

## Consultation document on ENTSOG TYNDP 2015

Through this document, European Network of Transmission System Operators for Gas (ENTSOG) launches a formal public consultation on its Ten-Year Network Development Plan (TYNDP) 2015 published on 16 March 2015.

ENTSOG published TYNDP 2013-2022 in February 2013 and, during the subsequent consultation, received valuable feedback from the stakeholders, including ACER Opinion (September 2013). For the TYNDP 2015, ENTSOG has pursued its stakeholder engagement process organizing Stakeholder Joint Working Sessions from January to May 2014, two public workshops in November 2013 and June 2014 and many bilateral talks. It was a joint process covering both the development of TYNDP concept and the adaptation of the CBA methodology under the TEN-E Regulation. Considering the strong link between TYNDP and CBA methodology, the feedback received through this questionnaire will be factored in both deliverables.

ENTSOG has endeavored to take into account all comments received and encourages stakeholders to stay actively involved in the TYNDP process. Through their response to this public consultation, stakeholders will help ENTSOG to measure in which extent TYNDP 2015 meets their expectations (Part A) and to prepare next edition (Part B).

This consultation will be open today and will end on 5 June 2015. Responses should be submitted by email to the following mail box: [tyndp@entsog.eu](mailto:tyndp@entsog.eu).

This public consultation should not only be taken as a regulatory obligation by ENTSOG but as a necessary step for the continuous evolution of the TYNDP, aiming the fulfillment of reader's expectations.

## 0. Contact details

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### How would you describe your organisation?

<input type="checkbox"/>	Association (please specify type)
<input type="checkbox"/>	Project promoter
<input type="checkbox"/>	End user
<input type="checkbox"/>	Network user
<input type="checkbox"/>	Trader
<input checked="" type="checkbox"/>	Other (please specify) NRA

## PART A – Feedback on TYNDP 2015

### 1. Infrastructure Chapter

In which extent this chapter meets your expectations?					
Poorly:		Sufficiently:		Perfectly:	
	x				
Which parts of this chapter you particularly appreciate, if any?					
<p>We appreciate the statistics regarding the status of the projects (FID, Non-FID, PCI, non-PCI) which are informative.</p>					
Which parts of this chapter should be particularly improved in next edition, if any? If yes, do you have any suggestion?					
<p>We would very much appreciate if the TYNDP would focus more on being a network development plan including the identification of investment gaps in order to develop the TYNDP from a more descriptive document to a real planning tool.</p> <p>In our view a chapter called “infrastructure” should deal with the existing and missing infrastructure in Europe. Furthermore the Community-wide network development plan should explain whether and where we face</p> <ul style="list-style-type: none"> <li>• cross-border interconnection points which need to be expanded and/or</li> <li>• a need for additional sources, e.g. LNG, and/or</li> <li>• a need for additional storage capacities (or a better connection of existing storages to the network).</li> </ul> <p>Based on identified network development needs, the network development plan should also provide information on which of the listed projects are suitable to reduce or eliminate a bottleneck.</p> <p>A map indicating the location of the projects submitted would be very much appreciated.</p>					

### 2. Barrier to investment Chapter

In which extent this chapter meets your expectations?					
Poorly:		Sufficiently:		Perfectly:	
			x		
Which parts of this chapter you particularly appreciate, if any?					

We appreciate the efforts taken by ENTSOG to deliver such an assessment at all. The fact that ENTSOG presents the project promoter perspective in a collective way and that ENTSOG tries to come to the core of the issue – the reason for delays is as well appreciated.

Which parts of this chapter should be particularly improved in next edition, if any? If yes, do you have any suggestion?

The fact that the response rate of ENTSOGs questionnaire was rather low should be stated very explicitly. A reliable analysis should not draw general conclusions if only one, or very little, respondents named e.g. financing issues, as the reason for delay. The fact that the development status/maturity level of the project differs so widely should be reflected in order to receive a clearer picture of the barriers to investment and to avoid distortions.

### 3. Demand Chapter - Analysis of historical demand

In which extent this section meets your expectations?

Poorly:		Sufficiently:	x	Perfectly:	
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Which parts of this section you particularly appreciate, if any?

