyse the origin of the deterministic frequency deviations and read with interest that as part of this work the possible benefit of a ¼ hour market product to minimise these effect will be analysed. We look forward to reading the report in Q4 2013</p> <p>We welcome ENTSO-E's research into quarter – hourly products and would support cross border nominations of 15 minutes and 30 minutes products in order to couple all markets in lower granularity products, with no obligations in terms of harmonisation of the minimum time period at this stage. The development of lower granularity products, which currently exist in intraday markets, is a direct consequence of the increased volatility of power injections, which goes along with the development of RES. The analysis to be performed by ENTSO-E on these topics should be communicated to all market participants and any subsequent proposal should be consulted with the market</p>	<p>EDF Energy</p> <p>EFET</p>	<p>ENTSO-E appreciates the interest of EDF Energy and EFET in the work and output related the ENTSO-E studies related to deterministic frequency deviations. The Work Programme is amended to note the results of the analysis to be published by ENTSO-E, after the decision by the System Operations Committee.</p>

Chapter	Stakeholder comments, categorised by Work Programme section reference	Stakeholder	ENTSO-E assessment and treatment of responders' submissions
	<p>Legal and Regulatory Group activities related to network codes: from an outsider point of you, we perceive the interaction between the LRG and the network drafting teams mentioned on page 21 as non-transparent and rather sub-optimal. The outward facing ENTSO-E teams tasked with handling consultation on network codes often cite limitations set by the LRG, which seem unreasonable and/or unnecessary. Given the fact that the European Commission legal service is not proving to share the views taken by the ENTSO-E LRG on some fundamental aspects of codes, a closer cooperation between those groups should be considered.</p>	EFET	<p>ENTSO-E does not consider this comment to be valid. Each drafting team requires a balance of skills which we seek to ensure is available. The LRG provides a point of contact to each code and advises all teams, helping to ensure a consistent approach. That said, we agree that a more coordinated approach with the EC would be of benefit and are pushing to ensure this happens.</p>
9	Corporate Activity		No comments