

# 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

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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

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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

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\* 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

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

## 2. Consultation questions

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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).

We overall agree with the general principles of section 2.

However, regarding item (29) we would like to report that -for the first time-, for the TYNDP 2024 scenario development process ENTOS have renounced to perform a consultation on the storylines definition process, jumping instead directly into a first consultation on "demand scenarios and some supply/generation insights" (as reported in the ENTSO-E, ENTSO-G Scenarios Storyline workshop of 20 July 2022). To us this seems a step back in terms of transparency and consistency of the storyline, as the storyline matrix has been already decided beforehand with no chance to be discussed.

In our opinion, the best way to proceed would be that the first consultation focus BOTH in storylines consistency AND inputs in demand and supply data based on preliminary ranges connected to storyline options.

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).

TYNDP scenarios being far from aligned to EC PRIMES scenarios -of which European Commission, Parliament and Council rely on to take binding energy and climate policy decisions for the whole EU27-, has been a constant source of perplexity for us.

In our opinion the top-down scenarios designed lack of a full-cost optimization assessment and therefore should not replace the role of PRIMES scenarios. There is still not sufficient detail on the reasons to choose “winners & losers” among decarbonization technologies. Cost assumptions and cost results motivating the choices made by the model are largely undisclosed, making cost-efficiency considerations in the report a black box and rather a consequence of the scenarios storylines than a cause for optimization of the model. A comprehensive aggregated analysis on overall cost and investments breakdown of the proposed scenarios for the entire energy system would help to better understand cost-efficiency and economic implication of the scenarios proposed.

Without such optimization, it becomes substantially more difficult to calibrate how much each abatement technology can contribute to the decarbonisation pathway, thus increasing the uncertainty and adequacy of the technology choices. The full cost of each abatement technology is a key element of any decarbonisation scenario design, and particularly sensitive for immature and not yet fully commercial solutions such as hydrogen and P2G (and related imports), CCS and biogas. There is a certain risk that more costly solutions are cannibalizing cost-effective solutions, with a subsequent impact on the design of the future EU electricity and gas networks. This could be the case for electrification technologies, which are already recognized as a “no regret option” by the Commission in the long-term vision scenarios, 2030 Climate Target plan scenarios in support of Fit-for-55 and RepowerEU scenario and have increasingly decreased their cost in the recent years at higher rates than expected before, but are up to now considered at much lower penetration rates in the ENTSOs scenarios than in the Commission scenarios.

The TYNDP scenarios reports also lose track of the link between energy consumption –in all its forms- and the associated energy infrastructures needed to convey such energy –particularly grids/ networks. In our opinion, the most relevant part of the exercise are not the scenarios themselves, but rather how those scenarios impact and constrain networks developments across Europe. It would be highly desirable that the report provides with a first estimation on which implications each scenario has for the future development of electricity and gas network in Europe and infrastructures related to imports from third countries, particularly for gas.

We would like to highlight the impact on additional RES capacity needed to produce green h2 for uses where direct electrification is feasible. For example: for each 1 kWh of electricity to produce heat with a heat pump you need 4-5 kWh of green h2 to produce the same heat, which implies more RES infrastructure to achieve the same degree of decarbonization. The same argument applies to BEV vs FCEV.

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 perception is that many of the considerations and recommendations provided by relevant stakeholders during the different consultations performed up to now during the TYNDP scenarios consultation process remain often largely unaddressed. We appreciated the improvement made in terms of transparency and clarity, but our issues and perplexities are the same in all previous consultations. We have noticed that the scenarios remain quite unvaried and static in terms of assumptions, results and overall path building compared to previous exercises. Some aggregated answers were typically provided in the draft scenarios report but a more dedicated “one by one” approach would benefit transparency of the process. We suggest that the Section 4 of the draft should address this issue with a more systematic approach and better clarity on how to resolve and address stakeholders’ comments.

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)).

Balance worksheets resembling the ones from PRIMES scenarios with figures and policy-related KPIs to compare with those included in the main directives and regulations for the energy and climate policy framework should be published (at least those included in the PRIMES scenarios detailed results). Some interactive guidance on how to browse through results in the data files would be useful.

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).

We suggest that European Institutions, or at least the European Commission and its main competent DG’s on the matter, should be actively involved in the process of scrutiny instead of being just observers. Modelers of the PRIMES scenarios should be involved as well.

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).

We agree that a procedure for last-minute changes on policies or any external major conditioning should be established but the criteria to activate that process should not be entirely subject to external stakeholders but instead more strictly linked to European Institutions and Agencies (such as the Commission, the Joint Research Center and the European Environmental Agency).  
A non-exhaustive of sufficiently significant event should be provided already in the guidelines.

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

We suggest that European Institutions, or at least the European Commission and its main competent DG’s on the matter, should be actively involved in the process of compliance reporting. Modelers of the PRIMES scenarios should be involved as well.

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

The ENTSOs energy model favors gas at the expense of reduced electrification in the approach followed for sector coupling. The share of electricity in final demand is way lower than in the European Commission scenarios. According to our calculations and data published in the 2030 Climate Target Plan assessment by the European Commission, policy scenarios in support of Increased Climate Ambition foresee a direct electrification share of the final demand ranging 46-50% by 2050. Other modelling optimization exercises such as Eurelectric's Decarbonisation Pathways and Compass Lexecon-Enerdata-Enel Foundation "Sustainable paths for EU increased climate and energy ambition" point at 60% of direct electrification. However, Global Ambition scenario falls too low in terms of electrification, with a very questionable 36% by 2050. In addition to this, to continue using gas in any form and from any source perpetuates the possibility to continue having significant methane leakages along all the value chain. As stated by the IEA in their Zero Emission by 2050 report and scenario, cutting methane leakages is essential to reach the 1.5°C goal, and the scenarios proposed are moving in the opposite direction.

The TYNDP scenarios also tend to assume that there will be an ever-increasing availability of affordable decarbonized methane -either indigenous or imported-, massively deployed from 2030 on. Notably in the Global Ambition scenario of the TYNDP 2022, the clean gas imports widely exceed indigenous production. This is assuming that other regions of the world will be able to supply large quantities of decarbonized gas to the EU, which seems to be questionable, and would imply substituting one old energy dependency on fossil fuels with another new dependency, carrying forward current geopolitical risks on the EU energy supply.

The TYNDP scenarios considered in the past as well way too much CCS (716 MtCO<sub>2</sub> removals in the latest 2022 edition), far beyond any other relevant scenario from the Commission or from relevant studies, to offset the remaining residual emissions in the Global Ambition scenario, which are also surprisingly high. In our view, the ENTSOs scenarios could be overestimating the actual potential of CCS and net-negative technologies. CCS and net-negative emission technologies should be treated with caution when incorporated to long-term decarbonization scenarios exercises. Such strong assumption can lead to underestimate the deployment of other technologies that could be required to reach the carbon neutrality at 2050 in absence of such intensive use of CCS. CCS technologies have been under discussion for years with no material results. CCS may have a role in the heavy industry to pursue net-zero emission by 2050. For the power sector, the societal, safety and cost challenges that CCS faces make it inconvenient to implement, given that other less risky and more cost-effective solutions are already available.

Therefore, ensuring coherence with other scenarios, particularly those of the European Commission-PRIMES, is key for a successful definition and implementation of the ACER guidelines.

## Confidentiality

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- \* 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](#)