
All NEMO Committee
Annual Work Programme 2024

ALL
NEMO 
COMMITTEE

All NEMO Committee's Annual Work Programme 2024

This document lists a series of tasks and objectives to be fulfilled in 2024 by the NEMO Committee and its Task Forces.

WHAT IS THE ALL NEMO COMMITTEE

On the 14th of August 2015, EU Commission Regulation 2015/1222 establishing a guideline on capacity allocation and congestion management ("CACM Regulation") entered into force. CACM sets forth the NEMOs tasks related to single day-ahead (SDAC) and single intraday coupling (SIDC) which requires a strong cooperation between the designated NEMOs.

The All NEMO Committee is the governance and decision-making body where all designated NEMOs closely cooperate and perform all common European tasks necessary for the efficient and secure design, implementation and operation of SDAC and SIDC. For this purpose, NEMOs entered into the All NEMO Cooperation Agreement (ANCA). This cooperation among NEMOs is necessary to jointly carry out the MCO function based on the principle of non-discrimination (according to Article 7 of CACM Regulation) and to develop the terms, conditions and methodologies (TCMs) required by the CACM Regulation and submit them to ACER. Also, the NEMO Committee reports the costs corresponding to all NEMOs according to Article 80 of CACM. Therefore, the All NEMO Committee serves as the formal interface between the European institutions and the NEMOs' cooperation.

CURRENT CONTEXT

We can proudly state that we have created the European internal electricity market, the largest, most integrated and reliable electricity market in the world. We are committed not only to

maintaining it, but also improving it in order to ensure that the decarbonisation goals are met in a cost-efficient manner, that an ever-increasing share of renewables is seamlessly integrated and that consumers' needs are met.

These are new times for the energy sector, with difficult challenges and new players, but the NEMOs remain a key facilitator of the internal electricity market goals in this new context.

The All NEMO Committee is as committed as ever to improving the markets and to providing solutions to the ongoing energy crisis. For this reason, we think it is of utmost importance for the NEMOs to maintain an open dialogue with the European Institutions, Regulators, TSOs and market participants.

Unarguably the EU Electricity Market Design (EMD) has been the key topic of 2023 and will continue to be so in the upcoming months.

In addition, there are new challenges and opportunities in 2024 with the implementation of the European Electricity market rules in the Energy Community (EnC) countries that will further enhance energy cooperation between the EU, the Western Balkans and the three Eastern Partners – Ukraine, Moldova, and Georgia. NEMOs are ready to enable the expansion of the EU market coupling model beyond the European Union and help our neighbours to achieve a robust and affordable electricity market across the continent.

In this context, the All NEMO Committee presents its 2024 Annual Program, identifying the key workstreams.

Key tasks and priorities for the NEMO Committee

- Ensure coordination with the Market Coupling Steering Committee (MCSC)
- Implement the relevant provisions of the Electricity Market Design Reform
- Engage in the review of the CACM Regulation as appropriate
- Continue to improve the NEMO governance and the joint NEMO-TSO governance arrangement
- Assist with the timely integration of Energy Community's contracting Parties
- Amend the relevant CACM terms, conditions and methodologies (TCM) as appropriate
- Monitor and approve spending incurred to carry out the activities of the NEMO Committee and its Task Forces.
- The NEMO Committee Chair and/or other representatives, will participate in several meetings and events, including, but not limited to, events which take place on a regular basis:
 - The Pentilateral Coordination Group (PCG)
 - The Market Coupling Consultative Group (MCCG)
 - The Market European Stakeholder Committee (MESK)
 - The Florence Forum (FF)

Single Intraday Coupling (SIDC) and Single Day Ahead Coupling (SDAC)

The aim of the SDAC and the SIDC is to create a single EU cross-zonal electricity market, respectively on day ahead and intraday timeframe. While market operation is ensured by NEMOs, the overall management of Market Coupling Processes is done by NEMOs in cooperation with TSOs, withing the Market Coupling Steering Committee.

An integrated intraday market makes intraday trading more efficient across Europe by:

- promoting competition;
- increasing liquidity (i.e., increasing the ease with which energy can quickly be bought and sold without affecting its price);
- making it easier to share energy generation resources;
- making it easier for market participants to allow for unexpected changes in consumption and outages.

2024 will be an extremely important year for SIDC due to several reasons, but mainly due to the fact that Intraday Auctions will be delivered during the year. The main purpose of the Intraday auctions is to integrate cross-zonal capacity pricing through them in line with ACER's decision on establishing a single methodology for pricing intraday cross-zonal capacity. Market Participants will have possibility to participate in three intraday auctions per day. In order to have a successful go-live, All NEMOs together with all TSOs will finalize testing of all systems in Q1 2024, followed by testing with market participants and go-live preparation in 2024.

SIDC has also initiated the R&D phase for the implementation of flow-based allocation in continuous trading. This activity will continue

through 2024 with design and implementation works within SIDC systems.

