

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 [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

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

* 1. Name and surname

* 2. Email

* 3. Organisation

* 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'

Think-tank

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).

(28) Ember agrees that Member States' draft NECPs due in June 2023 should be "taken into account in the scenario preparation" of the TYNDP 2024. However, we highlight that this may present certain difficulties as the draft TYNDP scenarios are expected at the same time as the draft NECPs (June 2023).

Recommendation: It should be noted that subsequent editions of the TYNDP should take into account any revisions to the NECPs (not limited to the drafts expected in 2023), as well as major changes in national energy policy which may not have been reflected in the NECPs.

(29) In the last edition of the TYNDP (2022), efforts were made by the ENTSOs, at the request of stakeholders (pg. 5 in the TYNDP 2022 Storylines Report) to introduce quantitative elements to better explain the storylines. Retaining the quantitative elements (which define the possible ranges of key technologies in the scenarios) for more than one edition of the TYNDP risks the scenarios becoming bounded by out-of-date numbers. This issue can be clearly observed in the TYNDP 2022 Storyline Report which plots the 2020 ranges against the updated 2022 ranges.

Recommendation: Ember suggests that ACER revises recital 29 for it to specify that the storylines process is carried out prior to each iteration of the TYNDP scenarios. The other option would be for the Guidelines to specify that the Storylines can only contain qualitative storylines; however, to remove the quantitative ranges would go against the stakeholder feedback received previously by the ENTSOs and reduce the stakeholders' ability to provide concrete feedback on this report. This is not the recommended approach.

FEEDBACK ON SECTION 3 (partly included in this section due to word count limitations)

(30) Ember expresses concern that EU policies are to form strict "boundary conditions" for the scenarios. recitals 37 and 41 of the Guidelines emphasise that the set of scenarios must "cover the main uncertainties that drive network development". The pace of decarbonising the energy system is undoubtedly one such uncertainty. And this is not solely determined by EU targets, but by the wider geopolitical context, evolving national interests and other elements - with their reflection in EU targets delayed by lengthy EU legislative processes. This recital risks restricting scenarios from accurately incorporating more recent trends and thus underpreparing for the required network development. This is also in view of the continuously increasing ambition at EU level (+32%, +40%, +45%) for renewables which occurs at a much faster pace than the development of new grid infrastructure, particularly cross-border transmission lines (see WEO 2022 pg. 316). Recommendation: Ember strongly recommends removing the provision "The EU policies thus form the boundary conditions for the scenarios and the ENTSOs are expected not to deviate from those politically agreed policies, targets and objectives" from recital 30. This will allow a certain level of flexibility for ENTSOs to produce scenarios that are still on-target and better reflect current trends.

(30) Ember welcomes the requirement of the TEN-E for all scenarios to be on-target as an improvement to the CBA assessment feeding into the PCI selection process. However, Ember continues to express strong concerns regarding the implicit removal of a baseline (or stated policy) scenario through this provision. The collation of current plans of electricity and gas TSOs (currently in the form of the National Trends scenario) provides crucial insights into the expected trajectories of the electricity and gas sectors, and thus constitutes a vital resource for many stakeholders. Erasing the gap between stated policy, and energy and climate objectives would create a false sense of progress and render it impossible to discern where additional action is required in order for current plans to align with targets. The Guidelines constitute the crucial instrument to remedy this issue without impacting the PCI selection process.

Recommendation: Ember strongly suggests the ACER Guidelines include a provision which states that, should the stated policy scenario not be on-target, this will be noted in the TYNDP Scenario Report and provide clarity to readers that the stated policy scenario is not being used in the CBA process undertaken for selection of PCIs.

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).

(31) While the Guidelines oblige the ENTSOs to detail the assumptions introduced to create scenario alignment, there is no reference to the publication of data to demonstrate the difference between the original pathway and the amended, on-target scenario. As noted above, this will make it impossible to identify where additional or enhanced policy assumptions were introduced for scenario alignment.

Recommendation: Ember strongly suggests the ACER Guidelines require ENTSOs to publish the assumptions introduced for scenario alignment in both qualitative and quantitative form. The scenario data of the stated policy scenario, before any adjustments were made, should also be published as part of the TYNDP data download package.

(32) Ember agrees that establishing a stable storyline can contribute to robustness of the TYNDP iterations. However, Ember emphasises that (as noted above) such stability should refer exclusively to the qualitative storylines which provide an overall description of the TYNDP scenarios and their key drivers. Any storyline elements which establish quantitative boundaries for the scenarios should not be maintained between TYNDP cycles as this risks binding the scenarios to out-of-date figures.

