

64th Administrative Board Meeting**Ordinary session (hybrid mode)****Wednesday, 23 October 2024, 16:15 - 20:00****Thursday, 24 October 2024, 09:00 - 14:30**ACER premises, Trg republike 3, 1000 Ljubljana, 8th floor meeting room
and by videoconference**MINUTES**

Members and Alternates of the Administrative Board, present at the meeting:		Function
Ms Edit HERCZOG		Chair
Mr Bogdan CHIRIȚOIU (present online on 23 and 24 October 2024)		Vice-Chair
Dr Jurijs SPIRIDONOVŠ (present online on 23 and 24 October 2024)		Member
Mr Václav BARTUŠKA (present online on 23 and 24 October 2024)		Member
Mr Tomasz DĄBROWSKI (present online on 23 and 24 October 2024)		Member
Ms Karoline NARODOSLAWSKY		Member
Mr Paul RÜBIG (present online on 23 October 2024, in person on 24 October)		Member
Ms Britta THOMSEN		Alternate
ACER	Christian Pilgaard ZINGLERSEN, Olga BORISSOVA, Volker ZULEGER, Rodica MANDROC, Silvia MANESSI, Paul MARTINET, Valter ILIĆ, Saša BOKO GRGIČ, Mitsuko AKIYAMA, Savvas SAVVIDES, Susannah NASH WIDELL, Peter MEZE, Tina VONČINA Staff Committee: Savvas SAVVIDES, Akos HOFSTADTER, Gaia MORLEO	
European Commission	DG ENER: Anne MONTAGNON (present online on 23 and 24 October 2024) Michael SCHUETZ (present online on 23 and 24 October 2024) Juan-Ignacio DE DIOS MORALES DG IAS: Agnieszka KAŻMIERCZAK, Doriane GIVORD-STRASSEL, Ilian KOMITSKI (all present online on 24 October for the relevant agenda point)	

Board of Regulators	Clara POLETTI, Chair of the Board of Regulators
University of Ljubljana, Faculty of Social Sciences	Ms Barbara BREČKO (present online on 24 October for the relevant agenda point)

Ms Ditte JUUL-JØRGENSEN granted a proxy to Ms Anne MONTAGNON for both days.

Mr Christian Pilgaard ZINGLERSEN (ACER Director) and Ms Clara POLETTI (Chair of the Board of Regulators) were present at the meeting, acting as observers. They were not present at the Administrative Board closed session on 23 October 2024. The Secretariat was provided by the Agency.

SUMMARY OF CONCLUSIONS OF THE 64TH MEETING OF THE ADMINISTRATIVE BOARD

At the 64th meeting, the Administrative Board:

- 1) discussed the procedure under Article 23 of the ACER Regulation (EU) 942/2019 regarding the extension of the ACER Director's mandate. It took note of the Board of Regulators' (BoR) Opinion on the Commission's proposal to extend the Director's term of office and thanked the BoR for its timely discussion and swift adoption of the Opinion. The Administrative Board expressed its support for the BoR Opinion and indicated that it would endorse the extension of the Director's mandate. The Administrative Board Chair was tasked with informing the European Parliament of the Administrative Board's intention to extend the Director's mandate for another five years and offering the relevant EP committee the opportunity to invite the current ACER Director to provide a statement. The Administrative Board will discuss and decide on the Director's reclassification at its next meeting;
- 2) discussed the Agency's alignment with the political priorities of the European Commission and EU institutions under the new mandate (2024-2029);
- 3) acknowledged the recent appointments of the three Head of Department positions;
- 4) emphasized the importance of maintaining fair and professional procedures throughout all stages of the selection process. In HR cases where exceptions to the Staff Regulations are registered, the Board requested to be promptly informed about such exceptions and any complaints received that would necessitate the Administrative Board's involvement as the appeal body. Regarding a specific complaint about the selection procedure, the Administrative Board reviewed and approved the response to the complaint in accordance with Article 90(2) of the Staff Regulations.
- 5) took note of the implementation of the 2024 budget and acknowledged the delays in recruitment and procurement procedures caused by the late transfer of EU funds intended for the implementation of the Electricity Market Design package;

