

25th ACER Board of Regulators meeting
Wednesday, 30 January 2013, from 14.00 to 18.00
CREG, rue de l'Industrie 26, 1040 Bruxelles

Minutes

Participants

Member States	Name ¹	Member States	Name
Austria (E-Control)	M: Walter Boltz A: Dietmar Preinstorfer	Latvia (PUC)	O: Lija Makare
Belgium (CREG)	A: Koen Locquet	Lithuania (NCC)	O: Dalius Kontrimavičius
Bulgaria (SEWRC)	M: A. Semerdjiev Excused	Luxemburg (ILR)	M: Camille Hierzig
Cyprus (CERA)	M: Georgios Shammas	Malta (MRA)	A: Anthony Rizzo
Czech Republic (ERO)	O: Miroslav Belica	Netherlands (NMa)	A: Geert Moelker O: Elozona Ochu
Denmark (DERA)	A: Jeppe Danø	Poland (URE)	M: M. Woszczyk
Estonia (ECA)	A: Külli Haab	Portugal (ERSE)	A: José Braz O: Jorge Esteves
Finland (EMV)	M: Riku Huttunen	Romania (ANRE)	O: Claudiu Dumbraveanu
France (CRE)	A: Philippe Raillon O: Michel Thiollie	Slovakia (RONI)	M: Jozef Holjencik Excused
Germany (BNetzA)	A: Annegret Groebel O: Daniel Mütter	Slovenia (AGEN-RS)	A: Jasna Blejc
Greece (RAE)	O: Katerina Sardi	Spain (CNE)	A: Tomás Gómez O: Rodrigo Escobar
Hungary (HEO)	A: Hajnalka Kelemen	Sweden (EI)	A: Caroline Tornqvist
Ireland (CER)	A: Garrett Blaney	United Kingdom (Ofgem)	M: John Mogg (BoR Chair) A: Martin Crouch O: Clemence Marcelis
Italy (AEEG)	A: Clara Poletti O: Miranda Diana		

¹ M: Member – A: Alternate – O: Observer

Observers	Name
ACER	Alberto Pototschnig, Fay Geitona, Christophe Gence Creux,
European Commission	Kamila Kloc, Oliver Koch, Inge Bernaerts, Catharina Sikow-Magny, Crysoula Argyriou
CEER	Natalie McCoy

Main conclusions from the meeting:
1. <i>The BoR gave a favourable opinion on the draft ACER Reasoned Opinion on the ENTSOG winter outlook 2012/13.</i>
2. <i>The BoR gave a favourable opinion on the draft ACER Reasoned Opinion regarding the ENTSOG annual report.</i>
3. <i>The BoR had an orientation debate on the draft ACER opinion on capacity markets following the ITRE request. In the light of the BoR discussion, the ACER Director will propose the opinion to the BoR chair for electronic procedure (subject to agreement of the chair and the members to use this process).</i>
4. <i>The BoR received an update on the CACM, the RfG and DCC Network codes. The BoR members welcomed the ACER's preliminary opinion on ENTSO-E's draft Network Code on Operational Planning and Scheduling.</i>
5. <i>The BoR agreed to publish the executive summary of the Frontier Economics Study on the Electricity PCI selection process and took note of the ACER note on the ENTSO-E Guidelines to Cost Benefit Analysis of Grid Development Projects.</i>
6. <i>The BoR held an orientation debate on the draft ACER proposal on the annual cross border infrastructure compensation sum and opinion on suitability of Long Run Average Incremental Cost. The Director will consider his proposal in light of this debate.</i>
7. <i>The BoR endorsed the note by the Director on the budget implications of the ACER 2013 WP.</i>
8. <i>The BoR endorsed the GRI Roadmap and received an update on ERI, including on the meeting on market coupling of 29 January. The Board took note and welcomed the conclusions on the Forward Risk-Hedging Products and Harmonisation of Long-Term Capacity Allocation Rules.</i>
9. <i>The members were invited to submit their comments on the paper by the chair on the future strategy on ACER/BoR (ACER performance findings and next steps) as well as on the draft note on the lessons learned which is currently being developed by the AEWG and AGWG.</i>
10. <i>The BoR electronic procedure on the draft ACER Reasoned Opinion on the NC on gas balancing of transmission networks concluded on January 24th. 24 NRAs participated in the electronic procedure and all voted in favour. The ACER opinion was subsequently (on 25 January) adopted and published.</i>

