

## 130<sup>th</sup> ACER Board of Regulators Meeting

5 March 2025 | 10:00 – 14:00

Warsaw, hybrid

### MINUTES

Represented institutions	Names <sup>1</sup>
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)	-
HERA (Croatia)	M: Željko Vrban
CERA (Cyprus)	O: Christina Zouvani
ERU (Czech Republic)	A: Vladimír Vajnar O: Adam Chromčák
DUR (Denmark)	M: Carsten Smidt; A: Brigitta Bundgaard
ECA (Estonia)	A: Marilyn Tilkson
EV (Finland)	M: Simo Nurmi; O: Veli-Pekka Saajo
CRE (France)	M: Emmanuelle Wargon A: Ivan Faucheux, O: Claire Hellich-Praquin; O: Amélie Redortier; O: Kseniya Khromova;
BNetzA (Germany)	M: Annegret Groebel; O: Alexander Linov; O: Nadia Horstmann
RAAEEY (Greece)	O: Yuriy Bilen
MEKH (Hungary)	M: Pal Sagvari; O: Szabolcs Koppányi; Réka Emese Kerekgyarto
CRU (Ireland)	M: Jim Gannon; O: Eilis McDonnell; O: Barry Hussey; O: Clodagh Hunt-Sheridan
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

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

NERC (Lithuania)	M: Renatas Pocius A: Irma Zdanienė; O: Benas Skublickas
ILR (Luxembourg)	A: Claude Hornick
REWS (Malta)	O: Manuel Manuzzi
ACM (Netherlands)	A: Michiel Denkers; O: Nora Meray
URE (Poland)	M: Rafał Gawin; A: Małgorzata Kozak; O: Danuta Sierocinska; O: Małgorzata Kudzia
ERSE (Portugal)	M: Pedro Verdelho; A: Natalie McCoy; O: Joao Diogo; O: Pedro Roldao O: Rita Laranjeira
ANRE (Romania)	A: Tatiana Iosiper; O: Patricia Adegbuyi
URSO (Slovakia)	-
AGEN-RS (Slovenia)	A: Bojan Kuzmic
CNMC (Spain)	M: Josep Maria Salas; A: Esther Espeja; 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, Rafael Muruais Garcia, Maria Barroso Gomes, Csilla Bartok, Karin Lunning, Karina Knaus; Athina Tellidou, Thomas Querrioux, Mitja Maletin, Fay Geitona, Tina Voncina, Mitsuko Akiyama, Argyro Lykaki
European Commission	Michael Shuetz, Christof Lessenich, Thomas Kawam, Tereza Stasakova, Ilija Jovancevic

## 1. OPENING

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

The agenda of the 130th 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 129<sup>th</sup> BoR meeting

The minutes of the 129<sup>th</sup> BoR meeting were approved and sent to the European Parliament on 10 February 2025.

Decisions/Conclusions	
1.1	The BoR approved the agenda.

## 2. UPDATES FROM THE ACER DIRECTOR AND THE BOR CHAIR

### 2.1 Update from ACER

No update provided at this meeting.

### 2.2 Update from the BoR Chair

The BoR Chair announced the outcome of the review of the 2025 conflict of interest documents (Declarations of Interests and CVs) that were submitted in line with the annual obligation by the BoR members and alternates, AWG Chairs and Vice-Chairs and TF Convenors by 14 February 2025. The Chair expressed appreciation for the high response rate of the BoR members and alternates and called on the remaining members and alternates who have not yet submitted their documents to do so as soon as possible. All declarations of interest and CVs are to be published on the Agency's website and the Administrative Board Chair will be informed about the outcome of the process.

## 3. WIDER ENERGY UNION

### 3.1. Updates from the European Commission

Mr Lessenich provided an overview of two important packages published by the European Commission on 26 February 2025: the Clean Industrial Deal and the Action Plan for Affordable Energy. They aim to advance the EU's objectives on decarbonisation, sustainability, competitiveness and economic security. Unlike the Clean Industrial Deal, which primarily

targets industrial competitiveness, the Action Plan also addresses consumer concerns and includes both short-term measures and more structural, long-term solutions for deepening EU energy market integration. It suggests concerted actions grouped around 4 pillars to i) lower energy costs, ii) complete the Energy Union, iii) attract investments and iv) be ready for potential energy crises.

The BoR Chair thanked the Commission for the update and invited members to share their initial reactions. In the exchange that followed, several members emphasised that maintaining the independence of NRAs will be a key challenge in the coming period. They urged the Commission to strongly advocate for and safeguard NRA independence, particularly in tariff-setting. They insisted on the importance of positive communication regarding cost-reflectivity. In response, the Commission reaffirmed its strong support for NRA independence in tariff-setting and its commitment to upholding this principle. Mr. Lessenich also noted that some elements are still being finalised, and discussions on this important package are expected to continue. He also offered to provide an update on gas storage filling requirements at the next meeting.

