

TARGETED STAKEHOLDERS WORKSHOP ON CBCA EXPERIENCES & ON THE UPDATE OF ACER RECOMMENDATION

Outlook details after the Agenda

AGENDA

10:05	1. Welcoming + status of ACER CBCA Recommendation update - Presentation from Stefano Astorri (ACER)
10:20	2. The path ahead for cross-border cost allocation - Presentation from Frank Heseler (DG ENER)
10:35	3. Short question time
10:45	4. Role of scenarios in the CBCA decisions * - Introduction from Alberto Pototschnig (FSR); - Presentations from Dimitrios Chaniotis (RTE); Pawel Sek (GAZ-SYSTEM); Riccardo Vailati (ARERA); Benoit Esnault (CRE) - Open discussion, moderated by FSR
11:55	5. Role of CBAs and benefits allocation ** - Introduction from Leonardo Meeus (FSR); - Presentations from Gerald Kaendler (ENTSO-E); Liutauras Varanavicius (LITGRID); Pawel Sek (GAZ-SYSTEM); Robert Hempenius (ACM); Riccardo Vailati (ARERA); Benoit Esnault (CRE) - Open discussion, moderated by FSR
- 13:10	6. Lunch
14:05	7. How to deal with uncertainties *** - Introduction from Ilaria Conti (FSR); - Presentations from Gerald Kaendler (ENTSO-E); Pawel Sek (GAZ-SYSTEM); Riccardo Vailati (ARERA); Benoit Esnault (CRE) - Open discussion, moderated by FSR
15:15	8. The compensation mechanism **** - Introduction from Alberto Pototschnig (FSR); - Presentations from Gerald Kaendler (ENTSO-E); Pawel Sek (GAZ-SYSTEM); Tooraj Jamasb (CSEI); Benoit Esnault (CRE) - Open discussion, moderated by FSR
16:25	9. Cross border cost allocation for offshore grid projects ***** - Introduction from Tim Schittekatte (FSR); - Presentations from Gerald Kaendler (ENTSO-E); Tobias Frohmajer (NSWPH); Robert Hempenius (ACM); - Open discussion, moderated by FSR
17:15	10. Wrap-up session and next steps
17:30	11. End of the Workshop

Workshop Objectives

- Present the context and process for ACER's upcoming update of CBCA Recommendation.
- Learn from "real-life" experiences on CBCAs
- Identify good practices, also when these have diverged from ACER 2015 Recommendation
- Identify past difficulties and future challenges under new TEN-E Regulation
- Identify how ACER CBCA Recommendations can help future CBCAs

The Agenda has been divided in 5 main sections.
Below more details on each of these sections.

*** Role of scenarios in the CBCA decisions**

Scenarios depict potential paths of energy demand and supply. As such, the societal and financial consequences of a project's implementation will always carry a level of uncertainty. According to the TEN-E, in allocating costs across borders, the relevant NRAs shall seek a mutual agreement based on the project-specific CBAs submitted by project promoters, to be based on joint TYNDP scenarios as well as on additional scenarios. Also based on the experiences gained with the past CBCAs, during this session of the Workshop we want to identify:

- Advantages and disadvantages associated with the use of scenarios in the context of CBCA.
- How ACER 2015 Recomm. on scenarios has helped the CBCA investments request and decision
- Elements which would justify the use of additional scenarios compared to the TYNDP ones.
- Concrete suggestions on how the Agency's CBCA Recomm. can provide guidance on how to deal with scenarios in the future CBCA decision processes.
- Other relevant points identified by the participants

**** Role of CBAs and benefits allocation**

The TEN-E states that the investment request shall be accompanied by an up-to-date project-specific cost-benefit analysis consistent with the relevant methodology developed pursuant to Article 11.

The CBA Methodologies represent a fundamental tool for CBCA, as a robust and shared methodology can provide a basis for identifying benefits and discuss compensations.

The presence of benefits with different reliability levels is a clear limit to adding benefits. While it is vital to ensure that the project-specific cost-benefit analyses are properly designed to capture benefits, attributing these benefits among countries can be a complex task, particularly given the pan-European nature of some of these benefits, like sustainability.

- Please describe which type of benefits and how these were considered in previous CBCAs
- How ACER 2015 Recomm. on CBAs and on benefits allocation has helped previous CBCAs?
- From your experience, which were the key issues related to the application of the CBA Methodologies in the context of investment requests and CBCA decision-making?
- Which benefits should be taken into account in the national net balances and later in the CBCA decision process and which benefits should be only considered at European level?
- Other relevant points identified by the participants

***** How to deal with uncertainties**

When preparing and evaluating a CBCA request, it is necessary to address uncertainties related to both costs and benefits. On the costs side, uncertainties may arise due to factors such as CAPEX variation estimation, the project's maturity at the time of the CBCA request or external factors like for example inflation. On the benefit side, uncertainties may be also associated with the quality of the scenarios or the CBA indicators used.

This session wants to identify the main uncertainties that must be handled when preparing and assessing a CBCA request, as well as to identify possible recommendation to facilitate their (ex-ante/ex-post CBCA) treatment.

- How should cost uncertainty be addressed in the project-specific CBA and in the CBCA decision-making?
- Do you see the need for the inclusion in ACER CBCA Recomm. of adjustment/update mechanisms to treat with uncertainties? If so, how those mechanisms should look like?
- Other relevant points identified by the participants

**** The compensation mechanism

The current CBCA recommendation is based on the view that one of the main barriers for a project to be implemented is the net negative impact in a hosting country. In the current CBCA Recommendation (section 2.6 of Recommendation 05-2015), the Agency proposes the implementation of a "net loser compensation" mechanism, unless otherwise agreed upon by the NRAs during the decision-making process. This wording highlights the importance and priority of NRAs' agreement in CBCA decision-making. This approach is also deemed practical due to the high level of uncertainty associated with calculating benefits. In addition, agreements that go beyond the compensation of the net negative impact are also possible.

In the past years, there have been suggestions to go beyond the "net loser compensation", by ensuring that each hosting country would reach at least a minimum level of positive-net-benefit.

- Can you provide your perspective on the specific and concrete advantages and disadvantages associated to the application of a "net loser compensation" mechanism and offer evidence to support this view?
- Do you think that the compensation mechanism currently foreseen in the Agency's CBCA Recommendation should be revisited? If so, how?
- Other relevant points identified by the participants

***** Cross border cost allocation for offshore grid projects

The European Commission offshore strategy (2020) foresees an increased role of offshore grids for renewable energy having the dual functionality of interconnection and of offshore grid connection. Benefits from offshore grid projects could involve several countries and lead to misalignments between costs and benefits in each country.

- Can the CBCA Recommendation be improved to boost efficient investments in offshore grids for renewable energy? If so, how?
- Other relevant points identified by the participants

Teams Outlook Details

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 364 237 748 606

Passcode: eFEzge

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+386 1 828 05 85,,951594299#](#) Slovenia, Ljubljana

Phone Conference ID: 951 594 299#

[Find a local number](#) | [Reset PIN](#)

[Learn More](#) | [Meeting options](#)