Last but not least, SIDC project is constantly evaluating the performance of all systems based on the continuously growing numbers of transactions and traded volumes. Specific tests and potential improvements to the IT solutions will be performed in 2024 to support growth and success of intraday trading.

An integrated day-ahead market ensures efficient allocation and pricing of scarce cross-border capacity, promotes market liquidity, competition and reliable pricing of energy, while maximizes trading opportunities across Europe.

During 2024, SDAC activities - beyond securing ordered and reliable operation of daily market will be mainly focused on the following projects:

- preparing go-live of 15 minutes trading, by completing ongoing R&D and developments of MCO assets and optimizing the full market coupling process (extension of computation time, optimization of post coupling processes, potential revision of second auctions)
- preparing go-live of Flow-Based Approach in the Nordic regions
- providing support for the go-live of the Intraday Auctions
- preparing for implementation of Advanced Hybrid coupling solutions in the Core Region
- supporting the integration of the Energy Community countries
- advancing with study and assessment of market requirements for co-optimization
- tendering and development of the new Simulation Facility.

Tasks of each NEMO Task Force (TF)

The NEMO Committee assigns work to five Task Forces, whose planned activities for 2024 are described below.

Cost Task Force

- Drafting the 2023 CACM cost report
- Drafting the budget for 2025
- Monitoring, accounting and reporting on the expenses incurred in 2024
- Carrying out tasks on a case-by-case basis, as required by the NEMO

Committee, such as resettlements, updating the NEMO cost-sharing keys and updating the financial annexes of the NEMO only contracts.

Governance Task Force (Gov TF)

- Taking stock of approved European Market Design Reform approved texts (exp. Dec 2023) and assess implications for Nemo Committee
- Monitoring CACM 2.0 negotiation developments and implementing instructions from NEMO Committee
- Drafting 2025 NEMO Committee work programme based on inputs from the NC TFs and NEMO Committee

- Contribution to MCSC Gov TF activities as needed
- Fulfilment of ad hoc requests from NEMO Committee – e.g. tasks concerning the TCMs and the Energy Community
- Coordination of NEMO only terms and conditions review/drafting (e.g. Product methodology)

Legal Task Force (LTF)

- Review of MCO Integration Plan
- Together with the NEMO Gov TF and other NEMO TF(s) if needed, LTF will support the NEMO Committee's in assessing and negotiating with EC and the Energy Community
- Work related to the Energy Community (observership and adherence requests by Energy Community contracting Parties)
- Implement the MCO Integration Plan amendments in the ANCA, ANDOA and ANIDOA

- NEMO Coordination on the update of the NEMO-TSO contractual framework with JAO for SIDC
- NEMO Coordination on the amendment of DAOA and IDOA for Simulation Facility
- NEMO Coordination on the drafting of the Service Agreement with the Simulation Facility
- 2nd Amendment to the ID MPLS Framework Service Agreement with Colt

Possible relevant deliverables:

- In case updates of PCR / All NEMO Governance would require an

amendment of ANDOA, this would be treated as a priority

- Legal assessment on certain EMD aspects. Legal activities for the implementation of EMD
- 3rd Amendment to the PMI Logger Analysis Tool Service Agreement
- Legal activities with respect to and deriving from the amendment to CACM
- Support in relation to the NEMO PMO contract (expiring May 2024)
- Support to TCM amendments
- Support to Governance bodies and TFs' cooperation

Reporting & Communication Task Force (R&C TF)

- Website maintenance and updating, including publication of relevant news and the All NEMO Committee Newsletter
- Preparation of relevant reports and other materials (CACM Annual Report 2023)
- Publication of public consultations
- Preparation of R&C materials for external meetings, such as MESC, PCG, FF
- Drafting press releases
- Workload related to NEMOs annual reports allocated to R&C TF
- Ad hoc assignments
- Maintenance the LinkedIn account
- Organization of the NEMO Committee Annual Conference

Technical Task Force

- Reviewing of relevant CACM Terms, Conditions and Methodologies, including the Algorithm Methodology as requested by ACER in a letter from 25 November 2022 (where NEMOs were requested to include co-optimisation requirements).
- Preparation and conduction of consultations on proposals for amendments to Terms, Conditions and Methodologies.
- Preparation of 2023 CACM report
- Proposing response to relevant public consultations on behalf of All NEMOs including consultations related to Network code on cybersecurity aspects of cross-border electricity flows
- Ad Hoc tasks, including revising operational procedures following the relevant methodologies – like the Algorithm Change Control Procedure. The latter is a procedure which spells out exactly how the day ahead and intraday algorithms can be modified in order to meet the requirements of the CACM Regulation and other applicable legislation, included, but not limited to, ACER Decisions.
- Representation in the ENTSO-e Cybersecurity working group (as described in the proposed Network Code on Cybersecurity) – NEMOs shall be represented + internal NC Technical Task Force workload.