

# Public consultation on ACER's Framework Guidelines on the joint scenarios for electricity and gas network development plans ("Scenarios Guidelines")

Fields marked with \* are mandatory.

## Introduction

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This consultation of the European Union Agency for the Cooperation of Energy Regulators ('ACER') is addressed to all interested stakeholders.

The purpose of this survey is to collect specific and concrete views from the public on the draft Scenarios Guidelines and inform ACER's decision-making process for adopting the Guidelines by 24 January 2023.

The draft Guidelines are available [here](#). The consultation questions directly refer to this document. Replies to this consultation should be submitted by Monday **14 November 2022, 23:59 hrs (CET)**

## Data Protection and Confidentiality

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ACER will process personal data of the respondents in accordance with [Regulation \(EU\) 2018/1725](#), taking into account that this processing is necessary for performing ACER's consultation tasks.

More information on data protection is available on [ACER's website](#).

### **ACER will not publish personal data.**

Following this consultation, ACER will make public:

- the number of responses received;
- organisation names, except those with a valid reason for not having their organisation name disclosed;
- all non-confidential responses;
- and ACER's evaluation of responses.

You may request that (1) the name of the organisation you are representing and/or (2) information provided in your response is treated as confidential. To this aim, you need to explicitly indicate whether your answers contain confidential information, and also provide a valid reason if you want that the name of your

organisation remains confidential.

You will be asked these questions at the end of the survey.

## 1. Respondent's Data

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\* 1. Name and surname

currENT Europe

\* 2. Email

info@currenteurope.eu

\* 3. Organisation

currENT Europe

\* 4. Country of your organisation

- [xx] - All EU Member States
- AT - Austria
- BE - Belgium
- BG - Bulgaria
- HR - Croatia
- CY - Cyprus
- CZ - Czechia
- DK - Denmark
- EE - Estonia
- FI - Finland
- FR - France
- DE - Germany
- GR - Greece
- HU - Hungary
- IE - Ireland
- IT - Italy
- LV - Latvia
- LT - Lithuania
- LU - Luxembourg
- MT - Malta
- NL - Netherlands
- [xx] - Other
- PL - Poland
- PT - Portugal
- RO - Romania
- SK - Slovak Republic
- SI - Slovenia

- ES - Spain
- SE - Sweden

\* 6. Activity

- Transmission System Operator (or association)
- Distribution System Operator (or association)
- Other market participant
- End-user (or association)
- Energy supplier (or association)
- Generator (or association)
- Utility (or association)
- Civil society organisation
- Other

7. Please specify if 'Other'

Association for companies developing innovative grid technologies

## Confirmation

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I accept that ACER processes my data in line with its data protection rules

## 2. Consultation questions

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To help the Agency understand your concrete and specific input, we recommend that you connect your feedback as much as possible to the recital numbers in the draft Guidelines.

8. Please write here your specific and concrete feedback on the criteria proposed to ensure a timely scenario preparation process (Section 2 of the draft Guidelines).

There is a need for a changed approach to scenario planning and grid development<sup>1</sup>. currENT suggests an approach in which scenarios are used to establish what is necessary for EU economy-wide carbon neutrality in 2050, the implications it would have for the energy sector, and work back from 2050, planning and designing a transition to a fit-for-purpose grid infrastructure at a pan-European level. The optimal network scenario needs to be defined as the reference grids for 2030, 2040 and 2050 time frames.

currENT strongly supports the guidelines in stating – 2(28)- that “it appears essential that the draft National Energy and Climate Plans (NECPs), which are due by 30 June 2023 are taken into account in the scenario preparation to the extent possible”.

However, it is essential that scenarios go beyond the 15-year time horizon indicated in ACER’s draft Scenario Guidelines. Europe should develop scenarios on which to base a 30-year network development plan, compatible with the politically agreed objectives of 55% GHG reductions before 2030 and full decarbonization before 2050.

Anticipatory investment needs to be done in the context of a full decarbonization plan. The better the plan, the better the investment decisions will be. This is a big challenge in that few of the projects needed for 2050 will have a net benefit in isolation. A significant shortcoming with the current approach is that it will not necessarily result in the most efficient pan-European system. We need to assume an optimal system for 2050 – ideally, for Europe as a whole - and work our way back. Projects that deliver the highest contribution earliest should be delivered first while factoring in their lead times.

Clearly, there would be uncertainty in the long-term scenarios, as pointed out by ACER. Therefore, scenarios and grid plan could / should be regularly adjusted, to reflect new climate and energy targets, technology innovation and demand assumptions.

9. Please write here your specific and concrete feedback on the proposed criteria to ensure robust objective-driven scenario development (Section 3 of the draft Guidelines).

currENT strongly supports reflecting the Energy Efficiency First Principle in scenario building, as stated in section 3(30). Importantly, the ACER Scenarios Guideline should reflect the Energy Efficiency First Principle (EEFP), defined in EU Regulation 2018/1999 on Governance of the Energy Union and Climate Action: “energy efficiency first” means taking utmost account in energy planning, and in policy and investment decisions, of alternative cost-efficient energy efficiency measures to make energy demand and energy supply more efficient, in particular by means of cost-effective end-use energy savings, demand response initiatives and more efficient conversion, transmission and distribution of energy, whilst still achieving the objectives of those decisions.” The EE1st should therefore also apply to conveyance from generation to consumption, in addition to the supply and demand. This means that in addition to demand-side response and sector integration, as stated in 3(31), It is important to be transparent about assumptions for technologies that optimize grids, and increase the transfer capacity of the existing grid, such as dynamic line rating, advanced power flow control systems, etc., as well as technologies that can increase the efficiency of future grids, such as High-Temperature Superconductor cable systems.