Recommendation: Ember suggests that recital 32 is slightly amended to clarify that the stable storylines are those set out in qualitative terms to define the key drivers of each scenario.

(36) Recitals 31 and 35 in the Guidelines appear to attribute the sole responsibility of adjusting policy pathways to be on-target to the ENTSOs, with no mention of input from stakeholders (such as the SRG).

Recommendation: Ember suggests that recital 36 clarifies that independent scrutiny of scenario inputs and assumptions is required for all forms of scenario development, including the amendment of the stated policy scenario.

(39) With this recital, the Guidelines pre-define economic growth as the primary driver for the core TYNDP scenarios. Ember expresses significant concern that the Guidelines are pre-setting the key scenario driver. This goes contrary to the TEN-E Regulation which specifically mandates the development of “criteria for a transparent, non-discriminatory and robust development of scenarios.”

Furthermore, the lack of a definition for economic growth in the Guidelines leaves this concept open for interpretation and its definition (the responsibility for which is not designated in the Guidelines) risks creating conflicts of interest and lack of transparency. It may also lead to significant uncertainties regarding the impact of variations in economic growth on energy demand, technology costs and availability, other identified scenario drivers etc.

Recommendation: Ember strongly suggests that ACER removes the concept of economic growth from the Guidelines. Establishing the scenario drivers should be undertaken by the ENTSOs in consultation with stakeholders, including but not limited to the SRG. If the Guidelines maintain their predefined scenario driver, ACER should assume responsibility for providing a clear definition and description of economic growth, including quantification methodologies and their application to scenario building. This responsibility should not be delegated to the ENTSOs whose immense expertise does not lie in economic forecasting.

(41) Ember welcomes ACER's emphasis on the role of sensitivity analysis in providing key information for stakeholders on how scenario variations affect the CBA. This has been repeatedly requested by stakeholders engaged in the TYNDP process. Ember also welcomes ACER's implicit definition of a sensitivity analysis as a scenario where a singular assumption is changed. However, the wording of this recital in no way binds the ENTSOs to incorporate sensitivity analysis into the TYNDP scenario development and CBA.

Recommendation: Ember suggests stronger wording is used to clarify that the ENTSOs should introduce sensitivity analysis into the TYNDP Scenarios Report (potentially in a staggered approach given that these Guidelines will come into effect well into the timeframes for the development of the TYNDP 2024). The Guidelines should also clarify that the selection and design of the sensitivity scenarios should be informed by the SRG (as part of the whole scenario development process).

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)).

(43) Ember welcomes the establishment of the SRG as an important step towards introducing independent scrutiny and increasing transparency in the scenario building process. To strengthen the institutional and formal distance from the ENTSOs, and thus better perform the role of alleviating institutional biases from the scenario development, the ENTSOs should exclusively be observers and have no other role on the SRG. Recommendation: The Group convener (recital 44) should act as the facilitator of the SRG.

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)).

(49) Ember welcomes the Guideline's continued emphasis on the publication of all assumptions and proper documentation of inputs, assumptions, models and scenarios. This would increase transparency and credibility in the scenarios and their use in the PCI selection process. Recommendation: Recital 49 should specify that inputs and assumptions should be provided both qualitatively and quantitatively.

(51) Ember welcomes the Guidelines reference to standardised and consistent reporting (50) and the itemised list presented in recital 51. Ember stresses that the alignment of scenarios with EU targets, in line with Art.12(1) of the TEN-E, can only be assessed if quantitative data for the entire energy sector is published by the ENTSOs.

Ember strongly recommends the inclusion of the following to the list in recital 51:

Greenhouse gas emissions and the carbon budget for each pathway. This is already part of the more recent TYNDP Scenario Reports and constitutes an important benchmark for stakeholders to gauge the compatibility of the scenarios with the EU's commitments under the Paris Agreement.

Cost and economic indicators for the scenarios, including at a minimum the calculated system costs, divided into power system and other energy system costs, presented as Net Present Value (NPV). Cost is a crucial component in the decision-making process; it is therefore integral that the associated costs of the different TYNDP scenarios are clearly presented and the methodology documented.

Information on the optimised capacity of cross-border transmission lines per bidding zone.

Regarding information on energy demand by sector, this should also be provided by (resulting) fuel type within each sector. This will illustrate how scenario assumptions result in different energy futures.

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).

