Contribution ID: b483e1af-5f0a-43a6-8860-513f47e21f1d

Date: 14/11/2022 18:26:22

# 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

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 <u>here</u>. 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**

ACER will process personal data of the respondents in accordance with <u>Regulation (EU) 2018/1725</u>, 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

SI - Slovenia

1. Name and surname	
2. Email	
3. Organisation	
ENTSO-E	
4. Country of your organisation	
[xx] - All EU Member States	
O 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	
T - Italy	
DLV - Latvia	
Caracteristic Landscape    LT - Lithuania	
LU - Luxembourg	
MT - Malta	
NL - Netherlands	
(xx] - Other	
PL - Poland	
PT - Portugal	
RO - Romania	
SK - Slovak Republic	

- 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

#### Confirmation

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

### 2. Consultation questions

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).

ENTSO-E welcomes the non-binding draft Scenarios Guidelines prepared by ACER, which aim to establish criteria for a transparent, non-discriminatory and robust development of scenarios taking into account best practices in the field of infrastructures assessment and network development planning, according to Article 12.1 of Regulation (EU) 2022/869 on guidelines for trans-European energy infrastructure (the recast TEN-E Regulation).

ENTSO-E, however, would like to attract ACER's attention to the assumptions set out in paragraphs (25), (28), and (29) of the draft Scenario Guidelines as summarized below. To ensure a proper and actionable timely scenario preparation process, ENTSO-E emphasises the need to revise these provisions accordingly.

Paragraph (24) – The recast TEN-E Regulation indeed does not explicitly define the timing and deadlines for the preparation of network development scenarios, as it is correctly stated in Paragraph (24) of the draft Scenarios Guidelines. Therefore, the intent has been to provide the ENTSOs with the necessary flexibility. The ENTSOs need the flexibility to prepare scenarios within a timeframe that allows to efficiently develop and deliver the TYNDPs in a timely manner. Moreover, Article 12 of the recast TEN-E Regulation only provides that the Scenario Guidelines should establish criteria for the development of scenarios, and not timelines.

Paragraph (25) - It is noted that the draft Scenarios Guidelines define an expected scenario development process timeline. This would be especially important to present to stakeholders, in order to inform them when their input and feedback are expected. That is why, it would be also necessary to set an expected

milestone on the date after which major updates on the inputs on the central scenarios (i.e. regulation updates) are no longer feasible to be taken into account within the expected time. As the data collection process is completed 12 months before publishing the draft TYNDP joint scenarios and their submission to the Agency, the Member States, and the Commission, the expected milestone to freeze the input parameters should be before 31 December of even numbered years (24 months before the infrastructure gaps and the TYNDPs).

Therefore, ENTSO-E suggests to amend Paragraph 25 of the draft Scenarios Guidelines as follows:

'Agency expects that in order to ensure this timely delivery the data collection from the MSs should be completed 12 months before the delivery of the draft TYNDP joint scenarios and their submission to the Agency, the Member States, and the Commission.'

Paragraph (28) – As stated above, the data collection process for the 2024 scenarios shall be completed by the end of 2022 to ensure timely delivery of the TYNDP 2024 process. Given this trade-off between a timely delivery and the use of most up-to-date assumptions, the current data collection requests TSOs to submit, as much as possible, anticipated figures that will be part of their upcoming draft NECPs (due before 30 June 2023).

Paragraph (29) – ENTSO-E agrees with ACER that network development scenarios as well as their development must be robust, and that this requires a stable and agile process. It is therefore necessary that the drivers for scenario development do not unnecessarily deviate from one TYNDP cycle to the other. However, as Paragraph (32) of the Scenarios Guidelines outlines, agility ensures most up-to-date assumptions are used. Therefore, contrary to the current formulation of Paragraph (29) which states that 'the storyline process is carried out separately from the scenario preparation process and remains applicable for more editions of the TYNDP scenarios', it is necessary to have 'a storyline update process at the beginning of each TYNDP cycle'. This would ensure that storylines and the technology ranges (as part of the storyline report) are up to date, in line with the latest EU targets and policies and resulted from stakeholder consultations.

