

127th ACER Board of Regulators Meeting

23 October 2024 | 09:00 - 14:00

Online

MINUTES

Represented institutions	Names ¹
E-CONTROL (Austria)	M: Wolfgang Urbantschitsch; A: Dietmar Preinstorfer; O: Christine Materazzi-Wagner; O: Katharina Ledermann-Tappeiner
CREG (Belgium)	M: Koen Locquet; A: Geert Van Hauwermeiren
EWRC (Bulgaria)	A: Blagoy Golubarev
HERA (Croatia)	M: Željko Vrbanić
CERA (Cyprus)	O: Maria-Eleni Delenta
ERU (Czech Republic)	A: Jana Haasová
DUR (Denmark)	M: Carsten Smidt; A: Birgitta Bundgaard
ECA (Estonia)	A: Marilyn Tilkson
EV (Finland)	A: Antti Paananen
CRE (France)	A: Ivan Faucheux ; O: Kseniya Khromova; O: Claire Hellich-Praquin
BNetzA (Germany)	M: Annegret Groebel; O: Alexander Linov; O: Vera Fuhs; O: Nadia Horstmann
RAAEY (Greece)	O: Konstantinos Prosmirellis
MEKH (Hungary)	M: Pál Ságvári; O: Tamás Gyarmati
CRU (Ireland)	M: Jim Gannon; O: Clodagh Hunt-Sheridan; O: Barry Hussey; O: Eilis McDonnell
ARERA (Italy)	M: Clara Poletti; A: Francesco Cariello; O: Ilaria Galimberti
PUC (Latvia)	M: Rota Šņuka; A: Dace Bite; O: Alda Ozola; O: Lija Makare

¹ M: Member; A: Alternate; O: Observer.

NERC (Lithuania)	M: Renatas Pocius; A: Irma Zdanienė; O: Jelena Diliene; O: Benas Skubickas
ILR (Luxembourg)	M: Claude Rischette
REWS (Malta)	O: Manuel Manuzzi
ACM (Netherlands)	A: Michiel Denkers, O: Nora Meray
URE (Poland)	M: Rafał Gawin; A: Małgorzata Kozak
ERSE (Portugal)	M: Pedro Verdelho; A: Natalie McCoy; O: Rita Laranjeira; O: João Diogo
ANRE (Romania)	A: Tatiana Iosiper; O: Patricia Adegbuyi
URSO (Slovakia)	A: Mária Bronišová
AGEN-RS (Slovenia)	A: Bojan Kuzmic
CNMC (Spain)	M: Josep María Salas Prat; O: Gema Rico
EI (Sweden)	M: Ulrika Hesslow; A: Caroline Tornqvist; O: Johan Roupe
NVE-RME (Norway)	A: Anne Dønnem
EEA-EFTA State - Iceland	M: Hanna Björg Konráðsdóttir
EFTA Surveillance Authority	O: Anne De Geeter
ACER	Christian Zinglensen, Christophe Gence-Creux, Thomas Querrioux, Aleksander Glapiak, Nico Keyaerts, Antonio Santos, Rafael Muruais Garcia, Martin Godfried, Volker Zuleger, Csilla Bartok, Tina Voncina, Fay Geitona, Mitsuko Akiyama, Argyro Lykaki
European Commission	Michael Schuetz

1. OPENING

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

The agenda of the 127th 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 126th BoR meeting

The minutes of the 126th BoR meeting were approved and sent to the European Parliament on 1 October 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

ACER Director informed the Board about the outcome of the selection procedure for the three Head of Department positions. They are expected to start in mid-January 2025.

2.2 Joint Update from ACER Director and the BoR Chair

BoR members discussed the framework for cooperation as clarified in the guidance issued by the EU-UK Specialised Committee on Energy regarding the relationship with the UK following its withdrawal from the European Union.

3. WIDER ENERGY UNION

3.1. Updates from the European Commission

Mr Schuetz informed that the hearing of the Commissioner-designate for Energy and Housing Dan Jørgensen takes place in front of Industry, Research and Energy (ITRE) Committee on 5 November, while the Commissioner-designate Executive Vice-President for Clean, Just and Competitive Transition Teresa Ribera Rodríguez's hearing before the responsible committees of Environment, Public Health and Food Safety (ENVI), Economic and Monetary Affairs (ECON) and Industry, Research and Energy (ITRE) is planned for 12 November.

Mr Schuetz referred to the EC public consultation on the fees ACER levies for tasks under REMIT. The Commission is planning to amend the first Commission Decision (EU) 2020/2152 setting the fees due to ACER for collecting, handling, processing and analysing of information reported under Regulation (EU) No 1227/2011 of 25 October 2011 on wholesale energy market integrity and transparency (REMIT). This update is necessary since Regulation (EU) 2024/1106 of 11 April 2024 not only amends REMIT, but also the provisions on fees in Article 32 of ACER Regulation 2019/942.