With regards to 3(34), currENT finds that scenario analysis is useful in examining the differences between different assumptions and the base scenario. Without defining feasible and broadly supported assumptions, there is a concern that the scenarios developed will be conservative in nature and not account for more ambitious scenarios with challenging assumptions (i.e., level of electricity demand, grid targets, etc.)

With regards to building a bottom-up scenario starting from the NECPs, currENT strongly supports the statement in section 3(35), stating that ENTSO-E must extend and amend the assumptions derived from the NECPs to build scenarios that are on-target. currENT would also recommend including intergovernmental commitments in these assumptions. For example, on 12 September, the nine members of the North Sea Energy Cooperation agreed to reach at least 260GW of offshore wind energy by 2050. Commitments such as these should be considered realistic and broadly supported assumptions, as stipulated in 3(35). Moreover, it is a specific regulatory requirement of Article 14 on Offshore Grid Planning of the revised TEN-E regulation ((EU) 2022/869), that ENTSO-E must base its high-level strategic integrated offshore network development plans on the Sea Basin agreements “on goals for offshore renewable generation to be deployed within each sea basin by 2050”.

currENT agrees on the general principle of stability and continuity across TYNDP cycles expressed in 3(37). However, scenarios will change in their relevance as energy policy develops. There needs to be definition as to what the “strong reasons” are for changing the set of scenarios. The energy industry is changing rapidly, without consideration for these potential pathways, the set of scenarios will very quickly become redundant.

currENT is very pleased that ACER has recognized the importance of short-term scenarios (0-7 years), as stated in 3(38). currENT believes that when preparing these short-term scenarios, this should be based on today’s network (as defined in the ERAA model), and should not assume any system reinforcements until the 7-year point. This is because stakeholders, as stated in 1.1(10), must have the opportunity to engage meaningfully.

10a. Please write here your specific and concrete feedback on the proposed criteria to ensure a transparent, inclusive and streamlined development process, focusing on the stakeholder engagement requirements (Section 4 of the draft Guidelines, recitals (42)-(48)).

It is important to include technology providers in the new Stakeholder Reference Group, who can give insight into what new technologies can deliver.

10b. Please write here your specific and concrete feedback on the proposed criteria to ensure a transparent, inclusive and streamlined development process, focusing on the information and publication requirements (Section 4 of the draft Guidelines, recitals (49)-(52)).

11. Please write here your specific and concrete feedback on the process for ensuring independent scrutiny of inputs, assumptions and methodologies (Section 5 of the draft Guidelines).

currENT asks ACER to consider extending the independent scrutiny of the scenarios beyond the SRG for increased transparency – 5(53). currENT is of the view that competence and resources will be a challenge best addressed with an unbiased Independent European System Operator for energy infrastructure, carrying out the analysis if Member States can agree to such an approach.

currENT recommends that the list of experts mentioned in 5(55) is made publicly available.

12. Please write here your specific and concrete feedback on the proposed quick-review process to enable updating a scenario in case key assumptions change (Section 6 of the draft Guidelines).

13. Please write here your specific and concrete feedback on the proposed compliance reporting (Section 7 of the draft Guidelines).

14. Would you like to share anything else with us regarding the draft Scenarios Guidelines?

Continuing on question 9.

However, currENT disagrees on the view expressed in 3(38), and the related footnote 15, that “n+25 assumptions are of limited usability for the purpose of network planning. It is of paramount importance that Europe base its future grid development on scenarios that reflect the politically agreed objectives of 55% GHG reductions before 2030 and full decarbonization before 2050. The scenarios should not be built on incremental change from today, but rather work backwards from 2050 and define key milestones for “the short term, medium term, and long term” with “the very long term” being the end goal. In currENT’s view, limiting the scenario planning to 15 years, contradicts, and would prevent, the meeting of the Scenarios Guidelines’ legal basis and objectives as they are expressed in section 1(11), which states that: “In ACER’s view, the TYNDP scenarios are to support the selection of PCIs and enable the achievement of the Union’s energy and climate objectives for 2030 and 2050. As such, these scenarios need to be fully in line with the most recent policy objectives.” The guidelines should recognise that regulatory reform will be necessary to ensure near term tariff management is compatible with sanctioning anticipatory investments required to deliver on decarbonisation policy objectives. Some PCI projects have taken longer to build and most energy assets have an approximate lifetime of 40 years. Uncertainty will unduly inhibit 2050 policy objectives and this regulatory policy challenge must be addressed. Otherwise, we will fail to put in place the technology and infrastructure required to decarbonise.

currENT agrees that “scenarios shall include at least a most-likely central scenario and at least low-economy and high-economy variants”, expressed in 3(39). However, the guidelines must reflect that non-economic drivers are essential to the scenarios and should be a requirement for consideration in definition of scenarios. Economic growth will not be the major driver in the future, rather it will be electrification (both direct and indirect), capacity of the different types of generation deployed, etc).

currENT highly commends ACER for emphasizing the importance of further sensitivity analysis in 3(41), which could provide insights to decision makers on how changing a single assumption would affect the outcome of a project assessment. This will be of great importance to assessing the impact of Grid Enhancing Technology projects as well as the impact of including Grid Enhancing Technologies in other projects. The set of main uncertainties needs to be outlined and consulted on with key stakeholders and the SRG considering their importance in defining scenarios used.

## Confidentiality

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- \* 15. Your response would be published on the Agency’s public consultation web page. Please confirm that:
- My response and name of my organisation can be published
  - My response can be published without my organisation's name (You are asked to give a justification below)
  - My response contains confidential information; a redacted version may be published (Please ensure you marked the specific text by preceding and closing it with [CONFIDENTIAL]. In addition, you are asked to give a justification below)

Thank you!

## Background Documents

**Contact**

[Contact Form](#)