6) expressed its agreement to a potential written procedure to amend the 2024 budget to regularize the revenue side;
7) adopted the revised 2024 procurement plan, emphasizing that its successful implementation requires a collaborative effort from all departments;
8) was consulted on the planned Commission decision on setting fees related to ACER tasks under REMIT Regulation and its recent amendment. The Board considered the proposed elements in the public consultation as appropriate;
9) reviewed and discussed the Strategic Internal Audit Plan for ACER for the 2025–2027 period, prepared by the European Commission Internal Audit Service. The Board emphasized the importance of fostering close cooperation and partnership with the audit services to improve processes and effectively address the identified risks;
10) appreciated the update on activities and initiatives aimed at enhancing engagement with Slovenian stakeholders;
11) welcomed the recent Agency’s engagement with the Slovenian authorities on the European School and on the reported progress that should address the lack of appropriate school facilities and provide for adequate security;
12) acknowledged the operational updates and progress on the building file and discussed the next steps. The Board asked to be regularly informed about the progress and reconfirmed its full support in the approval process vis-à-vis the European institutions;
13) reviewed and discussed the results of the 2024 Staff Engagement Survey with the researcher, the Agency’s management and the Staff Committee. It welcomed the positive changes, regretted the low participation in the survey and took note of the negative changes expressed especially at the managerial level. The Board asked to be regularly informed about the next steps and further outcome;
14) acknowledged the update to the draft Programming Document 2025–2027, which incorporates the Commission's feedback on the original version:
15) welcomed the initiative of fostering cooperation between ACER and NRAs;
16) received an update on the secure IT infrastructure and agreed on the suggested policy implementation, that should consider needed budgetary and HR aspects. The Board asked to be regularly informed of developments.

1. OPENING

The Chair of the Administrative Board informed members that since the 63rd meeting, two alternates appointed by the Council -- Mr Wouter RAAB and Ms Karin LUNNING - submitted their resignations. The Secretariat is in communication with the Council, which has already initiated the procedures for new appointments.

Upon invitation of the Chair to the present Administrative Board members and alternates to declare any actual or potential interests that could be considered prejudicial to their independence with respect to the items on the agenda, no member or alternate declared or reported any actual or potential interest.

1.1 Approval of the agenda

The agenda of the 64th meeting was approved.

2. DISCUSSION AND DECISION-MAKING

2.1 Update from the ACER Director

The ACER Director informed the Board about the outcome of the selection procedure for the three Head of Department positions which had been underway since June 2024 (Market Surveillance and Conduct Department, Market Integrity and Transparency Department, Energy System Needs Department). The new Heads of Department are expected to start in mid-January 2025.

The Administrative Board welcomed the progress toward greater gender diversity in ACER management. It expressed the expectation to meet the new management members at the Board's meeting in January 2025.

**Decisions/
Conclusions**

The Administrative Board acknowledged the recent appointments of the three Head of Department positions.

2.2 Update from the BoR Chair

Clara POLETTI, the Chair of the Board of Regulators (BoR), informed the Administrative Board that the BoR unanimously adopted during its 126th meeting (18 September 2024) the BoR Opinion endorsing the Commission's proposal to extend the term of office of the current ACER Director Mr Zinglensen for a further five years pursuant to Article 23(4) of ACER Regulation 2019/942. In line with the procedure, the BoR Opinion had been transmitted to the Administrative Board.

The Chair of the Administrative Board expressed gratitude to the BoR for its swift discussion and adoption of the Opinion on the Commission's proposal to extend the ACER Director's mandate. This timely action has facilitated the decision-making process of other stakeholders involved and ensured alignment with the agreed timeline.

Ms Poletti also informed the Administrative Board that BoR members started a discussion on 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.

**Decisions/
Conclusions**

The Administrative Board took note of the BoR Opinion on the Commission's proposal of the extension of the term of office of the ACER Director. The Board thanked the BoR for its timely discussion and swift adoption of the Opinion.

2.3. Session with presence of members and alternates only, including Chair and Vice-Chair regular report to the Board since last meeting

The Administrative Board Chair recalled that the Director's current five-year term ends on 31 December 2024. The Chair underlined the Administrative Board's competence in the appointment of the ACER Director and/or the Board's competence in adopting a single, five-year extension of his mandate.

Since the latter was proposed to the Administrative Board by the European Commission based on the double assessment of a) the Director's performance over the mandate and b) of ACER's duties and requirements in the coming years, the procedure as outlined in Article 23(4) of the ACER Regulation was initiated on 11 September 2024.

The Chair informed about the steps that were taken since then. Per Regulation's provisions, the Administrative Board, acting on the proposal from the Commission, had first consulted the BoR on the Commission's proposal. As presented by the BoR Chair in the previous agenda point, the BoR adopted at its 126th meeting (on 18 September 2024) the Opinion endorsing the Commission's proposal and submitted its Opinion to the Administrative Board for its consideration. Pursuant to the Regulation, the Administrative Board has to give the utmost consideration to the assessment and opinion of the BoR.

The Administrative Board discussed the BoR Opinion and indicated its intention to extend the term of office of the current ACER Director Mr Zinglensen for a further five years. Per Regulation, the Chair of the Administrative Board was tasked to inform about the Administrative Board's intention also the European Parliament, giving its relevant committee (ITRE) possibility to invite the ACER Director for a statement before the Administrative Board is to take its final decision at its next/65th meeting in December (11-12 December 2024).

Since in its proposal, the Commission proposed also the reclassification of the Director at the beginning of the new mandate, the Administrative Board decided to take the decision on this at its next meeting in December 2024 in line with the HR provisions relevant for the Director position in the agencies. Majority vote of the Administrative Board expressed wish to adopt decision on the reclassification in a separate decision, while a minority view was this could be merged in one decision together with the extension of the mandate since both are based on the dual assessment (a) of the Director's performance over the mandate and b) of ACER's duties and requirements in the coming years).

