

To the attention of:

Christian Zinglensen, *Director, ACER*
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Agency for the Cooperation of Energy
Regulators (ACER)
Trg Republike 3
1000 Ljubljana, Slovenia

Subject: Accompanying letter to Terna answer to the public consultation on ACER draft Framework Guidelines for the joint scenarios to be developed by ENTSO for Electricity and ENTSO for Gas

Dear Mr Zinglensen,

I am pleased to send you our answer to the public consultation on the ACER draft Framework Guidelines for the joint scenarios to be developed by ENTSO for Electricity and ENTSO for Gas, in accordance with article 12 of Regulation (EU) 2022/869 (TEN-E Regulation).

First of all, we want to stress that Terna welcomes the release for consultation of the draft Scenario Guideline and the opportunity to provide our view on the proposed text.

In particular, we strongly support the ACER proposal to develop scenarios through a bottom-up approach, as we fully agree that the key inputs of a scenario should go through a process of consultation and validation at the national level, such as the national scenario development process. This approach is necessary for developing realistic scenarios, capable of capturing national, regional, or local specificities of our complex and heterogenous European energy system. All relevant key inputs for any scenario shall be identified through a bottom-up process and then provided to the ENTSOs as an input for the common scenario building process. Conversely, by their nature, top-down scenarios cannot adequately capture the complexity of national and regional systems nor their local specificities: for this reason, we believe top-down scenarios should only be considered as complementary to bottom-up scenarios.

In addition, Terna supports the definition of an open and clear process to involve stakeholders in the scenarios' development: the bottom-up approach would not only ensure a more robust set of assumptions but also a solid involvement of national stakeholders. On the other hand, our main concern is related to how the SRG would be able to be more accurate in providing content-related input than the consultation and validation process occurring at national level. Moreover, in the light of the different interests the SRG should represent – due to the fact that its composition shall reflect the stakeholders listed in article 12(3) of the TEN-E Regulation - it is unclear how to guarantee the

capability of the future SRG in providing an effectively independent scrutiny. In consideration of this, we suggest its involvement should be more focused on process-related & methodology-related issues, rather than on assessing the specific values of the variables that define the scenarios.

Finally, Terna certainly welcomes the proposal to define criteria ensuring a timely scenario preparation process. In this respect, we would like to share two main concerns. First of all, it should be recognized that a trade-off between delivery time and content quantity exists. Depending on how many scenarios will have to be developed (storylines, target years) and in which level of detail, this will impact the timeline of the process. To ensure the proposed timeline for the scenario development remains feasible, it is essential to limit the overall number of scenarios and to focus on target years that are functional to the Ten-Year NDP. From today's perspective, this means that the 2040-2050 horizon would largely have an indicative value. It is certainly necessary to develop a view on this horizon because it helps calibrating the short-term and mid-term horizons (2030-2035) so that they are on a trajectory that is coherent with the net-zero targets. Yet, it is not necessary (nor particularly useful, in consideration of the high level of technological uncertainty) to develop the long-term and very long-term horizons with the same level of detail as the short-term and mid-term horizon. Therefore, we suggest clarifying in the Framework Guidelines that a detailed scenario for the long-term and very long-term horizon is not expected and that simplifications in terms of reduced temporal and spatial resolution can be applied for the 2040-2050 horizons. Secondly, the tight timeline foreseen for the quick review process would only allow the application of a top-down approach to modify the assumptions. We therefore would like to suggest assessing the possibility to foresee a longer timeline, ensuring proper TSOs involvement on the evolution of the key input parameters.

We thank you for your attention and we look forward to continuing working together on this essential topic.

Yours Sincerely,

Fabio Bulgarelli

All.: c.s.

Copia: SSD - SSI