Therefore, ENTSO-E suggests to rephrase Paragraph 29 as follows:

'To facilitate a timely process and delivery, the Agency recommends that the storylines review process is carried out at the beginning of each TYNDP scenarios cycle.'

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).

ENTSO-E welcomes the reasoning behind Paragraph (34) of the draft Scenarios Guidelines. However, ENTSO-E suggests amending this provision to ensure robustness. Furthermore, ENTSO-E disagrees with the current formulation of Paragraphs (38), (39) and (41) and suggests removing these provisions from the draft Scenarios Guidelines.

Paragraph (34) – The complexity around scenario building requires deep knowledge not only at the national but also sub-national level (e.g. spatial planning: evolution of grid connection requests per region). ENTSOE, therefore, support ACER's reference to the bottom-up processes, i.e., that it is preferable to make use of assumptions that have already gone through a process of consultation and validation at national level, which means that they better reflect the Member State's vision at the time that these scenarios are created.

ENTSO-E suggests slightly rephrasing Paragraph (34) as follows:

'Scenarios shall build on feasible and broadly supported assumptions about the evolution of energy demand and supply. When it is possible, scenarios shall be built upon assumptions that have already gone through a bottom-up process of consultation and validation at the national level such as a national scenario development process.'

Paragraphs (38) & (39) – Article 12.1 of the recast TEN-E states that the Scenarios Guidelines shall establish criteria for a transparent, non-discriminatory and robust development of scenarios, while taking into account best practices in the field of infrastructure assessment and network development planning. The same Article provides that ACER shall regularly update the Guideline as found necessary. Thus, it is expected that the draft Scenarios Guidelines would stick to the general principles which would be applicable for more than one edition, rather than concrete technical solutions. However, it is noted that Section 3, most notably Paragraph (38) describes the specific time horizons for the different scenarios, while Paragraph (39) specifies that "the set of scenarios shall include at least a most-likely central scenario and at least low-economy and high-economy variants". Therefore, ACER should not go beyond the legal scope of the Scenarios Guidelines and remove Paragraphs (38) and (39) from the draft Scenarios Guidelines.

It is noted that defining the set of scenarios and the drivers of the different variants would mean that draft Scenario Guidelines predefine the storyline report which is part of the joint scenarios report that ENTSOs are mandated to develop according to Article 12 of the recast TEN-E Regulation. Therefore, the definition of any variants should be subject to a similar development process as the current ones, i.e., being subject to consultations, and ENTSOs shall maintain the sole responsibility for it.

As it is mentioned in Paragraph (37), stability and continuity of the scenarios across TYNDP cycles are further ensured by defining a limited set of scenarios that cover the main uncertainties driving network planning. In order to ensure the efficient delivery of the scenarios within the expected timeline set in Paragraph (25), there is limited room for deviations for the given time horizons, as these deviations should be developed together with the contrasting scenario variant and for the all-time horizons. Therefore, this driver should be developed based on the biggest impact on the direction of the energy infrastructure to cover the uncertainties in the most efficient way.

It is acknowledged that economic growth will influence network development, however to a much lesser extent in terms of direction of the development, but more on the timely delivery of the targets. It should be also noted that Green Deal's vision is to transform the EU into a modern, resource-efficient and competitive economy, ensuring economic growth decoupled from resource use and TEN-E requires all scenarios to be on target.

In general, the identification of the most appropriate drivers should be left to the consultation process, so as to allow flexibility for the selection of the most relevant drivers depending on the specific context and perspective under assessment in each scenario preparation process. Therefore, ENTSO-E highly recommends not to specify in the Framework Guidelines any default driver on the basis of which scenarios shall be developed.

Paragraph (41) – Article 12.1 of the recast TEN-E Regulation states that 'the guidelines shall establish criteria for a transparent, non-discriminatory and robust development of scenarios.' Therefore, any process related to the CBA should be out of the scope of the guidelines. Therefore, ACER is asked not to go beyond the legal scope of the Scenarios Guidelines and remove references to CBA from Paragraph (41) of the draft Scenarios Guidelines.

