

## **Specialised Committee on Energy – minutes of the Meeting**

7<sup>th</sup> November 2024 | 10:30 to 14:00 GMT / 11:30-15:00 CET

(London / Hybrid)

### **Operational conclusions**

The Specialised Committee:

- Adopted a decision to establish a Security of Supply Working Group;
- Positively considered the draft Cooperation frameworks submitted by the Transmission System Operators (TSOs) and regulators and asked for them to be entered into;
- Welcomed the i) work done so far, and ii) best effort for an SCE Recommendation to be adopted by end of 2024;
- Agreed to publish a Roadmap to oversee work on efficient electricity trading arrangements envisaged by the Trade and Cooperation Agreement;
- Exchanged on current and foreseen regulatory developments referring to new technologies and agreed to pursue further exchanges and technical discussions to better understand each other's frameworks.

### **Further details**

#### **1. Opening remarks by the co-Chairs and adoption of the agenda**

The UK welcomed participants to the meeting and introduced the provisional agenda.

Following the leader level meeting between the UK Prime Minister and European Commission President on 2 October, the UK and the EU welcomed the intention to strengthen the relationship between the EU and UK and continue to work closely to address wider global challenges such as energy prices and climate change. Both Parties welcomed recognition of energy as examples of areas which would be mutually beneficial for closer cooperation. To that end, both Parties agreed to maximise the benefits of the Trade and Cooperation Agreement (TCA) in this area.

Both Parties also noted the positive recent North Seas Energy Cooperation (NSEC) Ministerial meeting in Odense and agreed that COP29 was an opportunity to demonstrate the global ambition of the Parties' shared decarbonisation and Net Zero goals.

The co-chairs adopted the agenda as published.

#### **2. Cooperation on Security of Supply**

Both Parties welcomed UK-EU cooperation on security of supply since Russia's illegal invasion of Ukraine in 2022. The Parties reflected on the energy security situation across Europe and the UK ahead of the upcoming winter. The Parties agreed to continue to strengthen their energy security cooperation in line with the commitments of the TCA, recognising the mutual benefits of closer cooperation for UK and EU businesses and consumers.

Both Parties welcomed the joint work that has made it possible to establish a Security of Supply Working Group under the Committee, as agreed by the EU and the UK at the third meeting of the Partnership Council held on 16 May 2024.

The EU recalled how the aim is to continue this cooperation with the UK but transfer it from the current exceptional arrangements to the structures under the TCA. This means that the Working Group would be held back-to-back with the meetings of the Electricity and Gas Coordination Groups to which the UK had recently been invited to share our respective winter outlooks and organised in the same way as the other working groups under the TCA, including the same rules of procedure. Overall, the aim is to update, not rewrite, how the EU and the UK cooperate with each other on security of supply, whilst respecting the new rules.

The UK outlined its view that the establishment of the Working Group should complement the UK's ad hoc invitations to the Electricity and Gas coordination groups and that it should be a forum for broader conversations about longer term security of supply issues, in addition to winter preparedness. The UK set out its expectation that the Working Group should meet as a minimum at least twice a year for electricity and gas, but that it should be able to convene at any moment when the need arises. The UK stated its view that the Working Group should meet for the first time before the end of the year.

At the same time, both Parties stressed the need to keep and build on the basis of the good rapport already established between the EU and the UK in the context of UK participation in the EU Electricity and Gas Coordination Groups. Both Parties agreed to build on this framework for cooperation in the context of establishing the Working Group, with the three following principles in mind:

- Enhancing cooperation between the EU and the UK in the area of security of supply, with this Working Group serving as a forum for cooperation, exchange of information, and technical discussions. This includes preparations by our respective TSOs of their winter and summer outlooks, as well as exchanging views about longer term risks and measures.
- Running targeted technical meetings where experts participate through the invitation of the co-chairs.
- Placing no restrictions on the number of meetings to be held with the ability to hold meetings at short notice as necessary.

The Committee adopted the decision to establish the Working Group and agreed to attach the draft Rules of Procedure to the minutes of this meeting (see Annex B). These draft Rules of Procedure will be considered and adopted at the first meeting of the Working Group.

### **3. Cooperation between Transmission System Operators and between Regulators**

The Parties recalled Decision No.1 / 2024 which issued guidance for the TSOs and Regulators to draft working and administrative arrangements respectively.

Both Parties welcomed the work undertaken by UK and EU TSOs and Regulators and considered that the texts of the working and administrative arrangements were consistent with the guidance issued by the SCE 5<sup>th</sup> April 2024 to develop them. Both Parties agreed that they should be entered into from the date of this Committee meeting. They also agreed that the TSOs and NRAs should report back to the Committee on the functioning of these arrangements before the next Committee meeting.