The Administrative Board discussed the draft reply to the compliant in line with Art. 90(2) of the Staff Regulation regarding the selection procedure ACER 2024/01. According to Article 2(4) of the Administrative Board decision 14/2019, the Administrative Board adopted the draft reply and tasked the Chair to sign it within the 4-month deadline.

The Secretariat of the Administrative Board proposed the following provisional calendar of the Board's meetings in 2025: 29-30 January, 9-10 June, 23-24 October, 10-11 December. Since it turned out June 2025 meeting coincides with national holidays in some countries, the Secretariat is to propose a new date for June meeting and would seek the agreement of members and alternates before December meeting.

The Secretariat also informed the Board about the estimate of the 2025 budget line of the Administrative Board that it intends to submit to the Accounting Officer. The Secretariat informed that it would provide estimate of costs for the meetings and for the maintenance of the ePlatform, which is supporting the annual conflict of interest policy. The Board approved the estimate proposed by the Secretariat. The latter asked the Board to inform as soon as possible about any other need having financial implications so that it can be factored in the 2025 budget in time.

Decisions/ Conclusions

The Administrative Board discussed the procedure pursuant to Article 23 of the ACER Regulation (EU) 942/2019 on the extension of the mandate of the ACER Director. It discussed the BoR Opinion endorsing the Commission's proposal to extend the term of office of the current ACER Director and expressed its support to the BoR Opinion, leading to indicate that the Administrative Board would endorse the extension. The Administrative Board Chair was tasked to inform the European Parliament of the Boards' intention and to offer the possibility to the relevant EP committee to invite the current ACER Director for a statement. The Administrative Board is to discuss and decide on the Director's reclassification at its next meeting.

The Administrative Board adopted the reply to the complaint in line with Art. 90(2) of the Staff Regulation.

2.4 Revision of European Commission decision (EU) 2020/2152 on fees due to ACER for REMIT tasks – options and likely amendments

Mr Michael Schuetz, European Commission, informed the Administrative Board that the European 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 Regulation, but also the provisions on fees in Article 32 of ACER Regulation 2019/942. For this reason, the Commission has been currently running the public consultation with the interested stakeholders. According to Article 32 of the ACER Regulation before deciding on fees, the Commission has to consult also the Administrative Board and the BoR.

It was explained that the Fee Decision needs to be updated to reflect the recent REMIT Regulation's amendments of extending the fee-paying requirement to Inside Information Platforms (IIPs) and of extending the scope of eligible costs possibly paid from fee revenues to the new supervision and investigatory powers (e.g., investigatory powers such as on-site inspections, requests for information and power to take statements in cross-border cases). Furthermore, the Fee Decision has so far not been updated and adjusted to inflation and to changes in the market (e.g. more high frequency trading). The amendment also provides an opportunity to adjust the Fee Decision based on experience with its implementation since 2021. Overall, the Commission views the implementation of the Decision on REMIT fees by ACER and stakeholders as successful. Over the past years, the REMIT fee Decision has achieved its objective of providing ACER with additional funding without imposing an undue financial or administrative burden on stakeholders. It is also for this reason that the Commission proposes the basis structure of the fee scheme to be maintained and to keep the principle (and important safeguard for stakeholders) that at least 50% of ACER's budget should be covered by the EU budget.

The public consultation seeks to get feedback on the nominal level of flat fees and of fees for reporting. Additionally, it 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 could be significantly higher than eligible costs, ii) new component in the form of additional annual supervisory fee and iii) automatic adjustment to inflation.

The Board was informed that it is increasingly likely the decision will not be adopted by end of 2024. Since ACER invoices REMIT fees in January, the latter would still need to be calculated per the existing rules. Moreover, the REMIT Implementing Regulation will need to be amended by May 2025. Both factors will highly likely require transitional rules for 2025, which might lead to levying the first round of fees in the beginning of 2025 on the basis of the existing Decision on REMIT fees and do a second round based on the amended Decision.

The Administrative Board thanked the Commission for presenting the experience of the REMIT fee implementation and for consulting the Board on the options being discussed as part of the public consultation. The Board considered the proposed elements in the public consultation as appropriate. It emphasized the relevance of the fee concept which is to ensure strong market oversight that ultimately serves the interests of consumers and to provide ACER budgetary revenues for REMIT related tasks. If any Administrative Board member or alternate wishes to provide additional written input to the Commission, he or she is invited to do so by the end of the consultation period (by 27 November 2024).

Decisions/ Conclusions

The Administrative Board was consulted on the planned Commission Decision setting the fees due to ACER for collecting, handling, processing and analysing of information reported under REMIT Regulation (EU) No 1227/2011 as amended by Regulation (EU) No 2024/1106. The Board considered the proposed elements in the public consultation as appropriate.