(53) The SRG is expected to introduce an important scrutiny element and safeguards against biased assumptions and data inputs. Part of this derives from the distance of these stakeholders from the ENTSOs, which ACER themselves have noted in the past to potentially introduce bias into the TYNDP process. Therefore, the Guidelines should make it clear that the SRG is responsible for forming an independent scrutiny, and not assisting the ENTSOs in a process they should not be involved in.

Recommendation: Ember suggests that this recital is rephrased to emphasise the formal and institutional distance between the SRG and the ENTSOs. It is the SRG who is responsible for providing (not “assisting”) independent scrutiny.

(57) The Guidelines appear to give limited weight to the input from the SRG, stating that the ENTSOs “are not bound to the advice of the SRG”. This renders the SRG’s input equivalent to the feedback received through the public consultation process - to be considered by the ENTSOs, published alongside the TYNDP report, but in no way binding.

Recommendation: To strengthen the role of the SRG, it is proposed that where the SRG reaches a significant majority view (referred to in recital 54), the ENTSOs shall be bound by this advice unless it is vetoed by any of the observers to the SRG, excluding the ENTSOs themselves - that is, ACER, the European Commission, the Joint Research Centre and the Scientific Advisory Board. These institutions are best placed to identify views which may be incompatible with the EU acquis and best practices, and thus are attributed veto power. Ember notes that no clarity is provided on the role of the SRG observers in recital 43. Should ACER retain its current wording, it is recommended the Guidelines mandate that, alongside the SRG advice published in the draft Scenario Report (refer to recital 54), the ENTSOs must identify those majority views which were taken into account in the scenarios and those ignored, providing justification for the latter.

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).

Ember does not have any feedback. Ember welcomes ACER’s proposal of a quick-review mechanism, and agrees that this addition will make the TYNDP scenarios more robust and informative for decision-makers.

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

(65) Ember welcomes the requirement for the ENTSOs to report on the compliance of the scenarios and scenario development process. However, the timing for this reporting is unclear - and it is essential that it is published before the scenarios are used for the PCI selection process, in order to increase credibility and trust. Stakeholders must also have the opportunity to provide their feedback on this during the public consultation process.

Recommendation: The assessment of the joint scenarios’ compliance with the Guidelines should be published either alongside or integrated with the draft (and final) Scenario report.

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

a. Recital 13 should require the ENTSOs to take into account any relevant non-binding agreements that may have a significant impact on network development, not limited to those referred to in Art.14 of the TEN-E.

b. The formation of the SRG represents an opportunity to introduce a crucial feedback loop into the TYNDP process between policy formation and technical insights from open, transparent energy scenarios. The TYNDP scenarios see political targets transposed into highly detailed and granular energy modelling, informed by a pool of Europe's technical experts. Expert scrutiny of the resulting scenarios could provide crucial feedback to policy-makers on the implementation of policy objectives, thus creating a feedback loop between the setting of political targets and transparent highly, technical scenarios. The lack of a feedback mechanism constitutes a procedural gap in the TYNDP process, where policy targets define the outcome of the scenarios, but scenario analysis does not feed back into policy.

Recommendation: It is proposed that the SRG conducts and publishes an analysis of the final TYNDP scenarios, in which this independent committee has the freedom to comment directly on and provide independent scrutiny of the outcomes of the scenarios. This complements the current description of the SRG's role in providing independent scrutiny on the inputs, assumptions and methodologies - and extends it to also cover the final scenarios. To add weight to the analysis published by the SRG, the published analysis could be co-signed by the observers of the SRG.

c. Should any of the scenarios foresee an overshoot of the EU's allocated carbon budget (which has been the case for the previous editions of the TYNDP), the time horizon of that scenario should be extended to, at a minimum, the point at which negative emissions or carbon capture and storage offset the overshoot, bringing the scenario back in line with the EU's commitments under the Paris Agreement. Otherwise there is a serious risk that the scenarios will rely heavily on these technologies in order to align with EU energy and climate commitments, without consideration for their cost or the scale of action required after 2050 to compensate for such overshoot.

d. Ember was disappointed to see that the Guidelines do not request that the ENTSOs use open source modelling software and publish all data sets under an open data licence. Openness of models and data access not only increase transparency but also encourage the sharing of innovative modelling approaches, strengthen its quality and credibility by harvesting the expertise of the scientific community. Furthermore, this would also allow the open modelling community to contribute to the TYNDP scenario through the development of sensitivity scenarios and others which may not be covered by the TYNDP scenario building process due to limited resources.

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](#)