11. *The electronic procedure for the BoR formal opinion on the draft ACER Reasoned Opinion on the ENTSO-E draft annual work programme 2012 through 2013 was concluded on Friday 25th January. 21 NRAs participated and all voted in favour. The opinion was subsequently (on 28 January) adopted and published.*

12. *The BoR recommended to the Director the appointment of Mr Crouch, Mr Boltz and Mr Locquet for the chairmanship of AEWG, AGWG and AIMP WG respectively.*

Part A: Items for discussion and/or decision

1. Opening

1.1 Approval of the agenda

BoR Decision agreed: (D 1)

The agenda was approved.

1.2 Approval of the minutes of the 24th BoR meeting

BoR Decision agreed: (D 2)

The 24th BoR minutes were approved.

1.3 Update on ACER activities

ACER 2014 WP timeline

The Director presented the timeline and process for the 2014 Work Programme. A late February or early March meeting with the AWGs chairs is envisaged. The deadline for internal contributions will be on 8 May. 29 May has now been fixed as the date for the presentation of the WP outline at the ITRE Committee of the EP. An outline of the ACER WP is envisaged to be presented to stakeholders in Ljubljana with videoconferencing link to Brussels on 04 June allowing for feedback until 18 June to allow this to be taken into account by the Director in preparing his proposal for 30 June. However, we still need to see how to accommodate the Commission's opinion within the timeline and it is hoped that the EC will agree to provide it, at least informally, in July/August.

Lord Mogg reported on the 2014 CEER WP. There is an effort to align the (external) CEER WP with the ACER's timeline.

ACER annual conference

The Director reported that the ACER annual conference will be held on 17 May 2013 in Ljubljana.

SNEs

The Director gave a presentation on seconded national experts in ACER. A note was also circulated on the main areas of interest for SNEs working in the Market Monitoring Department of the Agency.

SNE posts represent a sizable proportion, 22% (16 positions) out of total (59) staff posts in ACER. They are typically assigned to operational departments (Electricity, Gas, Market Monitoring).

2014 Budget

The Director noted that he has started the process for the Agency's 2014 draft budget and MSAPP. The major budget increase reflects the increase in the REMIT staff. Pursuant to the Agency Regulation, by 15 February the budget will be transmitted to the Administrative Board, together with a list of provisional posts. By the 31 March, the AB shall adopt an estimate of revenue and expenditure for 2014. Prior to the adoption of the estimate, the draft prepared by the Director shall be transmitted to the Board of Regulators, which may deliver a reasoned opinion on the draft.

BoR members' reimbursements for travel expenses

The Director reported that the current rules for reimbursement of the BoR members are being revised in order to be simplified and to take account of the experience gained over the last year. He reminded that according to the rules any derogation from economy fares should be appropriately authorised ahead of the mission.

1.4 Update from the Commission

Ms Bernaerts informed the BoR that the EC continues its investigation and infringement proceedings against Member States who have not implemented the third package. The EC is working on the 2030 strategy to promote security of supply and competitiveness. This will be discussed with the Council, and there will be an Energy Council on February and June and a European Council in May. This issue will also be discussed at the next Electricity Coordination Group.

Ms Bernaerts also reported on the current discussion on the transparency guidelines: There has been an extension of the implementation period of 18 months (instead of 12 months initially envisaged) to give time to ENTSO-E to prepare the platform. On 15 April there will be the second meeting of the Comitology Committee on Gas CAM.

The Commission is also working on the preparation of its Work Programme: The implementation of EIP will form a basic element; the network codes remain a key priority and the Commission will remain engaged throughout the process (including at the early stages). The certification of TSOs represents a big work load for the Commission.

Lord Mogg reported that CEER decided to react to the IEM Communication. The Commission clarified that an Energy Council on 22 February will discuss the Communication and thus any contribution of CEER would make sense before this date.

Lord Mogg reported on the new CEER premises.

2. GAS

2.1 ACER opinion on ENTSOG winter outlook

The Director presented the draft ACER opinion submitted to the BoR for its formal opinion. The Gas Regulation requires ENTSOG to present annual winter and summer supply outlooks to ACER for opinion. On 8th November ENTSOG submitted its Winter Supply Outlook 2012/13 and Winter 2011/12 Review. The draft ACER opinion was also discussed at the BoR on 4th December.