2.5 Update on the European School

At the Chair's invitation, Ms Olga Borissova, Senior Advisor, provided an update on the progress of the European School in Ljubljana. Over the summer, several meetings were held, including discussions of ACER Director with the Slovenian Prime Minister, to emphasize the importance of modern, high-quality education as a crucial factor in both retaining and attracting ACER staff. The significance of the European school for current staff was underscored by the results of the Staff Engagement Survey. Additionally, for candidates applying for new positions, the availability of a quality European schooling program remains a key factor in their decision to accept an offer at ACER.

Following these endeavours, including the engagement of the Administrative Board Chair in spring, a significant milestone was reached as the Slovenian government had provisioned the budgetary support in the next years for a new building that should address the current lack of appropriate school facilities and meet adequate security requirements. The further operationalization of the budgetary support for the new building still needs to be defined. The Agency is committed to ensuring that the quality of education remains a priority. For this reason, the Agency keeps close contact also with the new school headmaster and with the Ministry of Education.

Decisions/ Conclusions

The Administrative Board welcomed the recent Agency's engagement with the Slovenian authorities on the European School and on the reported progress that should address the lack of appropriate school facilities and provide for the adequate security.

2.6 Update on building project

Ms Olga Borissova, Senior Advisor, presented operational update on the agreed process and timeline for a new long-term lease for the Agency's seat in Ljubljana – Slovenia as endorsed by the Administrative Board in March 2024.

The Administrative Board took note of the organisational updates of the process and discussed the upcoming steps relevant also for the approval of the dossier by the relevant EU bodies.

Decisions/ Conclusions

The Administrative Board acknowledged the operational updates and progress on the building file and discussed the next steps. The Board asked to be regularly informed about the progress and reconfirmed its full support in the approval process vis-à-vis the European institutions.

2.7 Energy market and regulatory developments – recent ACER actions, efforts, perspectives and reflections

The ACER Director informed the Board about the Agency's strong alignment with the European Commission's political priorities under its new mandate, particularly as integrated energy markets play a crucial role in enhancing competitiveness. While the future energy system is expected to be highly digitalized, more flexible, and participatory - areas where ACER already plays a key role - accelerating progress in these areas would provide a significant competitive advantage. To achieve this, building political will and fostering trust among member states will be essential, enabling the transition to the energy union (e.g. via measures like coordinated infrastructure planning, cost-benefit sharing, and rigorous enforcement of the regulatory framework). At the same time, in light of the massive changes in the sector, it is important to continue emphasizing the need to contain the rise in system costs. Even as commodity prices decrease, other "system" costs, such as infrastructure and security of supply, are increasing.

The Administrative Board acknowledged that the impact of the war in Ukraine on certain member states is limiting both public and private investments in the energy sector. However, it was noted that this situation could also create an opportunity to use scarce resources more efficiently.

Decisions/ Conclusions

The Administrative Board discussed the Agency's alignment with the political priorities of the European Commission and EU institutions under the new mandate (2024-2029).

2.8 Organisational developments (Human resources management, budget & procurement implementation, budgetary challenges, recent legal developments, audits)

Upon the invitation of the Chair, Ms Silvia Manessi, Team Leader of Human Resources Management, provided the update on recruitment. The Agency has been hiring many new staff in line with the resources provided by the adopted legislative packages in 2024. The approach is to use to the extent possible the existing reserve lists or to publish vacancies that cluster similar positions. A change since the last meeting is that the recruitment of staff who is part of the Electricity Market Design package has been put on hold due to the need of the adoption of the amendment to the EU budget. Consequently, the selection process for these posts had to be pushed towards the end of the year. For the new Investigatory departments first two calls were published in November, supported by outreaching activities and scouting services to help addressing rather specialised profiles to be employed for the Agency's new tasks. In parallel, the internal call of expression of interest for this new department had been launched among the staff, although no profile was deemed relevant. Ms Manessi underlined that this massive recruitment wave also caused a certain onboarding fatigue among the current staff, which has been expressed also in the Staff Engagement Survey. Moreover, due to the fact that many new colleagues have to be accommodated within the existing space of the Agency's premises, the increased recruitment requires also some squeezing. Hence, a major internal move of staff was undertaken in autumn and the process was quite smooth. Ms Manessi explained that the new legislative packages include provisions for assistant posts, starting to be filled in from 2025 onwards, which will help reduce the current reliance on interim staff. Furthermore, Ms Manessi reported that in 2024 the HR team has increased also learning/training activities on key skills relevant for the Agency and is preparing the training catalogue for the following year. She reported also about a new initiative of organising the European Law Summer school in cooperation with the University of Ljubljana, which had an extremely positive outreach and outcome and is therefore planned to be repeated in 2025.