Pursuant to Article 32(2) of the ACER Regulation, the EC must also consult the Administrative Board (AB) and the BoR. He presented the options as outlined in the consultation document emphasising that the basis structure of the fee scheme is to be maintained as it has proven to work and is widely accepted. Likewise, the key principle that at least 50% of ACER's budget are to be covered by the EU budget is to be kept because it is an important safeguard for stakeholders. The scheme is to introduce a flat fee for Inside Information Platforms. For Registered Reporting Mechanisms (RRM), it envisages an increase of the flat fee as well as increased fee for reporting, also for market participants with above 100 million records. The nominal level of all these fees are to be decided based on the consultation. Additionally, the consultation focuses also on introducing some form of adaptation mechanism for rising costs. On the latter, the consultation seeks views on several possible components: i) significant increase of fees so potential fee income is significantly higher than eligible costs, ii) new component in the form of additional annual supervisory fee and iii) automatic adjustment to inflation.

Mr Schuetz stressed that the Commission considers that ACER and stakeholders managed to implement the Decision on REMIT fees successfully and that in the past years the Decision has fulfilled its objective of providing ACER with additional funding without placing an undue financial or administrative burden on stakeholders. Nevertheless, the planned amendment provides an opportunity to adjust the Decision if necessary based on experience.

The ARC Co-Chair Ms Groebel and Vice Co-Chair Ms Khromova presented their initial reactions, emphasising that the core principles of the fee concept remain as relevant as they were at the time of adoption - namely, to ensure robust market oversight that ultimately benefits consumers. In principle, the proposed elements of the current consultation document are considered generally appropriate. The BoR agreed to provide its formal input (including some technical remarks) to the Commission's consultation by way of electronic procedure to be launched on 22 November. The BoR Chair will transmit the BoR feedback to the European Commission and it will be published on the ACER website.

Decisions/Conclusions

3.1

The BoR unanimously agreed to provide formal input to the planned Commission Decision setting the fees due to ACER for collecting, handling, processing and analysing of information reported under Regulation (EU) No 1227/2011 as amended by Regulation (EU) No 2024/1106 by electronic procedure.

3.2. Hungarian Presidency Conference on Electricity Grid Development – key conclusions

The above conference was held on 14 October and the agenda covered inter alia: the challenges of electricity grids and their role in supporting the energy transition; the success factors for the implementation of network developments; and zoom in on the technical and financial challenges. Mr Ságvári, who spoke on “Navigating Power Grid Scarcity In The Age of Renewable Energy,” presented the key conclusions. The main take-away is an increasing consensus among a vast majority of stakeholders on the need to speed up grid investment, which is recognized as a must have to meet 2030-2050 targets. ACER Director also welcomed the strong consensus that building new infrastructure should be accompanied by an emphasis on the efficiency-first principle.

4. ITEMS FOR BOR OPINION/APPROVAL/AGREEMENT

4.1. Approval of the revised ACER Work Programme 2025

The Administrative Board (AB) must adopt the ACER programming document for the following year taking into account the opinion of the Commission (received on 18 October) on the draft version of the programming document and after receipt of a favourable opinion from the BoR. After its adoption, the AB has to submit the programming document to the European Parliament, the Council and the Commission by 31 December. The programming document should include the EU budget as adopted by the budgetary authorities. The ACER Director informed the BoR that the draft programming document that was endorsed in January 2024 will address the EC opinion. The BoR was asked to approve the revised 2025 ACER Work Programme by electronic procedure, to which members unanimously agreed.

Decisions/Conclusions	
4.1	The BoR unanimously agreed to approve the revised 2025 ACER Work Programme by electronic procedure.

5. AWG KEY ISSUES

5.1. AWG/ARC key updates

- AEWG updates; German ministry options paper on the Electricity Market Design of the Future

The AEWG Chair presented updates relating to the commitments from the strategic paper on the electricity challenges and on ongoing non-compliance cases and the state of play of TSO accession to the European platforms for balancing energy exchange from frequency restoration reserves with manual and automatic activation.

The AEWG Chair also pointed to key developments related to LTFB (long-term flow-based) implementation.

Regarding the bidding zone review, preliminary results on economic efficiency for Central Europe (CE) and the Nordic region have been presented. The report is expected to be published in December 2024.

The Cybersecurity TF has a new co-convenor from MEKH.

Ms Groebel presented two consultation documents launched by the German Federal Ministry for Economic Affairs and Climate Action, one entitled "Electricity market design of the future - options for a secure, affordable and sustainable electricity system" (which closed in September) and another on its Power Plant Strategy (closing on 23 October) for tendering 12.5 GW possibly in summer 2025².

