

XXXIII EU ELECTRICITY REGULATORY FORUM

30-31st May 2018

CONCLUSIONS

1. *The Forum takes note of the state of play of the discussions concerning the recast electricity Regulation, the recast electricity Directive and the recast ACER Regulation. It encourages the co-legislators to reach an agreement in due time that creates the proper conditions for the clean energy transition to take place and that further supports the integration of the Internal Energy Market.*
2. *The Forum takes note of the challenges arising from the existing CACM framework regarding day-ahead and intraday coupling as well as competition between NEMOs and of the need to clarify further in CACM matters such as the distinction between the regulated MCO function and the non-regulated NEMO activities. The Forum requests the Commission to explore, in cooperation with all relevant parties, ways of addressing these shortcomings and to report on them next year.*
3. *The Forum acknowledges the significant efforts that the involved TSOs made in preparing the first edition of the bidding zone review. The Forum stresses that in future reviews TSOs improve the review process involving ACER, NRAs and the Commission by defining the key elements of the review at an early stage before the formal launch of a bidding zone review. The Forum also points out that other non-technical considerations could be taken into account in future reviews such as impact on social welfare and competition. The Forum highlights the importance of the bidding zone review for the functioning of the zonal approach.*
4. *The Forum acknowledges the complexity relating to the implementation of network codes as regards the submission and implementation of proposals. It encourages TSOs and NRAs, in cooperation with DSOs and other stakeholders, to develop methodologies that include all necessary details to ensure that they are transparent and implementable. To achieve this, it invites ENTSO-E, ACER and other relevant stakeholders to continue their facilitation efforts for both pan-European and regional proposals.*

The Forum considers that the timely submission and implementation of proposals is crucial for the success of network codes. Given the strong links between methodologies and network codes, delays in the implementation of a deliverable or of network codes will delay the implementation of others.

The Forum stresses that future developments of the electricity market design should by no means undermine the main principles and processes concerning capacity calculation as set out in CACM.

5. *The Forum welcomes the announcement of the impending XBID business go live. Regarding the future target model for intraday, the Forum encourages the Commission to explore, together with all relevant parties, ways to ensure EU-wide the complementarity of continuous trading and intraday auctions.*
6. *The Forum acknowledges the importance of digitalisation at all levels of the electricity sector as well as the importance of synergies with other sectors and the efforts of the Commission to facilitate digitalisation in the energy market in benefit of the consumers, as reflected in the Clean Energy package and in many EU network codes and guidelines under implementation. It encourages the Commission to consult stakeholders in order to set up the priorities and build consensus for further actions towards the digitalisation in the energy sector.*

The Forum highlights the key importance of easy, transparent and non-discriminatory access to data by responsible actors in the energy market to fulfil their tasks and recalls the need notably for developing EU-wide interoperability principles and transparent procedures to share data.

The Forum recognises the importance of R&I H2020 demonstration projects in showing in practice how digitalisation and TSO-DSO cooperation can work, and agrees to strengthen the involvement of all stakeholders, notably SMEs, in R&I projects foreseen in the planned calls for proposals under H2020.

The Forum takes the view that best practices are best placed to develop a European wide set of energy products that will facilitate speedy digitalisation, but a harmonised approach may need to be deployed if best practise approaches are not successful.

7. *The Forum acknowledges the role that energy storage plays in the energy transition as an instrument of security and flexibility. It calls on stakeholders to fully recognize the role of energy storage, promote innovation and facilitate the deployment of storage, including through long-term investment signals. The Forum stresses the need to continue the discussion and follow up in the upcoming meetings. To that end, the Commission will identify and prepare in advance a set of issues for discussion in the next Forum.*
8. *The Forum acknowledges the positive progress of the work and achievements of the various working groups on demand side flexibility. It underlines the importance of market-based allocation and procurement of active system management products as well as of access to all markets to ensure the lowest cost for the system.*

The Forum stresses the need for common views on active system management under the principle of the "whole system approach" and encourages TSOs and DSOs, in cooperation with traders and other market actors, to propose actions at national and European level at the next Forum.

9. *The Forum acknowledges the lessons learnt from the 2017 cold spell stressing, in particular, the need for more cross-border cooperation and the respect to the principle that the market should act first. It also recognises the contribution of the risk preparedness proposal to the security of supply in Europe, making the markets better prepared for and manage crisis situations. It also stresses the need for an early implementation of the proposal and welcomes the preparatory works to facilitate a quick implementation once adopted, especially the adoption of the methodologies which are the starting point for the preparation of the risk preparedness plans. The Forum acknowledges the link to existing regulation and the need for consistency.*

10. *The Forum highlights that digitalisation can bring benefits to the whole electricity system, particularly to customers, but that it can also present risks to infrastructure. To address this, the system requires a stable and forward looking regulatory framework conveying effective incentives for investments while also enhancing cyber security culture in the energy sector.*

The Forum acknowledges that real-time requirements, interconnectivity and the mix of technologies are key energy-specific cyber security challenges that require tailored cyber security approaches. It calls for Commission guidance on key issues addressing both short-term recommendations and developing a medium to long-term framework complementing existing regulation and current initiatives.