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

### **4.1 ACER Recommendation on the Demand Response Network Code**

The European Commission cleared ACER's framework guideline (FG) on demand response in March 2023, and asked the DSO Entity and ENTSO-E to draft the proposal for the new, binding EU rules. On 8 May 2024, ACER received the electricity system operators' proposal for an EU-wide network code on demand response, and the Recommendation on the revisions to the DR NC was to be submitted to the EC on 7 March.

Following the submission of the Director's proposal and of the AEWG advice, the BoR Secretariat received proposals for amendments. The BoR Chair invited the authors of the amendments to present their key concerns, after which the members were invited to vote. None of the proposals reached the threshold for adoption.

The BoR granted its favourable opinion on the initial proposal by the requisite majority of the members present or represented.

### **4.2 ACER Decision on a proposal from Nominated Electricity Market Operators (NEMOs) to amend the single intraday coupling (SIDC) products methodology**

On 21 October 2024, all NEMOs submitted their proposal for amending the terms and conditions for SIDC Products. The deadline for ACER's Decision is 21 April 2025.

The NEMO proposal follows the recent amendment to the terms and conditions for the products that can be taken into account in the single day-ahead coupling (SDAC products), approved by ACER Decision 13/2024. The changes to the SDAC products were necessary to ensure that the SDAC algorithm supports the 15 minutes (15') market time unit (MTU)

products, as required by Article 8 of Regulation 2019/943. Following the amendment of the SDAC products, the NEMOs proposed to update the SIDC products to ensure consistency between the two sets of products. The proposal also introduces provisions regarding 'optional' and 'mandatory' products for intraday auctions (IDAs). The Decision and the AEWG advice were circulated.

The BoR Chair invited members to vote on the proposal and the BoR granted its favourable opinion by consensus of the members present and represented.

#### **4.3 ACER Report on Electricity Transmission and Distribution Tariff Methodologies in Europe 2025**

To increase transparency and comparability in tariff-setting, ACER provides a best practice report on transmission and distribution tariff methodologies, which NRAs duly take into consideration when fixing or approving transmission or distribution tariffs, or their methodologies in line with Article 59(1)(a) of Directive (EU) 2019/944. The AEWG advice was circulated along with the Report.

Proposals for amendments, a proposal for comment and a number of factual corrections were submitted by BoR members ahead of the meeting. ACER clarified that the latter will be incorporated in the final draft.

The BoR Chair invited the authors to present their proposals for amendments and comment ahead of the votes.

The BoR Chair invited the members to vote on the first and second amendment proposals, which did not meet the threshold for adoption. The comment was adopted by the requisite majority of the members present or represented.

In the discussions that followed, members emphasised the Report's insightfulness and high value for NRAs, particularly in supporting their core competence in tariff-setting and addressing growing pressures on their independence in fulfilling this mandate. The final vote on the BoR favourable opinion on the Report will be conducted via electronic procedure.

#### **4.4 ACER Market Monitoring Reports: key developments in gas & electricity**

ACER provided an overview of the upcoming Market Monitoring Report (MMR) which, for the first time, jointly analyses key developments in both gas and electricity markets. The report highlights the interplay between electricity and gas prices - a topic that gained prominence during the recent crisis - and examines their evolving relationship.

The findings reveal that energy prices in Europe declined in early 2024, albeit with significant regional and seasonal variations. However, exposure to global market dynamics has become a defining factor for EU gas markets, leading to rising gas prices since spring 2024 and, consequently, impacting electricity prices as well. Looking ahead, a significant expansion in LNG production is expected to ease market tightness in the coming years, shifting global gas supply from constrained to well-supplied.

In 2024, the relationship between gas and electricity underwent notable changes. Solar power reaffirmed its leading role in the electricity generation and energy transition, while nuclear and hydro generation rebounded. This high electricity supply, combined with low demand, strong LNG availability, and high gas storage levels, resulted in a surge in negative electricity prices. However, adverse weather conditions in the final months of 2024 partially offset the decline in gas-generated electricity, leading to price increases.

Overall, the role of gas in setting marginal short-term electricity prices declined in 2024, though its influence on long-term electricity markets remains, varying by Member State depending on their electricity mix. While extreme electricity price spikes were less frequent in 2024, daily price fluctuations remained significant, reflecting continued reliance on fossil fuel technologies for flexibility. Real-time data suggests that the gap between midday solar oversupply and evening demand is widening. The report underscores the importance of various solutions to manage this imbalance, including demand-side response, battery storage, and cross-border electricity trade through interconnections.