Mr Paul Martinet, Team Leader of Legal Services, reported about several legal developments since the 64th Board meeting. In his period, two new appeals have been lodged to both the Board of Appeal and the General Court, while ongoing appeals are proceeding at varying paces. Among these, Mr. Martinet highlighted one appeal that could have significant implications not only for ACER and its Board of Appeal (BoA) but also for all other EU agencies. This appeal addresses the issue of locus standi before the Board of Appeal, raising questions about the compliance of the ACER Regulation with the Treaty.

Mr. Martinet informed the Board that the European Court of Justice (ECJ) recently issued a ruling on a case involving the Agency's redispach and countertrade cost-sharing decision which was previously upheld by the BoA and subsequently appealed by six parties. The Court annulled ACER's BoA decision on cost sharing, mainly because it had not set the bidding zone border threshold correctly, although the Court also upheld certain important and relevant aspects of that decision such as the scope of the cost sharing methodology and the prioritisation of loop flows. Conversely, the Court upheld the BoA decision, challenged by one party, regarding the methodology for regional operational security coordination (ROSC). Mr Martinet underlined that the judgements necessitate further analysis. Additionally, Mr. Martinet informed the Board about recent personnel changes within the Board of Appeal and reminded members that a call for several BoA members will need to be prepared and published later in 2025. He stressed the challenge of attracting candidates who meet the high standards required for these roles.

Mr Volker Zuleger, Head of the Coordination Operations and Legal Department, provided the Board with the implementation of the 2024 budget and procurement by end of September. He pointed to the fact that the current implementation of 2024 budget and procurement is very much impacted by the fact that additional appropriations from the Electricity Market Design (2.6m EUR) could be available only towards end October 2024 when the relevant amendment to the EU budget is to be

adopted by the EU budgetary authorities. The immediate implications caused by this late arrival of substantial funds are delays in recruitment (as the job offers for the additional posts cannot be sent out) and delays in procurement (as the related contracts cannot be signed). To enable a quick move once the budgetary amendment is adopted, several procurement procedures had been advanced to the award decision stage. In parallel, also a revision of the procurement plan was done and the amendment of the 2024 procurement plan was tabled for the adoption by the Administrative Board. Mr Zuleger stressed that since the remaining number of procedures poses a significant challenge, it cannot be excluded that a carry-over of funds and their commitment before 31 March 2025 would be required. Consequently, ACER might receive a comment from the auditors for increased number of procurement procedures signed in the last quarter of the year, and implicitly a high level of carryover appropriations to 2025.

Mr Zuleger announced to the Board that there might be a need for a written procedure on amending the 2024 budget due to the announced salary indexation. To address this need, the Commission is expected to provide additional funds to all agencies, including ACER. In addition, since the 2024 ACER first budget amendment (AB decision 05/2024 of 19 June), the Agency received enrolment fee payments from new Registered Reported Mechanisms, generating an additional amount of EUR 44,500 in revenue. These additional funds from both sources would need to be reflected as additional revenue in the 2024 ACER budget. Since these funds are required for salary payments, it is expected that a written procedure might be needed before the next Administrative Board meeting.

While the Agency has duly paid 2024 employer pension contribution for staff whose salaries are covered by REMIT fees, it is still waiting for a decision from DG BUDG on the 2021-2023 debt created by the non-payment of this contribution.

Mr Zuleger pointed also to two main budgetary challenges that might arise in 2025. The first one is the delayed adoption of the Commission REMIT fee decision as it has been more and more unlikely that the revised Decision may apply before January 2025 when ACER invoices for the collection of fees in 2025. As explained by Commission representative Mr Schuelz under point 2.4 if the revision of the Commission Decision on Fees is only to be finalized in 2025, the possibility of taking effect by at least the second half of that year is to be explored. The second challenge remains the significant legal costs from the Court cases. While some financial reserve could be built within the ACER annual budget, it might not suffice in extraordinary years with spike of legal cases and costs. The ACER is emphasising that this requires a structural solution that should be contemplated as part of the upcoming evaluation of the ACER Regulation.

Mr Zuleger briefly reported also on the ongoing audits. European Court of Auditors' first mission to audit the 2024 accounts (January to September) is planned for the beginning of November. The second mission for the remaining of the year is most probably to occur in February 2025.

Upon the invitation of the Chair, Ms Saša Borko Grgič, policy officer in the Strategy, Delivery Communications team, provided the Board with an update on the implementation of the engagement with the Slovenian stakeholders that was presented to the Board in March 2024. Ms Borko Grgič reminded that the aim of the structured approach towards the select Slovenian stakeholders is to a) elevate Agency's visibility by enhancing awareness and recognition of the only EU Agency in the country and as a trusted and highly regarded institution; b) cultivate positive relationships with Slovenian authorities for favourable legislative outcomes and resources and cooperation on open issues; c) support long-term talent acquisition and development. Since then, several outreach activities had been organized (e.g. European Summer school, presentations at energy-related events and conferences) as well as engagement with the government (e.g. meeting of ACER Director with the Prime Minister and a separate one with the State Secretary of the Ministry of Education). In late summer the ACER Director participated in the energy-related panel at the Bled Strategic Forum which is the flagship foreign affairs event in Slovenia and the region, attracting high visibility among opinion-shapers and media. Hence, the overview of agreed KPIs for the first half of

the 2024 points to a balanced distribution of Agency-wide interactions across various groups of Slovenian stakeholders, including universities, government bodies, EU institutions in Slovenia, and other organizations. As the near-term activities, Ms Borko Grgič announced the meeting with the recently elected MEPs from Slovenia and more structured cooperation with the Commission Representation in Slovenia.