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)).

ENTSO-E welcomes Paragraph (42) of the draft Scenarios Guidelines, insofar that the scenario development process shall ensure broad stakeholder participation, with at least the representative stakeholders described in Article 12.3 of the recast TEN-E Regulation being periodically consulted in the scenario building process.

Moreover, ENTSO-E appreciates the concept of a Stakeholder Reference Group (SRG) introduced in Paragraph (43). ENTSO-E believes that the creation of this group will further support ENTSOs' inclusive stakeholder engagement process.

As being said, ENTSO-E appreciates the ideas presented in Paragraphs (45)-(47) about the development of process timelines and stakeholder engagement plans, with only one small comment: both the process timelines and engagement plans should be amended on the recommendation of the SRG, yet within the responsibility of the ENTSOs.

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)).

ENTSO-E generally welcomes the paragraphs that the draft Scenarios Guidelines introduce. Furthermore, ENTSO-E supports developing inclusive and streamlined development processes. ENTSO-E asks ACER to slightly update Paragraph (51) as explained below:

Paragraph (49) mentions the importance of clear communication about the assumptions, as well as the proper documentation of the inputs and models deployed in the scenario building process. It is noted here that, even in the previous scenario building cycle, all data relevant for model build-up has been made available on the TYNDP webpage.

Paragraph (51) provides a high-level description of the information which different stakeholders should access upon the finalization of the scenario building exercise. While the ENTSOs agree with most of these points, the ENTSOs must draw the attention of ACER to three items. First, the first part of Paragraph (51) mentions that the ENTSOs "shall publish all datasets and technical documentation of the models [...] to replicate and reproduce the scenarios". A footnote to this paragraph suggests that the data formats should be agreed on with the users and consulted with the SRG. However, it should be clearly acknowledged that stakeholders can recommend format changes, however they cannot enforce them in the process. It should also be noted here that replicability and reproducibility of the scenarios will be sought for by ENTSOs and plans to adhere to these principles shall be made possible via the publication of both data (within confidentiality constraints) and models. However, it is worth mentioning that making datasets and model formulations available for informed stakeholders is one of the goals of the scenario building team as of the upcoming cycle.

Furthermore, ENTSO-E would like to propose a slight re-wording of the paragraph, so that the obligation to publish "all datasets" is re-worded into the "responsibility to publish data taking into account confidentiality constraints". The second aspect that ENTSO-E would like to emphasize is mentioned in the 3rd part, point iii. 1, and it refers explicitly to the delivery of results on a bidding zone level. ENTSO-E would like to avoid such explicit terms in the Scenarios Guidelines, as I) bidding zones could render the country-based analysis difficult without proper understanding of the split and II) bidding zones could very well evolve towards 2040 and 2050, an aspect that could affect the robustness of results over multiple cycles.

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).

ENTSO-E supports the idea of creating the SRG and requests slight updates on Paragraphs (54), (56) and (57) to ensure effective cooperation and the timely delivery of scenarios.

Paragraph (54) – The SRG should have the responsibility to provide the advice on time according to the process timeline and stakeholder engagement plan.

Paragraph (56) – The SRG should have access to the information as any other stakeholders do, to avoid any discrimination and it should be ENTSOs' responsibility to provide this information in accordance with the confidentiality requirements.

Paragraph (57) – ENTSO-E ask for a slight revision of this Paragraph and revise 'draft Scenario Report' with 'Scenario Report'. 'The ENTSOs remain all times responsible for the inputs, assumptions and timeline submission of the Scenario Report [...] established in Section 4.

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).

ENTSO-E agrees to define a quick review process to know what the next steps should be if such an important and unexpected event happens that despite the timeline pressure, the scenarios might need to be updated. However, it is critically important to acknowledge the limitations and consequences of such an approach together with the effect on the timeline. Therefore, ENTSO-E kindly asks to slightly update Paragraphs (59) and (62). Moreover, as ENTSO-E sees the risk of preselecting the scenario which will be reviewed under this process, ENTSO-E asks ACER to remove Paragraph (63) from the draft Scenarios Guidelines. Finally, ENTSO-E understands that the quick review process can be requested only till the draft Scenarios are published and submitted to the Agency, the Member States and the Commission.