ACER welcomes the use of an extended high daily demand sensitivity, and the decision to undertake a pan-European rather EU-27 outlook. Regarding the timing for the production and publication of the Winter Supply Outlook, the Agency welcomes the Outlook's earlier publication this year. The ACER opinion recommends that ENTSOG give greater attention to the analysis of supply and transmission trends, comparing past outlooks with actual gas flows. The Opinion welcomes the stakeholder engagement through this process, as well as its focus on the February 2012 cold spell and suggests that more work could be done to include supply side analysis directly into the outlook.

BoR Decision agreed: (D 3)

The BoR provided by unanimity of all the members present (or represented) a favourable opinion on the ENTSOG winter outlook 2012/13.

2.2 ACER opinion on ENTSOG annual report

The Director presented the draft ACER opinion submitted for a BoR formal opinion. The Gas Regulation requires ENTSOG to present an Annual Report to ACER for a reasoned opinion. This is ENTSOG's first annual report. It covers the period from 1st December 2009 to 31st December 2011, and focuses on ENTSOG's delivery of its 2011 Annual Work Programme.

The Agency welcomes the publication of the report, but asks for earlier publication in future years. It also appreciates ENTSOG's commitment to stakeholder engagement. However, the draft opinion notes that the report neither discusses all of ENTSOG's required work areas nor does it cover engagement with ENTSO-E. This engagement would be beneficial for building up demand scenarios, as power generation uses a major portion of gas supplied through the systems of ENTSOG members and there are inter-system (electricity and gas) effects. The Agency welcomes the matrix format used to present progress in key work areas but would like additional coverage of ENTSOG planning/managerial work. ACER recommends future Annual Reports are more detailed in order to avoid potential doubts about the adequacy of ENTSOG's activities and include a more detailed report on the Transparency Platform.

BoR Decision agreed: (D 4)

The BoR provided by unanimity of all the members present (or represented) a favourable opinion on ENTSOG annual report.

3. ELECTRICITY

3.1 ACER opinion on capacity markets -response to ITRE request

The Director presented the background: This responds to a letter by the ITRE chair which asked ACER to provide an opinion (on the basis of Article 4(c) of ACER Regulation (providing that the Agency may issue opinions and recommendations addressed to the European Parliament, the Council, or the Commission) on capacity markets focusing on the following elements: Which are the new capacity and transmission and distribution needs with regard to the RES integration? How to ensure flexibility in power markets? What is the future of energy markets in a high RES system? Do we need capacity markets? The Director has written to ITRE that our opinion is expected by mid- February 2013 in anticipation of the next meeting of the ACER contact group on 6 March, but also following an invitation to present it to the ITRE Committee on February 20th when a first EP discussion on the own Initiative report on the Commission communication on Internal Energy Market – by the Rapporteur J. Buzek - will be held.

Given the time constraints and the late circulation of the paper, the Director invited an orientation debate on the draft circulated following which his proposal will be submitted for a BoR formal opinion through electronic procedure.

The Director then presented the opinion which has been modified particularly on the last chapter from the document discussed at the last AEWG. The Director clarified that whilst the text needs scrutiny and proof reading, the main message he would like to convey is that completing the IEM should be the first priority and any capacity mechanism should be assessed on the basis of its impact on the IEM on which he sought the BoR feedback.

BoR Decision agreed: (D 5)

In the light of the BoR discussion the Director will propose the draft ACER opinion to the BoR chair for electronic procedure by the BoR (subject to agreement of the BoR chair and the members to use this process).

3.2 Response to EC consultation on capacity mechanisms

The response to the Commission's consultation on capacity mechanisms by CEER had been prepared and was circulated for information. It will be submitted to the Commission by 7th February 2013.

3.3 Progress on CACM NC amendments Presentation by AEWG chair on items 3.3, 3.4, 3.5, 3.6

Mr Crouch gave a presentation on progress on the network codes.

On 19th December ACER published its opinion on ENTSO-E's Network Code on capacity allocation and congestion management (CACM). It highlighted 11 areas where the Network Code was not in line with the Framework Guidelines. Most of the required drafting changes were agreed with ENTSO-E at a meeting on 18 December. The most contentious issue is capacity calculation.

The BoR discussed the next steps regarding a Recommendation to the Commission.