The Administrative Board thanked the Agency for information provided on these matters and:

- on the recruitment process, the Board emphasized the importance of maintaining fair and professional procedures throughout all stages of the selection process. Following the discussion held during the closed session, the AB Chair Ms Herczog requested information on the number of selection procedures chaired by the Director that required the registration of exceptions to the relevant Staff Regulation provisions. Ms Manessi informed there were five positions, which are reporting directly to the Director. The Director underlined his expectation to remain involved in the selection procedures of the staff reporting directly to him, noting this practice aligns with the involvement of Heads of Department in the selection procedures for their respective teams. The member Mr Spiridonovs asked the Director that in future he informs the Board about the registration of the exception immediately as it has a direct effect on the Board who might need to act as the appeal body. The Director agreed in keeping the Board informed about the registration of the exception and in establishing the relevant information stream to the Board if a complaint is received. Mr Spiridonovs suggested a separate registration of exception for each selection procedure. The AB Chair also inquired on the trainings organised for staff who participate in the selection procedures. Ms Manessi explained that such training is already taking place and that after each selection process, the respective selection committee draws the lessons learnt which are useful to continuously improve the recruitment and the panel expertise in the Agency. The Member Mr Rübiger suggested organising adequate summer schools in cooperation with other universities and business schools across Europe and looking for opportunities to connect more closely with the EIT. Ms Manessi explained that while the Agency is working with several universities in other Member states it has to be underlined that the close cooperation with university in the seat city has a special significance and is relevant also for the spouses.
- The Board expressed its agreement to a potential written procedure to amend the 2024 budget. The amendment would aim to adjust the revenue side to include additional funds from the Commission, which will cover salary indexation costs, as well as the enrolment fees generated by Registered Reporting Mechanisms.
- The Board acknowledged the delays in recruitment and procurement procedures caused by the late transfer of EU funds intended for the implementation of the Electricity Market Design package. It also noted the potential carry-forward of these funds to 2025.
- The Board adopted the revised 2024 procurement plan and expressed hope that the revision of the procurement plan and the fact that quite some procurement procedures are advanced to the award stage will lead to the successful implementation by the end of the year. It strongly emphasized, however, that while the EU procurement process is complex, it should be a collaborative effort involving all departments, not solely the procurement team. Mr Zuleger confirmed that his team is now conducting quarterly reviews with each department to help distribute the procurement workload more evenly throughout the year.
- The Board welcomed the update on the activities aiming to increase engagement with the Slovenian stakeholders.

**Decisions/
Conclusions**

The Administrative Board:

- 1. emphasized the importance of maintaining fair and professional procedures throughout all stages of the selection process. In HR cases where exceptions to the Staff Regulations are registered, the Board requested to be promptly informed about such exceptions and any complaints received that would necessitate the Administrative Board's involvement as the appeal body;**
- 2. took note of the implementation of the 2024 budget and acknowledged the delays in recruitment and procurement procedures caused by the late transfer of EU funds intended for the implementation of the Electricity Market Design package;**
- 3. expressed its agreement to a potential written procedure to amend the 2024 budget to regularize the revenue side;**
- 4. adopted the revised 2024 procurement plan, emphasizing that its successful implementation requires a collaborative effort from all departments;**
- 5. appreciated the update on initiatives aimed at enhancing engagement with Slovenian stakeholders.**

2.9 Cooperation with the European Commission Internal audit Service (IAS) 2025-2027

Upon the invitation of the Administrative Board Chair, the Director-General of DG IAS Ms Agnieszka Kaźmierczak and her team participated at the meeting to present the IAS Strategic Internal Audit Plan for ACER in the period 2025-2027.

As explained by Ms Kaźmierczak the audit plan is based on the results of an in-depth risk assessment conducted by the IAS in July 2024, in which also the Chair of the Administrative Board and the Board of Regulators participated. She emphasized that while ACER is a challenging agency due to its diverse, complex tasks and ongoing growth, it is also evolving into a mature organization. Many aspects of its operations have already been audited in previous years, reflecting its progress and development.

For the next three years, the IAS has identified the following topics to be audited

1. Human resources management and ethics
2. Information and communications technologies (ICT) and information security governance
3. Implementation of the new Commission Decision on fees due to ACER for REMIT (REMIT II fees)

Ms Kaźmierczak underlined that the risk assessment should not be perceived as evaluation of ACER, but rather as high-risk areas at first glance- before taking a closer look at the controls in place.