### **4. Electricity trading arrangements**

Both Parties recalled for context Articles 311, 312, 317 and Annex 29 of the TCA and reaffirmed their continued commitments to implementing electricity trading arrangements between the parties as prescribed in the TCA.

Both Parties highlighted the importance of developing efficient trading to support the development of joint and hybrid assets. The Parties noted stakeholder concerns and emphasised the importance of moving through the TCA process at pace.

Both Parties acknowledged the progress made on electricity trading arrangements since the last meeting of the Committee. Both Parties agreed to issue a Recommendation to their respective TSOs through written procedure, ideally by the end of the year, in order to move to a concept validation phase for Multi Region Loose Volume Coupling (MRLVC). The SCE expects to receive joint analysis from UK and EU TSOs, together with an informal opinion from their respective National Regulatory Authorities within 12 months of the Recommendation being issued.

The Parties agreed that this next phase should put the SCE in a position to determine the fundamental viability of MRLVC and to decide on the next steps. They also agreed on the importance of UK and EU officials continuing to work together throughout the completion of this next phase.

Both Parties reflected on the most recent meeting of the UK-EU Partnership Council where both Parties committed to developing a roadmap to oversee work on efficient electricity trading arrangements envisaged by the TCA. The roadmap was prepared by the two Parties and discussed in the Committee. It provides a high-level timeline and next steps for progressing development of UK-EU electricity trading arrangements. Both Parties agreed to publish the roadmap as an annex to the minutes of this meeting (see Annex C).

## **5. Cooperation on Renewable Energy and New Technologies**

The UK reaffirmed its commitment to the Ostend Declaration and working through NSEC with North Seas neighbours to make the North Seas the Green Power Plant of Europe. The UK outlined its willingness to play a more active role in NSEC, including through shaping meeting agendas and NSEC strategy to exploit the potential of renewable technologies such as offshore wind, hydrogen and the utilisation of Offshore Hybrid Assets (OHA's). The UK welcomed the greater transparency throughout 2024 on upcoming NSEC support group meetings ensuring UK experts were at these meetings and demonstrating the value that UK participation can bring to NSEC.

The EU reaffirmed its very high level of ambition to rapidly develop renewable energy, and with the TCA framing cooperation between the EU and UK in particular to develop offshore renewable energy. It also recalled how the TCA provides to set up a forum for technical discussions between the NSEC and the UK and how the MoU signed between the NSEC and the UK on December 2022 embodies that agreement. It also recalled how, since the MoU was signed, it has gone beyond the technical, administrative terms foreseen in it and invited the UK to cooperate and participate at a political level, as it has been invited to the two Ministerial meetings taking place since the MoU was signed: in 2023 (The Hague) and 2024 (Odense).

To complement cooperation under NSEC the Parties welcomed the third meeting of the Partnership Council where the Parties committed to take forward discussions on new technologies.

The Parties exchanged on the introduction of the EU's Union Database for Biofuels (UDB). The EU described its process of implementing the UDB to enable the tracing of gaseous transport fuels such as Biomethane. The UK outlined its support of the objectives of the UDB but raised concerns around the exclusion of automatic certification of the UK's biofuels exported into the EU, as a third, connected, country with very similar rules.

The EU understood the UK interest to implement biomethane sustainability certification and connection of its economic operators to the UDB. However, it pointed out the need to clarify the general EU-UK framework for cooperation between competent authorities, grid operators and economic operators first. The EU emphasised the need for compliance by all third country operators, including clarity and transparency, to reliably verify along the whole supply chain from production to consumption (mass balancing system) to be able to recognise and distinguish biomethane from other gas, including that flowing through EU-UK interconnectors.

The UK and EU agreed to meet to compare the regulatory set up in each jurisdiction for biomethane and discuss interoperability.

The Parties agreed that Carbon Capture Utilisation and Storage (CCUS) was important for reaching Net Zero and updated the Committee on their relevant CCUS policy updates and commitments to develop their own respective CCUS markets. The EU elaborated on the actions it took to foster CCUS in the European Economic Area (EEA) and pointed to the fact that the current EU and UK Emissions Trading Systems (ETS) arrangements do not incentivise storing CO<sub>2</sub> from EU emitters in the UK and vice versa. The UK outlined its commitment to developing CCUS within the UK and the value of developing UK-EU cooperation on this new technology.