Paragraph (59) - The quick review process should be 'requested' to be activated by the EC, ACER or either of the ENTSOs together with a clear justification. The activation of the process should be defined clearly in the Scenarios Guidelines as well.

Paragraph (62) - According to the current text in the draft Scenarios Guidelines, this Paragraph makes it impossible to update any recommendations that may take longer than 3 weeks, which puts the quick review process at significant risk. The main concern of ENTSO-E is related to the tight timeline foreseen, which would only allow to modify the assumptions within a limited approach, with the risk of not adequately considering regional and local specificities. In consideration of this, a longer period might be necessary, allowing for a proper involvement of national TSOs and providing them with visibility on the evolution of the key input parameters. The suggestion for rewording is as following: 'the ENTSOs shall decide on the scenario adaptations [...] within the timeline ENTSOs will indicate according to the Paragraph (60).

Paragraph (63) – Selecting the scenario on which the quick review process will be performed is beyond the scope of the ACER Framework Guideline. Noting that, the scenario on which the quick review process will be performed will be the most 'updated' scenario; it will influence which scenario will be used in PCI processes and this decision should not be taken within the Guideline. Additionally, it conflicts with the mandate that is given to the ENTSOs (responsibility and ownership of scenarios – according to Article). Therefore, ENTSO-Es suggests that this Paragraph should be removed from the Guideline and this decision should be part of the process defined in Paragraphs (60), (61), (62).

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

ENTSO-E welcomes the request to include compliance reporting within draft joint scenarios report and also appreciate the understanding on the limitation of implementation of the Scenarios Guidelines for the TYNDP 2024 cycle due to the timing of creation of the final Guidelines.

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

ENTSO-E fully supports the main objective of the draft Scenarios Guidelines to ensure that the scenario building process is transparent, non-discriminatory and robust, as well as to foster the development of scenarios that are in line with the Union's climate and energy objectives.

Transparency and inclusive stakeholder engagement have always been key aspects of the scenario development process and the Scenarios Guidelines will support ENTSOs to keep it this way. However, as a general comment and to avoid any misperception, the Scenarios Guidelines should clearly acknowledge that ENTSOs are bounded by the confidentiality of certain data provided by its members and shall ensure the

continuity of this status.

As always, the feedback and recommendation of stakeholders will be encouraged and an indispensable part of the scenario development process. In this context, the creation of the SRG can assist ENTSOs to better scrutinize the feedback, as well as to ensure alignment with Article 12.1 of the recast TEN-E Regulation. To avoid any doubt, the Scenarios Guidelines should clearly state that ENTSOs are the sole responsible parties for their products (i.e., inputs, assumptions, models, formats, stakeholder engagement plan and storyline report) and the associated timeline. Therefore, in order to ensure process efficiency, recommendations shall be delivered enough time in advance in order to avoid big impacts on the timeline. This should also justify why the Scenarios Guidelines shall not define the storyline of the scenarios as it is attempted with Paragraph (39) in draft Scenarios Guidelines. The storyline is part of the draft joint scenarios report, which is a product of ENTSOs as mandated by the recast TEN-E Regulation. Therefore, the development of the storyline report shall be subject to a process that includes consultation with stakeholders and not directly enforced by the Guideline.

Additionally, ENTSO-E asks ACER to have at least one public workshop session before finalizing the Scenarios Guidelines, in order to transparently explain how the received feedbacks will be taking into account.

Finally, ENTSO-E kindly asks ACER to clarify the process for updating the Scenarios Guidelines, that ensures transparency and stakeholder inclusion.

ENTSO-E appreciates the feedback received through the establishment of the draft Scenarios Guidelines and trust that by clearly addressing the risks which ENTSO-E has enclosed within the response, the final Scenarios Guidelines will play important role in the development of the upcoming the scenario cycles.

## Confidentiality

- \* 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**

Scenarios\_Guidelines\_DRAFT

#### Contact

**Contact Form**