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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. Lindii
3. Organisation
Regulatory Assistance Project
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
O IT - Italy
C LV - Latvia
C LT - Lithuania
U - 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)
- Oivil 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).

(29) Given the goal, as outlined in TEN-E, to develop transparent, non-discriminatory, and robust scenarios, separating out the storylines process may lead to a situation where the storylines are dictating scenario development without the additional rigour or robustness that the scenario guidelines are attempting to confer on to that process. The draft guidelines note that the storylines process is the "development of qualitative storylines as concepts of potential futures which later serve to develop quantitative scenarios matching those storylines." In other words, the storylines are expected to serve their intended role of setting out visions of the future, which the scenarios are developed to meet. If the storyline process is, however, divorced from scenario development, then a great deal of the challenge and opportunity of developing different scenarios will be lost to that process as the storylines will dictate scenario development. The suggestion that those storylines should remain applicable for multiple editions of the TYNDP scenario development will only compound this disconnect if the storylines do not allow for a broad array of scenarios to reach a decarbonised energy system.

If the storyline process is separated for practical reasons, the goal of transparent, non-discriminatory, and robust scenario development will best be served if the storyline development process is driven by corollary guidelines to those for scenario development so that the storyline process is not undermining the scenario development process. In addition, if the storylines are to be used as broad visions for more than one TYNDP process, they should nevertheless be revisited and updated to ensure that they are in line with current circumstances, given the frequent and sometimes dramatic shifts occurring in the energy transition.

- 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).
 - (30) The TEN-E regulation requires that the guidelines "shall aim to ensure that the underlying [ENTSO] scenarios are fully in line with the energy efficiency first principle and the Union's 2030 targets for energy and climate and its 2050 climate neutrality objective." The guidelines summarise this provision to state that the scenarios "must be on-target, meaning that the decided energy developed and climate objectives are to be achieved in any scenario." While that is also true, the TEN-E provision goes farther than that, stating that the guidelines shall aim to ensure that the scenarios are fully in line with these goals. Practically speaking, ensuring that scenarios are robust in meeting those goals may require the development of scenarios that even go beyond current targets, testing against futures that one cannot predict perfectly, such as high gas costs, slow renewable build-out, slow network expansion, or other parameter sweeps. In short, although the scenarios most certainly need to be in line with energy and climate goals, to be robust, they should not be limited such that they cannot robustly test various paths to meet those goals. Scenarios to meet the energy efficiency first principle should similarly be robust to include pathways where demand for gas, for example, is constrained where it is demonstrably less efficient in meeting an end use, and other means are instead allowed as solutions.
 - (31) With a goal of transparency, the provisions to require detailed accounting of how the provisions in paragraph (31) were included makes sense. That said, the guidelines could also be prescriptive with these requirements by setting forth what is expected in meeting each of these bullets. For example:
 - For example, what does it mean to include the EE1st principle on the demand and supply side? What metrics are used to determine whether the principle was included? Is a system-efficiency principle required, such that more efficient means of meeting end uses are required? Or just that efficiency is modeled in setting demand? Does supply efficiency mean that supply side resources need to be operated in the most efficient manner? Or that the most efficient is chosen?
 - In short, including these principles can mean very different things to different people and additional

specificity is required if the scenarios are to be robust and transparent in this regard, not an after-the-fact accounting, by the ENTSO, justifying the chosen approach.