The BoR Chair thanked Ms Groebel and members discussed the topics addressed in the consultations. In their concluding remarks, the BoR Chair and the ACER Director took the opportunity to thank the ARC Co-Chair for her long-standing contributions and welcomed the appointment of Ms Kseniya Khromova (CRE) as her successor.

Mr Verdelho briefly updated members on the discussions at the last AGWG meeting in Budapest, which focused on the deliverables presented below as well as the ACER Unit Cost Benchmark on methane emissions and the TSO benchmarking exercise.

5.2 ACER Market Monitoring Reports

- EU Electricity Wholesale Market Integration

Mr Querrioux presented the findings of the report, which publication is expected on 14 November. The report details findings in connection with the monitoring inter alia of: flexibility, which is key to the energy transition and European competitiveness; implementation status, particularly in the day-ahead and intraday markets, the forward market and the balancing markets.

- European Hydrogen Markets

Ms Bartok presented the findings of the report, which publication is expected on 13 November. This first volume takes stock of the nascent hydrogen sector developments and discusses regulatory issues and challenges.

5.3. ACER Infrastructure Monitoring Report

Mr Keyaerts presented this report planned for publication on 28 November and prepared pursuant to Article 15 of the ACER Regulation. This MMR-style infrastructure monitoring report conveys the key messages from focused deliverables in a comprehensive way, highlighting the role of electricity grids as crucial building blocks of the future integrated, multi-vector energy system, targeting a broader audience.

² https://www.bmwk.de/Redaktion/EN/Publikationen/Energie/20240801-electricity-market-design-of-the-future.pdf?__blob=publicationFile&v=4;
<https://www.bmwk.de/Redaktion/DE/Meldung/2024/20240911-kraftwerkssicherheitsgesetz.html>

The report monitors the progress of grid capacity development and infrastructure investment and their cost impacts.

5.4. ACER Opinion on the review of gas and hydrogen National Development Plans to assess their consistency with the Ten-Year Network Development Plan

The above opinion reviews the most recent editions of the EU gas and hydrogen national development plans (NDPs) in view of ACER's task to assess their consistency with the EU-wide Ten-Year Network Development Plans (TYNDP) for gas and hydrogen pursuant to Article 26(9) and Article 60(2) of Regulation (EU) 2024/1789. The objective is to assess the consistency in terms of the projects included in the TYNDP and NDPs (to provide certainty to project promoters), and the methodological consistency allows decision-makers to pursue robust network development. ACER issues several recommendations aimed at improving the consistency between gas NDPs and the EU TYNDP.

5.5. ACER Opinion on the gas reverse flow proposal at the “Deutschneudorf-EUGAL” Interconnection Point between Germany and the Czech Republic

On 5 February 2020, BNetzA granted an exemption from the obligation to permanently provide physical bidirectional capacity on the German side of the cross-border interconnection point "Deutschneudorf EUGAL Brandov." This exemption granted in accordance with the gas security of supply regulation expired on 5 February 2024. On 2 February 2024, GASCADE submitted a proposal for having permanent physical bidirectional capacities at the cross-border interconnection point "Deutschneudorf EUGAL Brandov". BNetzA, based on GASCADE's proposal, determined that sufficient capacity already existed to transport gas from the Czech Republic to Germany at the Deutschneudorf EUGAL Brandov interconnection point, rendering the exemption unnecessary (as positively confirmed by the Czech authorities).

ACER must issue an opinion in 3 months on the elements of the coordinated decision and submit the opinion to all competent authorities concerned and to the Commission. ACER presented the key elements of its Opinion.

5.6. ACER Report on Security of EU Electricity Supply

Mr Glapiak presented the report ahead of its publication planned for 28 November. The report looks at the implementation of the adequacy framework, and findings relating to support mechanisms. The report sets out recommendations for further integrating the single electricity market and removing barriers to demand response and new entrants through a more integrated approach towards securing supplies.

5.7. Consolidated REMIT Multilateral Memorandum of Understanding

The Consolidated REMIT Multilateral Memorandum of Understanding was updated in light of the revised REMIT Regulation, which is in force since 7 May, and circulated ahead of the meeting along with a cover note detailing the options for the signature process. Mr Godfried invited NRAs to complete the process by 6 November.

5.8. Draft outline of the 2026 Work Programme

Each year, the Director prepares a draft programming document containing annual and multi-annual programming, and submits it to the AB and BoR. The AB adopts the draft programming document after receipt of a favourable opinion of the Board of Regulators, and submits it to the European Parliament, Council and the Commission no later than 31 January. The WG Chairs were consulted on the draft, and the 2026 Work Programme will be presented to the BoR for approval in January 2025.