The Parties recognised Hydrogen as a clean technology that may play an important role in the decarbonisation of heavy industry. The EU outlined recent achievements in putting in place a comprehensive policy framework for hydrogen. The UK set out its view that the UK can be an important partner to the EU on Hydrogen and as such the parties should have technical discussions on regulatory operability and certification of standards.

Regarding cooperation on renewable energy and new technologies, the Parties exchanged on current and foreseen regulatory developments. The Parties agreed to pursue further exchanges and technical discussions on new technologies (in particular Biomethane, CCUS, Hydrogen), to better understand each other's frameworks.

## **6. Conclusion**

The Parties agreed to reflect the conclusions in the minutes.

*[Approved by the Joint Secretariat of the  
Specialised Committee on Energy]*

## **Annex A – Participants of the Fifth Meeting of the Specialised Committee on Energy**

### **EU Delegation**

- EU Co-chair and co-Secretary of the Specialised Committee on Energy
- European Commission Officials
- European External Action Service Officials
- Representatives of EU Member States.

### **UK Delegation**

- UK Co-chair and co-Secretary of the Specialised Committee on Energy
- UK Government Officials from DESNZ, Cabinet Office
- UK Mission to the European Union Official
- Officials from the devolved governments of Scotland, Northern Ireland and Wales

**Annex B – Draft Rules of Procedure of the UK-EU Security of Supply Working Group**  
**RULES OF PROCEDURE OF THE SECURITY OF SUPPLY WORKING GROUP**  
**BETWEEN THE UNION AND THE UNITED KINGDOM**

**Rule 1 -Chair**

The Union and the United Kingdom shall notify each other of the name, position and contact details of their respective designated Working Group co-chairs. A co-chair is deemed to have the authorisation for representing, respectively, the Union or the United Kingdom until the date a new co-chair has been notified to the other Party.

A co-chair may be replaced for a particular meeting or a part thereof by a designee. The co-chair, or his or her designee, shall notify the other co-chair and the Secretariat of the Working Group of the designation as early as possible. Any reference in these Rules of Procedure to the co-chairs shall be understood to include a designee.

**Rule 2 - Secretariat**

The Secretariat of the Working Group shall be composed of an official of the Union and an official of the Government of the United Kingdom. The Secretariat shall perform the tasks conferred on it by these Rules of Procedure, under the supervision of the relevant Committee.

The Union and the United Kingdom shall notify each other of the name, position and contact details of the official who is the member of the Secretariat of the Working Group, respectively. This official is deemed to continue acting as member of the Secretariat for the Union or for the United Kingdom until the date either the Union or the United Kingdom has notified a new member.

**Rule 3 - Meetings**

Each meeting of the Working Group shall be convened by the Secretariat at a date and time agreed by the co-chairs. Where either the Union or the United Kingdom has made a request for a meeting, the other Party shall give due consideration to such a request and reply within 30 days.

The Working Group shall hold its meetings alternately in Brussels and London, unless the co-chairs decide otherwise.

By way of derogation from the second paragraph, the co-chairs may agree that a meeting of the Working Group be held by video conference, teleconference or in hybrid form.

**Rule 4 - Participation in meetings**

A reasonable period of time in advance of each meeting, the Union and the United Kingdom shall inform each other through the Secretariat of the intended composition of their respective delegations and shall specify the name and function of each member of the delegation.

Where appropriate the co-chairs may, by mutual consent, invite experts (i.e. non-government officials), to attend meetings of the Working Group in order to provide information on a specific subject and only for the parts of the meeting where such specific subjects are discussed.

## **Rule 5 - Documents**

Written documents on which the deliberations of the Working Group are based shall be numbered and circulated to the Union and the United Kingdom by the Secretariat.

## **Rule 6 - Correspondence**

The Union and the United Kingdom shall send their correspondence addressed to the Working Group via the Secretariat. Such correspondence may be sent in any form of written communication, including by electronic mail.

The Secretariat shall ensure that correspondence addressed to the Working Group is delivered to the co-chairs and is circulated, where appropriate, in accordance with Rule 5.

All correspondence from or addressed directly to the co-chairs shall be forwarded to the Secretariat and shall be circulated, where appropriate, in accordance with Rule 5.

## **Rule 7 - Agenda for the meeting**

For each meeting, a draft provisional agenda shall be drawn up by the Secretariat. It shall be transmitted, together with the relevant documents, to the co-chairs no later than five days before the date of the meeting.

The provisional agenda shall include items requested by the Union or the United Kingdom. Any such request, together with any relevant document, shall be submitted to the Secretariat no later than seven days before the beginning of the meeting.