For long-term flexibility, gas storage remains crucial. Even as decarbonisation and electrification advance, gas storage continues to play a vital role in ensuring Europe's energy security and stability. Until alternative solutions for seasonal flexibility mature and scale up, gas remains a relevant backstop for energy markets.

The BoR endorsed the Report by consensus of the members present and represented.

Decisions/Conclusions	
4.1	The proposals for amendment did not meet the threshold for adoption and the BoR issued its favourable opinion on the ACER Recommendation on the Demand Response Network Code by the requisite majority of the members present or represented.
4.2	The BoR issued its favourable opinion on the ACER Decision on a proposal from Nominated Electricity Market Operators (NEMOs) to amend the single intraday coupling (SIDC) products methodology by consensus of the members present and represented.
4.3	The proposals for amendments were not adopted whilst the comment was adopted by the requisite majority of the members present or represented. The BoR agreed to issue its favourable opinion on the ACER Report on Electricity Transmission and Distribution Tariff Methodologies in Europe 2025 by way of electronic procedure.
4.4	The BoR endorsed the ACER Market Monitoring Reports: key developments in gas & electricity by consensus of the members present and represented.

## 5. AWG KEY ISSUES

### 5.1. ACER Report on Regional Coordination Centres' reporting obligations in 2023

RCCs are a crucial part of the greater integration of energy markets within the EU. They are required to carry out a number of tasks under Article 37 and Annex I of the Electricity Regulation.

The objective of this Report is to deliver a short factual report on the reporting done by the RCCs on the obligations of Article 46 of the Electricity Regulation with respect to the 2023 reporting period, which has seen significant progress in the development and implementation of tasks in all RCCs, particularly as regards the Common Grid Model, short-term adequacy, outage planning coordination and post-disturbance analysis. Progress is expected to continue as RCCs reported shortcomings with respect to certain tasks. The Report invites RCCs to take a number of actions to pursue the swift implementation of their tasks as a key priority and to improve the quality of the reporting.

### 5.2. ACER ITC Monitoring Report 2023

The Inter-Transmission System Operator Compensation (ITC) mechanism provides compensation for all TSOs (ITC Parties) that are part of the ITC agreement for the costs resulting from hosting cross-border transit flows, such as power losses and network investments. Other co-existing mechanisms to share such costs and benefits are the cross-border cost allocation of infrastructure projects of EU relevance and congestion income distribution.

ACER's assessment of the 2023 data shows that the ITC fund continues an upward trend, reaching a record high of almost 1.24 billion EUR in 2023. Furthermore, as the value of losses determining the variable component of the fund continued to increase across the ITC Parties, the divergence between the minimum and maximum value of losses in 2023 reached a record high. Significantly varying costs in turn question the fairness to consumers on a national level, leading to the recommendation to further assess the valuation of losses and whether aligning methodologies for calculating power losses would reduce discrepancies and lead to fairer prices for European consumers.

Despite improvements to the quality of reporting in terms of accuracy, granularity and timeliness, the Report reiterates some of the previous recommendations and concludes that the current ITC mechanism, alongside cross-border cost allocation and congestion income, falls short of adequately addressing the equitable sharing of infrastructure costs and benefits from cross-border trade, suggesting the need for a comprehensive review of these remuneration mechanisms to ensure infrastructure investments.

Mr Urbantschitsch expressed support for the need for improving the data basis. The amount of the ITC mechanism has been the same since the beginning, but it was not based on a solid data foundation. He stated that as regulators, we have committed to this step in our position

paper on future electricity system challenges, where commitment B states that we will "consolidate and improve the current regulatory approaches to better share the cost and benefits of electricity network infrastructure arising from cross-border trade." It is now time to follow up on this commitment.

### **5.3. AWG/ARC key updates**

The AEWG Chair referred inter alia to delays and explained the concerns in connection with the European Resource Adequacy Assessment (ERAA) 2024, and updated members on ongoing work with regard to ERAA 2025, the flexibility needs assessment and Core long-term flow-based implementation. The AEWG Chair also presented the state of play of the work on the 5 commitments stemming from the ACER-CEER paper on the challenges of the future electricity system.

The ARWG co-Chair, Ms McCoy, referred to ongoing work on the next retail MMR volume, which scope was further discussed at the last ARWG meeting.

The AGWG Chair referred to the written updates, in particular as regards new rules on the comparison of TSO costs (TSO efficiency comparison).

Ms Groebel referred back to the earlier mention of an important targeted consultation on the review of the functioning of commodity derivatives markets and certain aspects relating to spot energy markets.