

Memo on ACER opinion on the draft ENTSO-E TYNDP 2014

ACER issued on 29 January 2015 its Opinion on the ENTSO-E draft ten-year network development plan (TYNDP) 2014. It noted that TYNDPs are deemed to play a central role in the development of electricity transmission infrastructure in Europe, in line with the provisions in Regulation (EC) No 714/2009 and in Regulation (EU) No 347/2013.

ACER recognises significant progresses in the draft TYNDP 2014, in particular:

- the extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant market participants, and the organisations representing all stakeholders;
- the improvement in the inclusion of third-party projects;
- the improvement in the description of the TYNDP methodology and the use of pan-European market studies to increase consistency across regions; a wider spectrum in the studied scenarios and the reduction of the average number of investments per cluster feature among other significant improvements.

ACER also provided several recommendations for the draft TYNDPs, including:

- ENTSO-E should provide a clearer description of the methodology for identification of candidate projects and of the criteria for their inclusion in the TYNDP;
- ENTSO-E should use a 10-year period for network planning. ENTSO-E should include three main sets of investments in the future TYNDPs: a) investments already planned with an expected commissioning date in the subsequent five years, b) investments already planned with an expected commissioning date in the period 6-10 year ahead, and c) a group of less mature investments, which will include investments under consideration or investments expected to be commissioned beyond ten years or both.
- ENTSO-E should specify in a transparent way to which extent the draft TYNDP 2014 is based on (parts of) the cost benefit analysis (CBA) methodology developed in 2013. The CBA methodology should be further improved, with benefit indicators clarified, complemented and further quantified;
- ENTSO-E should develop a more consistent clustering approach throughout Europe;
- Given that the TYNDP shall be subject to the CBA methodology of Regulation (EU) No 347/2013 and that one purpose of the TYNDP is to feed into the process for selection of projects of common interest (PCIs), the future TYNDPs should include data sets and study horizons that meet the requirement of Regulation (EU) No 347/2013 for n+5, n+10, n+15 and n+20 years;
- ENTSO-E should improve the analysis of indicator B7. flexibility with some indication of probability for each scenario;
- ENTSO-E should prepare soon a best estimate scenario and a Take Out One at a Time reference network for a mid-term study year, in line with the mid-term approach suggested in ACER's Opinion No 01/2014 on ENTSO-E CBA;

- the lack of ENTSO-E's studies at year 2020 may have determined a significant underestimation of security of supply benefits in the mid-term. ENTSO-E should calculate security of supply impacts with network modelling including probabilistic features, whenever appropriate. Furthermore, ENTSO-E should add a quantified analysis of system resilience to the CBA methodology in order to complement the security of supply indicator;
- ENTSO-E should specify costs at investment item level;
- ENTSO-E should display the cross-border capacities calculated in each scenario at each study year in the future TYNDPs. ENTSO-E should publish quantitative results for the economic-efficient target capacities, separately from any considerations related to European or national targets.