- The Commission's EE1st principle, climate targets, and Energy System Integration Strategy all outline goals to ensure a rapid transition to a clean energy system. To ensure robust scenario development, these goals would be best incorporated into the scenarios development, by ensuring that there is sufficient information to consider pathways to meet these goals, given uncertainty.
- (32) It is not clear why stability and agility are the metrics by which to measure robustness. The past couple of years have demonstrated that the choices needed to ensure a transition to a clean energy system are anything but based on a stable set of circumstances. As a result, stable storylines may in fact weigh against robust scenario development. Rather, a wide range of possibilities will better ensure that multiple approaches to meeting climate goals are tested and considered. Given the timelines of investment decisions, the system will be more robust if decisions are based on those various possibilities so that investments are made in keeping with least risk, or least cost to consumers, in keeping with the targets above. In short, stability and agility may be important goals, but what is meant by them could be better defined to ensure that the outcomes are in line with those goals.
- (35) Ensuring that scenarios take into account NECPs is important to ensure consistency across planning processes.
- (37) As noted above, if the goal is robust scenario development, it is not at all clear that a limited set of scenarios will meet this goal. Instead, limiting scenarios may in fact weaken the process by disallowing consideration of pathways that may be more useful and responsive to system changes. As the TEN-E regulation calls for transparent, non-discriminatory, and robust scenario development, a streamlined process must come second to one that meets those goals. The TEN-E goals and a streamlined process do not necessarily need to be at odds with one another, however, if the guidelines allow for needed scenario development within certain timelines or parameters to keep the process moving forward.

Please see additional comments to this question in response to question (14).

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)).

The TEN-E requires transparent, non-discriminatory, and robust scenario development. The inclusion of stakeholders in this process is critical to ensuring that goal, and the guidelines are an important tool to ensure that stakeholder engagement occurs in a manner that allows stakeholder input to contribute to those outcomes. And developing a process in which stakeholder engagement can occur in a timely manner is important to ensure that relevant deadlines can be met. Putting too much emphasis on streamlining the process, however, versus developing a process that can efficiently engage and incorporate stakeholder input, may undermine the very goal of including stakeholders. Instead, to incorporate stakeholder input to develop robust scenarios, we suggest less consideration of ways in which to streamline, and a greater focus on how to best solicit and include stakeholder input throughout the scenario development process.

The creation of the Scenario Reference Group (SRG) seems a useful way to bring stakeholders into the process in a manner that will allow both the ENTSOs and stakeholders the opportunity to share input and ideas around scenario development in a meaningful way. The allowance for the group to choose a convener to organise meetings and take notes will help to ensure that the group is as independent as possible, to allow for all inputs to be addressed on a more level playing field. The requirement that the ENTSOs shall publish a process timeline and comprehensive stakeholder engagement plan is also useful to ensure that all stakeholders can plan time and resources for the process.

Although the plan for the SRG to develop some of the details of the more specific plan allows flexibility for the SRG, because the makeup of the SRG is not set in the guidelines, it is important that the guidelines include some specific requirements to set the guard rails for that process. As an initial matter, the guidelines could set how many people from each stakeholder group should be represented in the SRG to ensure that the SRG Is not improperly weighted. Similarly, the guidelines could provide additional detail regarding what information is required to be shared in advance of SRG meetings, how long before the meetings that information should be shared, whether models should be open for SRG members, and how alternative scenarios or sensitivities will be incorporated. In short, although there is some value in allowing the SRG to make specific decisions as to how it will proceed, there may be greater value in setting the parameters of the SRG to ensure it is fact a useful means to incorporate stakeholder input.

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)).

To ensure the creation of transparent, non-discriminatory, and robust scenarios, the information used in developing those scenarios must also be transparent and reveal how it was used to develop non-discriminatory and robust scenarios. The inclusion of some detail about what information must be shared is useful to achieving this goal, but this section is confusing in its division of information dissemination. In general, it is likely more efficient for all involved if the ENTSOs share data openly, use open models, and provide assumptions and information about the modelling in a manner that allows access by all interested parties. The ENTSOs can then also develop simplified summaries of that information, but there is no need to create distinguish between two groups of informed stakeholders and the wider public.

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).

As noted, the creation of the SRG is a useful addition to the process in order to meet the TEN-E goals. Section 5, however, could be clearer in its requirements to ensure that the SRG is involved sufficiently early in the process to provide not just advice on what the ENTSOs have already done, but independent inputs as to how the scenarios could be approached in the first instance.