BoR Decision agreed: (D 6)

Following the Commission's invitation to ENTSO-E for an immediate reaction to the ACER Reasoned Opinion on the CACM NC and ENTSO-E's anticipated response next week, it is envisaged to proceed promptly with an ACER Recommendation and some wording suggestions (to discuss it at the AEWG on February and, subsequently, launch the BoR electronic procedure). The BoR agreed to the use of the electronic procedure for its formal opinion on the draft ACER Recommendation. Stakeholders' involvement will be undertaken bilaterally.

3.4 Update on RfG NC

Mr Crouch presented the latest state of play: The ACER opinion on the Requirements for Generators (RfG) Network Code was adopted in October 2012. Working level meetings are pursued between the Project Team and ENTSO-E's drafting team to agree the final changes before ENTSO-E resubmits as expected in March. On the 4 areas of concern outlined in the ACER opinion it is expected that NC revisions will address those. On the issue of cost recovery we hope to be able to address this.

Regarding the next steps, Mr Crouch presented that ENTSO-E is expected to send the revised network code on 7 March. If so, we shall try and submit the ACER Recommendation for the formal BoR opinion at the April BoR meeting.

Mr Koch confirmed that the Commission has written to ENTSO-E to seek their reaction by 10 March to allow the ACER Recommendation to be submitted to the BoR for a reasoned opinion already in March (earlier than April).

3.5 Draft ACER opinion on DCC NC

ENTSO-E submitted the final Demand Connection Code to ACER on 4th January (and ACER has until 4 April 2013 to issue its formal opinion on the DCC.) Mr Crouch presented the state of play: This network code applies mainly to transmission-connected customers. The Demand side response capability requirements are added, applying to household appliances. There are still same issues, as with the RfG network code, on cost recovery and NRA scrutiny, and ENTSO-E proposes to use the same solutions.

3.6 Preliminary ACER opinion on operational scheduling and planning NC

There are five network codes under the Electricity System Operation Framework Guidelines (SO FGs), adopted by ACER on 2 December 2011, Operational Security Network Code (OS NC); Operational Planning and Scheduling Network Code (OP&S NC); Load-Frequency Control & Reserves Network Code (FG&R NC); Operational Training Network Code; Requirements and Operational Procedures in Emergency Network Code. The OS NC is intended as an umbrella code for the four subsequent Network Codes to be developed pursuant to the SO FGs.

The ACER preliminary opinion on ENTSO-E's draft Network Code on Operational Planning and Scheduling was circulated. The main purpose in bringing it to the BoR at this stage is

(as previously) to encourage an early reaction and to draw attention of ENTSO-E to issues of concern. Mr Crouch thus invited NRAs to send the preliminary opinion to their TSOs.

ACER concerns with the NC are similar to those on the previous system operation NC (lack of appropriate justifications etc.).

At this stage meetings with ENTSO-E before network code is finalised are held but it is not clear whether ENTSO-E will address all issues. A final bilateral will take place on 20th February to discuss any remaining concerns, before submission to ACER by 1st April.

BoR Decision agreed: (D 7)

The BoR took note and welcomed the ACER's preliminary opinion on ENTSO-E's Network Code on Operational Planning and Scheduling.

3.7 Proposal for publication of the executive summary of the Frontier Economics Study on the Electricity PCI selection process & ACER proposal on CBA ENTSO-E methodology

Mr Christophe Gence-Creux, Head of the Electricity Department, introduced this item. The report which was delivered by Frontier Economics examines the criteria for selecting Projects of Common Interest (PCIs) in the framework of the Energy Infrastructure Package. It examines the long-term perspective for calculation of PCI benefits using ENTSO-E's TYNDP 2014 as relevant starting point. It also looks at the ad-hoc evaluation of PCIs for the first round of projects (currently on-going) using ENTSO-E's TYNDP 2012 as the starting point.

It has been proposed that the Executive Summary of this report will be published accompanied by a note – position paper - on the ENTSO-E discussion note “Guideline to Cost Benefit Analysis of Grid Development Projects: Key Issues and Questions” and the draft “Guideline to Cost Benefit Analysis of Grid Development Projects”. In this paper, the Agency identifies eight main messages for the development of an improved CBA methodology.

