

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

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).

- 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.
- In recital (29) ACER recommends that 'the storylines process is carried out separately from the scenario preparation process and remains applicable for more editions of the TYNDP scenarios'. This is not responsible in view of the very fast changes in the broad energy sector, in the geopolitical conditions, in supply chains, and in technological innovations. In fact, such an approach would lead to a backlash against European competitiveness and hinder the economic maturity of new European technological solutions. Instead, it is necessary to establish a regular review process of the storylines for each TYNDP cycle, to incorporate updates and inputs from a wide spectrum of stakeholders, given the dynamic developments of the energy system and modern societies.

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).

RGI welcomes the intention of the proposed Guidelines to ensure the robustness of the scenarios and their alignment with the climate and energy objectives.

- We strongly believe that in order to enhance system optimisation, and reduce waste and losses, the EE1st principle – recital (30) and (31) - should be considered at the system level and not only on the supply and demand side as currently the case. In line with this, renewables-based, direct electrification should be prioritised 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.
- The recitals (38) and (39) raise concerns by pre-defining the set of scenarios and the main driver around which they should be developed. While we acknowledge the benefits of streamlining the scenario development process, we want to highlight that the aim of the scenarios is to provide a quantitative basis for energy infrastructure investment planning and insights into the evolution of an integrated energy system perspective. Therefore, 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. Alternatively, economic growth should be listed in a non-exhaustive way among the required possible and specific options that the ENTSOs could consider and consult upon with stakeholders during the scenario-building exercise. If despite this, the economic growth request is to be maintained as the main driver, ACER should provide a clear definition and description, including a broad range of sustainability criteria and their quantification methodologies, of its application to scenario building. ACER would then need to launch another consultation before the official adoption of the Scenarios Guidelines. By taking responsibility for defining economic growth, ACER can guarantee that the definition is coherently applied across the Member States and NRAs. ACER should not delegate that responsibility to the ENTSOs and the Stakeholder Reference Group under the pretence of not being prescriptive. This freedom of interpretation would lead to competition between conflicting interests at the expense of both consumers and decarbonisation, among others.

Please refer to question 14 for the rest of our response.

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): RGI 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, small and large consumers as well as actors involved in the 24/7 CFE. 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): RGI 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. On that front, the ENTSOs and ACER should record and publish all stakeholder interactions, alongside the input provided and not only the ENTSOs as currently foreseen in recital 48.

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)).

- RGI stresses the importance of an open and streamlined scenario development process. Clear communication and proper documentation, if possible in an open access format, of the scenarios, the underlying assumptions, inputs, data, methodologies, including models, is essential to ensure transparency and replicability. Furthermore, all interested stakeholders should be granted access to the set of data mentioned in recital (51).

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).

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).

• RGI welcomes the introduction of the quick-review process, as a mean to incorporate the impacts of unpredictable and significant events in the TYNDP process. However, it should be further assessed how the updated assumption(s) will interact and align with the scenario-building process, in terms of timeline and how this will influence decisions around PCI selection. In this context, we believe that, indeed, only unforeseen events should qualify as a trigger to the process, and the latter 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, the ENTSOs and the ESABCC 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.

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?

- The revised TEN-E Regulation and the proposed Scenarios Guidelines require the scenarios to be 'on-target'. It is unclear though, whether only adopted, by the EU co-legislators, policies should be reflected in the 2024 TYNDP cycle or additionally those currently in negotiations (i.e., REPowerEU package). The Scenarios Guidelines should provide clear and sufficient guidance on excluding relevant policy files that did not reach a political agreement between the co-legislators and on how the energy and climate targets should be incorporated into the scenario-building process in that case. The uncertainty in the draft Scenarios Guidelines is further enhanced by the fact that they list the REPowerEU package among the Reference Documents as well as a clear reference to the NECPs 2023 thus increasing the gap between policy objectives and implementation plans. If the REPowerEU package is pursued, we run the risk of building the scenarios around targets that could become obsolete starting with the political agreement of the relevant policy file. This holds especially true for the 20 Mt of renewable hydrogen by 2030, proposed in the REPowerEU Plan. This inflated and unrealistic target for the 2030 time horizon, poses a strong challenge to the electricity sector, as it requires channelling the majority of RES capacity towards the production of renewable hydrogen. The fact that the REPowerEU has not been scrutinised by the co-legislators and thus, it could be subject to revision, coupled with the absence of clear rules regulating the supply chain of renewable hydrogen, and namely the additionality principle and geographical as well as temporal correlation should be taken into consideration and further assessed. Furthermore, the timeline for the NECPs update would prevent them from incorporating the upcoming policy changes and consequently, lead to obsolete investment plans leading to higher costs for consumers and higher emissions both within the European borders and globally, through import routes. Instead, resources should be directed at showcasing energy- and resource-efficient pathways of the energy system in the 2024 TYNDP cycle.
- The scenario Guidelines should include a requirement for assessing the feasibility of different options and pathways within set timeframes. Therefore the requirement to be "on target" should include a strong feasibility assessment and comparative analysis of alternative options.
- 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.

- The draft Scenarios Guidelines give rise to uncertainties and questions that have to be properly addressed before the official adoption. Therefore, we call ACER to provide the necessary clarifications and launch afterwards an additional public consultation to enhance clarity, transparency and effectiveness of the Scenarios Guidelines.

Continuation of question 9:

- The energy scenarios are a learning process which requires the involvement of a wide spectrum of stakeholders. Building them with economic growth as pre-defined driver, as suggested in the draft Scenarios Guidelines, would prevent considering different pathways and variances to decarbonisation, energy and system security, and sustainable development. In line with this, we believe that the scenarios and storylines should be defined by separate, broad stakeholder engagement processes, also in line with the Aarhus Convention. This will not only enhance transparency but will also allow for the drivers and uncertainties, regarding the network planning, to be captured and addressed in the most efficient way.
- The Scenarios Guidelines should remain within the mandate provided by the revised TEN-E Regulation, and namely should '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'. However, we consider that the current draft Scenarios Guidelines, by pre-defining the set of scenarios and the drivers, in the current draft the economic growth, of the different variants, go beyond this given mandate. ACER should recognise that the mandate to develop the guidelines has been tasked to ACER and not to the National Regulatory Authorities (NRAs). It is therefore essential for ACER to ensure a level playing field among the various stakeholders and avoid discrimination in favour of the NRAs. The inputs and asks of the NRAs should be considered within the stakeholder engagement processes and considered of equal relevance to other inputs and not prioritised as it may have happened in drafting these guidelines.

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](#)