The strategic internal audit plan will be subject to an annual review and the topics may be adjusted or new topics (e.g. reserve topics) may be added to reflect the results of our annual risk assessment updates, any new and emerging risks as well as significant changes in ACER processes. Ms Kaźmierczak also stressed that the annual audit plans of the IAS are coordinated with the European Court of Auditors (ECA) in order to avoid duplication and to minimise any overlap between subjects and areas proposed for audits. Per current practice, the IAS will communicate the annual plans and reports to the Administrative Board.

The Administrative Board expressed appreciation of the DG IAS hierarchy to come and present the audit plan in person to the Board members and alternates. It stressed that audits represent a valuable improvement of processes, help to mitigate the risks and enable all – the Agency and the Administrative Board – to learn from them. The Board asked for advice in what way it could support

the Agency and how it would benchmark ACER in comparison with other agencies. Ms Kaźmierczak emphasized that in general, agencies are difficult to compare as they have different structures, financing source, tasks. However, according to her, ACER is in a unique position among the agencies: namely while other agencies are operating in a rather stable environment, ACER is among the most growing and quickly expanding agencies requiring also the internal management change. However, similarly like other agencies, it has to keep on the radar emerging risks like data management, (cyber)security posture. The European Commission representative pointed also to the importance of the exchange of good practices and information and of discussions that are taking place within the network of agencies, as well as in different workshops in smaller format (e.g. DG ENER recently organized a valuable, very informative and timely workshop on the cybersecurity to which also ACER and IAS participated).

Decisions/ Conclusions

The Administrative Board reviewed and discussed the Strategic Internal Audit Plan for ACER for the 2025–2027 period, prepared by the European Commission’s Internal Audit Service. The Board emphasized the importance of fostering close cooperation and partnership with the audit services to improve processes and effectively address the identified risks.

2.10 2024 Staff Engagement Survey – presentation of results

Ms Barbara Brečko, Researcher from the University of Ljubljana, Faculty of Social Sciences, presented the results of the Staff Engagement Survey conducted in June 2024 on behalf of ACER. This was the fifth survey of this kind and the first after 2020. She explained that the questions were prepared by a dedicated ACER working group, that included also Staff Committee representatives, while the Faculty of Social Science conducted the survey and analysed the results that are presented in the report. The 2024 survey included several elements and questions from the 2020 survey to enable comparisons and track trends, while also new questions were introduced to address emerging issues. The response rate was considerably lower than in previous years, as 30% of staff did not respond to the survey. Moreover, a significant number of responses were only partially completed.

Overall satisfaction with working at ACER and the internal working environment remains high and has even improved. However, notable differences in response are evident across departments and across hierarchical levels (e.g., senior management, team leaders, and staff), with senior management perceiving many statements significantly more negatively.

Compared to the previous survey, staff felt an even stronger sense of working toward a common goal, with constructive approaches to addressing problems and criticism, and greater transparency within teams when dealing with challenges. Employees also emphasized the importance of flexible working arrangements, expressing a clear desire for these to be maintained in the future.

Among the the most concerning trends highlighted by the survey is the rising number of staff reporting challenges in managing work-related stress (5 percentage points drop compared to 2020) and its adverse effects on ACER maintaining a healthy work-life balance (15 percentage points drop compared to 2020 results). Compared to 2020 survey, 8 percentage points of participants consider less that “at ACER we take decisions and undertake actions with integrity”. The areas requiring greater attention include schooling and onboarding, which received responses only from those directly affected (e.g., colleagues with children attending the European School or those employed for less than nine months).

The representatives of the Staff Committee were also invited to provide its view on the survey. The Staff Committee underlined the importance of the Staff Engagement activity and proper

consideration of inputs. It stressed that some of the issues stand out from the survey. According to the Staff Committee, the areas that require further in depth analysis and response are staff's work-life balance (affected by resources constraints & office environment & European School), organisation and collaboration (imply inter alia departments' collaboration, efficient allocation of resources, clear procedures) and motivation (career development, fair reward compared to peers, onboarding of newcomers). The Staff Committee welcomed the efforts by management to follow up on the results and also announced its intention to lead further discussions with staff in the coming period, which could generate additional views and proposals.

The ACER Director and Ms Susannah Nash Widell, Organizational Impact Officer, outlined how ACER's senior management plans to act on the survey results moving forward. The senior management reviewed and discussed the results in depth during its recent management retreat. It underlined the importance of looking at the core issues and approaching them in a tailored way (as also substantial difference among departments require more tailored solutions) without adding more work unnecessarily. In that context, the management identified five areas to work in the future (e.g. cooperation among departments, work-life balance, trust and feedback, clear processes and procedures, retention and attraction of staff). On that areas the dedicated working group will proceed with further work, aiming to define how each issue is to be approached.