No later than three days before the date of the meeting, the co-chairs shall decide on the provisional agenda for a meeting.

The agenda shall be adopted by the Working Group at the beginning of each meeting. On request by the Union or the United Kingdom, an item other than those included in the provisional agenda may be included in the agenda by consensus.

The co-chairs may, by mutual consent, reduce or increase the time periods specified in the first, second and third paragraphs in order to take account of the requirements of a particular case.

## **Rule 8 - Minutes**

Draft minutes of each meeting shall be drawn up by the official acting as member of the Secretariat of the Party hosting the meeting, within seven days from the end of the meeting, unless otherwise decided by the co-chairs. The draft minutes shall be transmitted for comments to the member of the Secretariat of the other Party. The latter may submit comments within five days from the date of receipt of the draft minutes.

The minutes shall, as a rule, summarise each item on the agenda, specifying where applicable: — the documents submitted to the Working Group;

— any statement that one of the co-chairs requested to be entered in the minutes; and

— operational conclusions adopted on specific items.

The minutes shall include as an annex a list of participants setting out for each of the delegations the names and functions of all individuals who attended the meeting.

The Secretariat shall adjust the draft minutes on the basis of comments received and the draft minutes, as revised, shall be approved by the co-chairs within 28 days of the date of the meeting, or by any other date agreed by the co-chairs.

Once approved, copies of the minutes shall be signed by the members of the Secretariat and transmitted to the Union and the United Kingdom, as well as to the supervising Committee. The co-chairs may agree that signing and exchanging electronic copies satisfies this requirement.

#### **Rule 9 - Confidentiality**

Unless otherwise decided by the co-chairs, the meetings of the Working Group shall be confidential.

If the Union or the United Kingdom submits information that is confidential or protected from disclosure under its laws and regulations to the Working Group, the other party shall treat that information received as confidential.

The co-chairs may decide to make provisional agendas public before the meeting of the Working Group takes place. The co-chairs may also decide to make the minutes of the meeting public following their approval in accordance with Rule 8.

Publication of documents referred to in the third paragraph shall be made in compliance with both Parties' applicable data protection rules.

#### **Rule 10 - Languages**

The working language of the Working Group shall be English. Unless otherwise decided by the co-chairs, the Working Group shall base its deliberations on documents prepared in English.

#### **Rule 11 - Expenses**

The Union and the United Kingdom shall each meet any expenses they incur as a result of participating in the meetings of the Working Group.

Expenditure in connection with the organisation of meetings and reproduction of documents shall be borne by the party hosting the meeting.

Expenditure in connection with interpretation to and from the working language of the Working Group shall be borne by the party requesting such interpretation.

#### **Rule 12 - Reporting**

The Working Group shall inform the supervising Committee of its meeting schedule and agenda sufficiently in advance of meetings and shall report to this Committee on the results and conclusions of each meeting.



## **Annex C – UK-EU Electricity Trading Roadmap**

***The following Roadmap describes the progress expected to unfold in developing new day ahead trading arrangements (MRLVC) in line with the Trade and Cooperation Agreement (TCA). This Roadmap is without prejudice to the outcome of or conclusions on the technical analysis and development.***

### **December 2024**

- SCE to issue a Recommendation through written procedure that the Parties request their relevant TSOs to deliver an analysis supporting the concept-validation phase for MRLVC in which fundamental design issues, identified in the 2021 cost benefit analysis and in the additional information provided to the Parties in 2023, are addressed.

### **June 2025**

- TSOs to update both Parties (at a dedicated meeting of the SCE) on progress regarding this concept-validation phase.
- Regular informal exchanges between both Parties at technical level to discuss progress and findings from TSOs and ensure regular oversight and input by the Parties.

### **At the latest October 2025**

- TSOs to deliver a draft report for the requested supporting analysis to EU and UK regulators.

### **November 2025**

- TSOs to deliver to the SCE the requested supporting analysis and summary presentations from the UK and EU TSOs on MRLVC, of the confidential and non-confidential version.

### **December 2025**

- Regulators to submit their opinion on TSOs supporting analysis.
- Technical presentation by the UK and EU TSOs and by the UK and EU Regulators to the Parties.

### **First half of 2026**

- SCE to take the necessary steps to ensure that TSOs develop arrangements setting out technical procedures in accordance with Annex 29 within a specific timeline.

OR

- If SCE does not recommend that the Parties develop such technical procedures, the SCE to take decisions and make recommendations as necessary for electricity interconnector capacity to be allocated at the day-ahead market timeframe in accordance with Annex 29.