Regarding the next steps, ENTSO-E shall publish the CBA methodology after an extensive public consultation process and shall submit it to the Agency, the Commission, and Member States. The Agency shall provide and publish its opinion on the methodology. ENTSO-E will develop and submit the TYNDP 2014 to the Agency.

BoR Decision agreed: (D 8)

The BoR agreed to publish the executive summary of the Frontier Economics Study and took note of the ACER note regarding the ENTSO-E Guidelines to CBA of Grid Development Projects.

3.8 ACER proposal on the annual cross border infrastructure compensation sum and opinion on suitability of Long Run Average Incremental Cost (LRAIC)

Mr Gence-Creux and Mr Pototschnig presented the draft ACER proposal on the annual cross border infrastructure compensation sum and opinion on suitability of Long Run Average Incremental Cost (LRAIC).

The Director clarified that, apart from the proposal on the annual cross border infrastructure compensation sum and the opinion on suitability of LRAIC, which the Agency is asked to provide by Commission Regulation (EU) 838/2010 and for which the favourable opinion of the BoR is not required, the Agency also intends to formulate a Recommendation, on its own initiative, for a reform of the ITC mechanism, *inter alia* to bring it into line with the provisions in the EIP. Both aspects are at the moment brought to the attention of the BoR for an orientation debate.

From 16 October 2012 to 14 November 2012 the Agency run a Public Consultation on Assessment of the Annual Cross-Border Infrastructure Compensation Sum. Pursuant to Article 5(3) of Regulation (EC) No 838/2010, ACER shall make the proposal on the annual cross-border infrastructure compensation sum based on a Union-wide assessment of the infrastructure of electricity transmission associated with facilitating cross-border flows of electricity.

The proposal under discussion provides an approach until the end of 2015 and from 2016 onwards.

BoR Decision agreed: (D 9)

The Director took note of the orientation debate on the draft ACER proposal on the annual cross border infrastructure compensation sum and opinion on suitability of Long Run Average Incremental Cost. He will consider his proposal in light of this debate.

4. CROSS-SECTORAL

4.1 2013 ACER work programme

The Director presented the note circulated for the BoR endorsement. The EU Budget for 2013 was adopted on 12 December 2012. For the Agency the allocated amounts mirror the Commission's draft budget and envisage a contribution to the Agency of € 7,369,795 which, together with the assigned revenues from the 2011 surplus, will lead to a total budget of € 8,941,220. This is approximately € 3 million lower than the draft Agency Budget adopted by the Administrative Board on 5 March 2012.

The severe limitations in the financial resources available for the REMIT-related IT development in 2013 implies that the orders for IT solutions for data collection and data sharing will have to be postponed. This will make it impossible for the Agency to be ready fully to implement market monitoring under REMIT by the end of the first quarter of 2014, as currently planned.

In similar terms, unless additional human resources become available early in this year for the implementation of the new TEN-E Regulation, the Agency will not be able to deliver the Opinion on the draft regional PCI lists.

The Director presented the tasks which will need to be postponed to future years and will be presented in a revised Work Programme

BoR Decision agreed: (D 10)

The BoR endorsed the proposal and approach by the Director on the budget implications of the ACER 2013 WP.

4.2 GRI CAM roadmap

Ms Poletti presented the draft GRI Roadmap for endorsement by the Board members. This document has been prepared jointly by ACER and ENTSOG, in cooperation with NRAs and TSOs, and was already endorsed by ENTSOG Board in its meeting of 16 January. It aims at promoting the early implementation of the CAM Network Code by outlining the different CAM pilot projects and platforms which are already on-going or planned, along with their main milestones and schedule for implementation, and it also sets out the coordination arrangements and structures at EU-wide level for the cooperation between NRAs and TSOs and for ACER and ENTSOG to monitor the process and facilitate it where possible. These structures are the Coordination Group, with the participation of ACER, ENTSOG, TSOs and NRAs (and eventually Ministries, if necessary), and the Stakeholders Group, where also stakeholders associations will participate, as described in the document. Both groups will have a meeting in early March, ahead of the next Madrid Forum.

Mr Boltz found the language too “optimistic” and suggested being more firm given also that this is a voluntary project. He will submit some suggestions to the GRI coordinator. Lord Mogg referred to the governance arrangements particularly on the implementation of NC. He suggested that the governance arrangements respect the respective regulatory responsibilities and the text should clearly reflect the role and responsibilities of ACER and NRAs.