Furthermore, as noted above, the guidelines could either provide specificity about which entities are represented in the SRG to ensure that the group is balanced, or if not, the guidelines need to develop a means by which the SRG is not weighted in one direction, which could make the allowance for a majority vote within the SRG less meaningful.

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).

Allowance of a quick review process is a useful addition to ensure that scenarios remain robust, despite unforeseen changes in circumstances. The guidelines, however, may not allow for that goal of robustness to be met as written. First, it is not clear who would determine whether an event is "sufficiently significant" to warrant this shortened review process, only which parties may activate it. Without some review of that decision, at the very least when activated by the ENTSOs, it could be used unnecessarily. Instead, setting an independent entity to review the activation could be useful, such as ACER or the SRG.

The review of the changes by the SRG provides a level of scrutiny, but could be expanded to a public review process within the same timeline so as not to extend the process further. Again, the goals of robustness and transparency do not need to be at odds with public scrutiny if the processes are designed to allow for both.

- 13. Please write here your specific and concrete feedback on the proposed compliance reporting (Section 7 of the draft Guidelines).
 - (66) In addition to recommendations for the next cycle, it may also be useful to direct the SRG to provide recommendations about any changes that need to be made to the guidelines themselves to determine if there are missing elements as the process unfolds.
- 14. Would you like to share anything else with us regarding the draft Scenarios Guidelines?

Continued comments on question (9):

- (39) Again, if the goal is to develop a robust and non-discriminatory scenarios, we suggest that the guidelines require a sufficient number of scenarios to test enough pathways to ensure a useful path forward at a time of many uncertain variables. The requirement instead to scenarios only around a metric of economic growth is unclear. First, it is unclear why only this metric is chosen, and thus elevated over other possibilities such as rapidity of renewable development, or more stringent climate targets or other potential guidance. Second, it is not clear why consideration of only three pathways would be sufficient, but because the guidelines only require these three, it is very likely that only these three will be modelled as there will be no incentive to do more. Again, if the goal is robustness, then the guidelines need be defensible against that metric. Although streamlining the process is important such that it can be completed within necessary timelines, putting that goal first may undermine the goal of robustness. Instead, the process should require enough scenarios to ensure the robustness of the process, and if there are reasons to streamline from there, that challenge can be addressed. In short, it is important to put the goal first, and then modify from there.
- (41) The requirement that the scenarios must be balanced and informative for decision makers, stakeholders and the public is a useful goal, but without more explanation of what is meant, the requirement may prove to be illusory. Additional specificity or metrics to measure whether the scenarios are balanced or informative would allow the Agency some way to measure whether those goals are being met. The Agency's encouragement of additional sensitivities to further test scenarios is useful to allow for consideration of variations within the scenarios. Requiring an analysis of which sensitivities are needed to more fully consider different alternatives, and then model runs of those sensitivities would ensure that sensitivity analysis informed the process, rather than merely leaving it as a possibility.

The inclusion of an opportunity for the European Scientific Advisory Board on Climate Change to provide input will contribute to robust scenario development.

Direct response to question (14):

We very much appreciate the opportunity to provide our input regarding the Scenarios Guidelines. In addition to the specific thoughts provided in response to the consultation questions, we wish to emphasise the importance of ensuring the scenario guidelines direct the development of scenarios that are aligned with storylines to meet the carbon targets in an efficient, equitable, and effective manner. To ensure that the guidelines are acting as the important tool that the can be, additional specificity directing scenario development would be useful to ensure that scenario development is in fact proceeding in line with the broader statements set forth in the guidelines. Also critical to that goal is ensuring that the assumptions and inputs into scenario development benefit from stringent and broad review by experts and broader stakeholders alike. Transparent data and modelling can allow stakeholders to provide new ideas and perspectives that may push scenarios beyond the comfortable, status quo routes. A process that allows for testing these boundaries and new approaches is the essence of non-discriminatory and robust scenario development.

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