Contribution ID: 254db9de-7912-432d-bc04-6fa58ff40224

Date: 14/11/2022 18:57:50

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
^2. Email
* 3. Organisation
Germanwatch e.V.
* 4. Country of your organisation
(in Example 2) [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
O IT - Italy
C LV - Latvia
C 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).

In recital (28) the proposed Scenarios Guidelines suggest that the TYNDP 2024 scenarios should take into account the draft NECPs, due by 30 June 2023. However, we should consider that: 1) the TYNDP process is starting prior to the NECPs draft submission, 2) the NECPs will only be finalised by 30 June 2024, preceded by the EC's assessment. Thus, while acknowledging the different timelines of the NECPs' update and the TYNDP 2024 process, it should be ensured that using obsolete data and pursuing non-feasible targets is avoided and guidance on the inclusion of ranges and variabilities in the TYNDP 2024 process is provided.

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).

- The headline of section 3 states that the scenarios are to be developed in a "robust" and "objective-driven" manner. In section 3 it does not become clear, though, what is meant by "robust" and "objective-driven". On the contrary, recitals (38) and (39) raise concerns by pre-defining the set of scenarios and the main driver around which they should be developed instead of providing sufficient and precise criteria that ensure a clear path in the building of scenarios.
- We welcome the intention of the proposed Scenarios Guidelines to ensure their alignment with the climate and energy objectives. But we would like to address two concrete points and propose changes to improve the Scenarios Guidelines: EE1st principle and economic growth.
- We welcome the EE1st principle in recitals (30) and (31) but it is currently considered only on the supply and demand side. In order to enhance system optimisation, and reduce losses, it should be considered at the system level. In line with this, renewables-based, direct electrification should be prioritised where possible as the most sustainable, cost- and energy-efficient way to decarbonise our economies. Furthermore, the rate of direct electrification should be monitored and reported against defined benchmarks, related to system efficiency gains.
- Prioritising economic growth and pre-defining it as the key driver of the scenario development (i.e., the variant scenarios) will lead to unintended risks. The concept of economic growth is not defined in the Scenarios Guidelines and therefore, it leaves room for interpretation and limits the ability to address variables. It is unsuitable as a concept to reflect the deviations and sensitivities, which in turn should be fully embedded in the scenarios. Moreover, the concept of economic growth fails to capture the direction in which the energy system will evolve and leads to uncertainties regarding the development, the outcomes as well as the usability of such scenarios. Among others, it is not clear how economic growth will impact the energy demand (which has already been considered as a core, separate element in the past scenario-building process), how technologies will be considered and factored in, and it reduces the potential to incentivise savings across the energy supply chain. Furthermore, economic growth is difficult to calculate; this will lead to the use of Gross Domestic Product (GDP) as the measure of economic growth resulting in a clear opposition to the main objectives of the EU Green Deal, and namely to 'transform the EU into a modern, resource-efficient and competitive economy, ensuring that economic growth is decoupled from resource use'. Instead, the concept of economic growth, in the spirit of the EU Green Deal, necessitates measurable and effectively monitored sustainability criteria, covering the socio-economic and environmental aspects. Taking all this into account, we ask ACER to remove the concept of economic growth from the Scenarios Guidelines.
- In summary, section 3 leaves too much room for interpretation instead of using the chance that both ENTSOs will build the scenarios together to provide criteria that define an integrated planning 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)).

- Recital (43): Germanwatch welcomes the creation of the Stakeholder Reference Group (SRG). Due consideration should be paid to, and clarifications should be provided on the selection process of its members, to ensure fair representation of the Civil Society community as well as stakeholders with increasing significance for the decarbonisation of the energy system, instead of those who could lead to further lock-ins. To effectively capture the spectrum of energy actors, we propose to extend the eligible basis beyond what is minimum required in the revised TEN-E Regulation, and include in addition, citizens' and cities' initiatives. Moreover, we see the added value of an increased involvement of the European Scientific Advisory Board on Climate Change also as member of the SRG, especially for the independent scrutiny process of section 5.
- Recitals (45) (47): Germanwatch stresses the need for a meaningful and robust stakeholder engagement process. For this to happen, the envisaged engagement plan should be developed and implemented within clear deadlines. Among others, it should aim at activating and enabling valuable, but currently inactive actors involved in the decarbonisation of the energy system. Furthermore, the creation of the SRG should complement and not replace wide public consultations. Acknowledging the different capabilities of stakeholders implies that opportunities for capacity building should be provided, particularly for interested stakeholders. In addition to adequate time for feedback on key aspects of the scenario-building process, an open channel for questions and clarifications would be beneficial.

0b. Please write here your specific and concrete feedback on the proposed criteria to ensure a ransparent, inclusive and streamlined development process, focusing on the information and publication equirements (Section 4 of the draft Guidelines, recitals (49)-(52)).	
Please write here your specific and concrete feedback on the process for ensuring independent scrutifing inputs, assumptions and methodologies (Section 5 of the draft Guidelines).	iny

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).

Germanwatch welcomes the introduction of the quick-review process, as a means to incorporate the impacts of unpredictable and significant events in the TYNDP process. We would like to stress though, that indeed only unforeseen events should qualify as a trigger to the process, and it should maintain its exceptional character. To ensure stability, we see the added value of the European Commission holding the activation power, as the politically independent institution of the European Union. ACER and the ENTSOs should withhold the power to recommend such an activation. In addition to SRG's recommendations, public consultation should always be embedded in the quick review process, to secure the legitimacy of the updated assumptions.

	. Please write here your specific and concrete feedback on the proposed compliance reporting (Section 7 the draft Guidelines).
14	. Would you like to share anything else with us regarding the draft Scenarios Guidelines?
	Recital (16): ACER should include a public consultation requirement for any future update of the Scenarios Guidelines, providing adequate time for the stakeholders to prepare and respond.
С	onfidentiality
* 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)

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Contact

Contact Form