BoR Decision agreed: (D 11)

The BoR endorsed the GRI Roadmap subject to the comments above mentioned.

On a separate topic the BoR took note that Mr Boltz stepped down from the SSE GRI co-leadership and URE, and Mr Marek Woszczyk, volunteered to replace him as SSE co-Lead NRA, along with AEEG, and stepped down from the AIMP WG chair.

GRI Quarterly Report Q4 2012:

This report was circulated for information.

RI status review:

This final version of the report was circulated for info. It summarises the main achievements in the Electricity and Gas Regional Initiatives during 2012 and sets out recommendations for future work

4.3 ERI Update

NWE Day-ahead market coupling project:

Mr Gence-Creux reported on the meeting on Market coupling held on 29 January. Given the concerns raised at the last Florence Forum on the delay emerging in the North-West Europe project, a high-level meeting with the NWE’s TSOs and PXs in Brussels was held with 40 participants (including BoR representatives and CEO’s of the responsible TSOs and Power Exchanges, as well as the Commission). The purpose of the meeting was to discuss the reasons for the delay, to figure out possible solutions and to review the detailed time schedule for the “go-live” of the North-West Europe / Price Coupling of Regions solution. Furthermore, the meeting provided an opportunity to review any remaining outstanding hurdles for extending this solution to the South-West and Baltic regions.

Conclusions of the Public Consultation on forward risk-hedging products and harmonisation of Long Term capacity allocation rules

Mr Gence-Creux presented the conclusions. As part of the cross-regional roadmap for long-term transmission rights, ACER launched a consultation in August 2012 on forward risk hedging products and the harmonisation of the auction rules. The purpose of the consultation was to seek market participants' views and preferences on transmission rights - physical transmission rights (PTRs), financial transmission rights (FTRs) or Contracts for Difference (CfDs), on the harmonisation of the auction rules, on the allocation platforms and on the nomination processes.

The contributions raised the importance of assessing TRs impact on the liquidity of both forward and day-ahead markets and benefits with FTRs compared to PTRs. The Agency will investigate further the potential barriers to the Internal Electricity Market of having different mechanisms for the longer timeframe. In addition, it is mentioned both in the conclusions and the wish-list that, by the end of 2013, TSOs/ENTSO-E should provide a feedback on:

- . costs and benefits of the impact of introducing longer-term products;
- . the introduction of buyback possibilities.

The next steps include a two-step approach for the auction rules development and the development of the single auction platform (over 2013 and 2014). Furthermore, following the respondents' requests, ACER considers that it is worth conducting some additional studies. The additional studies may be undertaken by ACER or ENTSO-E as part of their implementation work.

BoR Decision agreed: (D 12)

The Board took note of the outcome of the meeting on 29 January, reaffirmed the importance of rapid progress in the NWE day-ahead project and welcomed the conclusions on the Forward Risk-Hedging Products and Harmonisation of Long-Term Capacity Allocation Rules.

4.4 Future strategy on ACER/BoR: ACER performance findings and next steps

There was insufficient time to discuss this paper prepared by the Chair and thus the chair invited comments ahead of developing his definitive paper with a set of actions for the March BoR meeting.

BoR Decision agreed: (D 13)

The members were invited to submit their comments on this paper to the Chair.

4.5 Lessons learned from the FG and NCs development process

A letter by ENTSO-E was uploaded along with a draft note which is still being discussed at the AEWG and AGWG. There was no time to discuss the draft note and the chair invited comments by members.

4.6 Energy Infrastructure Package/PCI

Ms Sikow-Magny informed the BoR of the formal recent agreement between the Council and the European Parliament on the Regulation on Energy Infrastructure. The main criteria in the draft text have been maintained in the final text. There have been some small adjustments including on the ACER opinion on the regional lists which now also includes the number of PCI. Other changes include that the “binding” guidelines by the EC on incentives was dropped, but the Agency may provide guidance on best practices.

The Director reported on the meeting between the EC, ACER and NRAs on 18 December. The format for the opinions was decided. Actual opinions have been delivered to the EC. Further discussion on a wider circulation of these informal opinions should be decided by NRAs themselves. It is not for ACER to advise on the publication of the opinions.