The Administrative Board thanked for the complete presentation of the staff survey results. It expressed gratitude to staff for taking up many new tasks and working on the new legislations under tight timelines and high pressure which has for sure taken a toll also in the reported deterioration of work-life balance (as many new tasks had to be taken up before the new staff is hired and onboarded). The Board thanked also Director for steering the process and his leadership in promoting the Agency's vision and implementing its mission. The Board regretted the low level of participation, and asked its potential cause. Among the possible reasons, Ms Brečko pointed to the fact that the survey was rather lengthy and that this iteration included many demographic questions that may not add significant value. Ms Brečko advised the ACER working group that prepared the survey to reconsider the relevance of these questions. She proposed excluding them in future iterations, as such personal questions could potentially discourage participation. The staff committee explained it with the risk of transparency compared with the secured anonymity in earlier surveys. It acknowledged that the collection of extensive personal data, which ultimately was not utilized in the report, likely had a discouraging effect. It agreed that submission of personal data should be carefully considered in future surveys. Both the researcher and the staff committee agreed that there was a room for manoeuvre in formulating questions to make them clearer for the participants. The Board raised the issue of noticed high percentage drop regarding transparent decision-making and integrity as a driving management principle and called for deeper analysis and reflection on the negative changes in this area. The Board inquired about the current flexible working arrangements and telework regime. It was clarified that these arrangements remain unchanged from those discussed and endorsed by the Administrative Board during its 57th meeting in January 2023.

The Board asked to remain regularly informed about the next steps.

Decisions/ Conclusions

The Administrative Board reviewed and discussed the results of the 2024 Staff Engagement Survey with the researcher, the management and the Staff Committee. It welcomed the positive changes, regretted the low participation in the survey and took note of the negative changes expressed especially at the managerial level. The Board asked to be regularly informed about the next steps and outcome.

2.11 Draft Single Programming Document for 2025-2027 – feedback on comments provided by the European Commission

At the Chair’s invitation, Mr Volker Zuleger, Head of the Coordination Operations and Legal Department, and Mr Valter Ilić, Quality Management Assistant, informed the Administrative Board that the Agency had received on 3 October 2024 the Commission’s Opinion on its draft Programming Document 2025-2027. Among a few remarks, the Commission acknowledged the challenges ACER faced in preparing the draft Programming Document, as it was submitted before the adoption of new legislation on electricity, gas, and hydrogen markets, market integrity and transparency, and methane emissions. The Commission emphasized that ACER must now incorporate the numerous new tasks introduced by these legislative changes, as well as other relevant updates (e.g. adopted budget and effectively available resources), into the final version of the Programming Document.

The Agency has addressed the comments outlined in the Commission’s Opinion and provided the updated document to the Board. This was done to keep the Administrative Board informed about the developments in advance and to facilitate the document’s adoption process in December. The proposed amendments were considered low-impact, primarily involving factual corrections and the integration of the Commission’s remarks. One notable update includes the alignment of horizontal activities with the Agency’s reorganization and revised process architecture.

**Decisions/
Conclusions**

The Administrative Board acknowledged the update to the draft Programming Document 2025–2027, which was made to address the Commission’s opinion.

2.12 Furthering ACER-NRA collaboration

Ms Mitsuko Akiyama, NRA coordinator – Policy Officer, presented to the Administrative Board the recent initiative of strengthening cooperation of ACER with the NRAs. The initiative is aimed to respond to the quickly shifting regulatory landscape and the evolving role of ACER.

Three areas of further cooperation between ACER and NRAs were identified on 1) increasing participation and facilitating interactions; 2) increasing mutual understanding and 3) streamlining data collection; with concrete proposals to follow. The initiative, endorsed by the Board of Regulators in July 2024, has now entered the implementation phase. The approach aims to ensure continuous feedback through follow-up discussions at BoR meetings and via a biennial NRA survey scheduled for 2025.

The Board welcomed the initiative as highly valuable and expressed appreciation for the increased involvement with the NRAs.

**Decisions/
Conclusions**

The Administrative Board welcomed the initiative of fostering cooperation between ACER and NRAs.

2.13 Update on ACER IT infrastructure

In a closed session, the Administrative Board was updated with the recent IT developments and agreed on the suggested implementation of enhanced security policy.

Decisions/ Conclusions

The Administrative Board received an update on the IT infrastructure and agreed on the suggested policy implementation, that should consider needed budgetary and HR aspects. The Board asked to be regularly informed of developments.

3. CLOSING SESSION

3.1 Any other business

Members and alternates were reminded of the IAS recommendation that Administrative Board members and alternates must use ACER email accounts. To facilitate a smooth transition, the dual system still allowing the use of private emails will remain in place until January 2025. Those experiencing difficulties setting up access to their new ACER mailbox are encouraged to contact the Secretariat or/and IT officer Mr Peter Meze for assistance..

3.2 Next meetings

The next 65th meeting will take place on 11-12 December 2024 in Ljubljana (ACER premises).

The first meeting of 2025 is scheduled for 29-30 January.