Ms Sikow-Magny updated the members on the preparatory work and progress in identifying the first PCI list. Following the December meeting with regulators, which provided a welcome opportunity to clarify further the process and expectations, the EC has received very helpful input. The regulators’ opinion has played a crucial role in the regional groups, where the Member States are closely following the opinions from regulators. The remaining projects which have been deemed eligible do fall within the limit for the PCI list for electricity (100). Meanwhile in gas, there are more projects. She regretted that much of the data is not robust or detailed. There is still much to be done to improve the data and the methodologies (e.g. CBA in the TYNDP).

Ms Sikow-Magny thanked the regulators and ACER for all their work and contribution. She noted the usefulness of ACER’s coordination efforts which has helped ensuring ex-ante consistency right from the early stages of the process.

Mr Boltz requested a timetable for the next steps, in particular for implementation. He also asked the Commission to set out how future editions of the PCI lists will be undertaken.

Ms Sikow-Magny clarified that the list that is being prepared will constitute the first official PCI list in line with the Regulation. Following the entry into force of the Regulation some procedural steps need to be taken. In future, the PCI selection will be linked to the TYNDP on the basis of agreed CBA methodology and thus the process will improve.

Mr Muther asked about the current discussion on the budget available for the EIP and the Commission clarified that this is still under discussion.

4.7 Planning Group Meeting, 25.01

The minutes will be circulated as soon as available and the Director reported that the topics for the 2014 priority list are now being discussed and proposals need to be sent to the Commission.

4.8 BoR Recommendation on AEWG, AGWG, AIMP WG chairs

Lord Mogg presented the BoR Recommendation to the Director. The BoR recommends Mr Crouch and Mr Boltz who have renewed their interest in the AEWG and AGWG. Mr Boltz is currently seeking interest for candidates for the AGWG vice chair. He will then discuss candidates with the Director and the new Vice chair will be announced at AGWG in March.

Regarding the chair of the AIMP WG, the BoR recommended Mr Koen Locquet as the chair to the Director.

BoR Decision agreed: (D 14)

The BoR recommended to the Director the appointment of Mr Crouch, Mr Boltz and Mr Locquet for the chairmanship of AEWG, AGWG and AIMP WG respectively.

5. Market Integrity and Transparency

5.1 Update on financial market legislation: MiFID and MiFIR

Mr Braz presented the note indicating the timetable of the negotiation of the financial market legislation.

6. Implementation, Monitoring and Procedures WG

6.1 Update on progress

Part B: *Items for Information only - These items will not normally require an oral report at the BoR (unless the agenda indicates a rapporteur) and are for Members to take note and/or ask questions*

7. Electricity

7.1 ACER opinion on ENTSO-E work programme 2013 – outcome of the BoR electronic approval

The electronic process for the BoR formal opinion was concluded on Friday 25th January. 21 NRAs participated and all voted in favour. The opinion was subsequently (on 28 January) adopted and published.

7.2 Letters from EC on Electricity Balancing

In December the Commission wrote to ENTSO-E inviting it to draft a NC on Electricity Balancing by January 1st 2014. The letter was circulated.

8. Gas

8.1 FGs on tariffs

An exchange of letters with the Commission on the extension until March of the FGs on gas tariffs was circulated along with a note from the Director informing about the latest progress

on the draft FG as a result of the consultation, the discussion in the AGWG and the workshop on tariffs held on 23rd January.

8.2 ACER opinion on gas balancing NC – outcome of the BoR electronic approval

The BoR electronic procedure on the draft ACER Reasoned Opinion concluded on January 24th. 24 NRAs participated in the electronic procedure and all voted in favour. The opinion was subsequently (on 25 January) adopted and published.

9. Others

9.1 Next meetings 2013

Coordination Meeting	(Virtual)	March 5 th
CEER General Assembly	(Ljubljana)	March 19 th
Board of Regulators	(Ljubljana)	March 20 th
Administrative Board	(Ljubljana)	March 20 th
Coordination Meeting	(Ljubljana)	March 20 th

9.2 Latest AB decisions

The following AB decisions were circulated:

- Guidelines Preventing and Managing Potential or Actual Conflicts of Interest in the Agency for the Cooperation of Energy Regulators.
- Guidelines on ACER External Communication strategy.
- Appointment of new Alternate from Luxembourg to the BoR: The AB on December 5th 2012 appointed Mr. Claude Hornick as the Alternate Member of the BoR from Luxembourg.