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Which parts of this section should be particularly improved in next edition, if any? If yes, do you have any suggestion?

It is not clear how this analysis fits into the general out looking concept of the TYNDP and what conclusions we can draw from history, especially since gas markets have changed significantly in the past five years.

### 4. Demand Chapter - Definition of scenarios to be used in the Assessment Chapter

In which extent this section meets your expectations?

Poorly:		Sufficiently:	x	Perfectly:	
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Which parts of this section you particularly appreciate, if any?

It is evident that ENTSOG put a lot of thought into the definition of scenarios.

<p>The general differentiation between political goals and economic development is useful.</p>
<p>Which parts of this section should be particularly improved in next edition, if any? If yes, do you have any suggestion?</p> <p>It is not clear why ENTSOG has introduced two scenarios for power generation. The green and grey scenarios do implicitly include such scenarios for power generation already. For the sake of clarity on possible future developments we think it is not necessary to include these two power generation scenarios. The TYNDP is a very complex tool and it might benefit from a simplification at this point.</p> <p>ENTSOG should also provide guidance on factors underlying the design of scenarios and clarify the reasons underlying the choice of the CBA inputs, to enable NRAs to verify the different scenarios and determine their probability.</p>

### 5. Supply Chapter - Analysis of historical supply

In which extent this section meets your expectations?			
Poorly:		Sufficiently:	x
		Perfectly:	
<p>Which parts of this section you particularly appreciate, if any?</p> <p>The presented information on production plans of European gas suppliers is interesting.</p>			
<p>Which parts of this section should be particularly improved in next edition, if any? If yes, do you have any suggestion?</p> <p>It is not clear how this analysis fits into the general out looking concept of the TYNDP and what conclusions we can draw from history, especially since gas markets have changed significantly in the past five years.</p>			

### 6. Supply Chapter - Definition of scenarios to be used in the Assessment Chapter

In which extent this section meets your expectations?			
Poorly:	x	Sufficiently:	
		Perfectly:	
<p>Which parts of this section you particularly appreciate, if any?</p> <p>We appreciate that ENTSOG did address this issue in a comprehensive way and differentiated between different sources.</p>			

<p>Which parts of this section should be particularly improved in next edition, if any? If yes, do you have any suggestion?</p> <p>In general we do not see the added value of the intermediate scenario if it is only the average of the maximum and minimum scenario. It might be worth to consider removing these average scenarios.</p> <p>Supply is a very complex issue and thus we would like to suggest making use of external sources like e.g. the IEA or consultants in order to have more (human) resources available to focus on the core elements of a community-wide network development plan.</p> <p>The future supply to the EU depends also on long-term contracts and Take-or-Pay obligations. This aspect should also be taken into account in the analysis.</p> <p>ENTSOG should also provide guidance on factors underlying the design of scenarios and clarify the reasons underlying the choice of the CBA inputs, to enable NRAs to verify the different scenarios and determine their probability.</p>
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## 7. Assessment Chapter

In which extent this chapter meets your expectations?			
Poorly:	x	Sufficiently:	Perfectly:
Which parts of this chapter you particularly appreciate, if any?			
We appreciate the work done by ENTSOG to develop new indicators since the 2013 edition. It is evident that ENTSOG put a lot of thought in this as well.			
Which parts of this chapter should be particularly improved in next edition, if any? If yes, do you have any suggestion?			
In general we miss a clear message from this chapter. ENTSOG does present a lot of information; however, investment gaps are not explicitly identified.			
We understand that ENTSOG does not want to make decisions on PCI candidates; however, a network development plan needs to identify investment gaps. The Regional Groups need to decide in a second step whether a certain PCI candidate should be supported (as PCI) to resolve an investment gap identified by ENTSOG.			
In our view the TYNDP should in general identify all investment gaps regardless whether there is currently <u>a</u> project available.			

We appreciate the work done by ENTSOG to develop new indicators since the 2013 edition. Some of these indicators allow, a very careful reader, to identify investment needs on a country level. However, we believe such information is needed on a cross-border point basis (if transmission is concerned). Furthermore, it might be worth to consider whether all the indicators do deliver an added value and are needed. E.g. the added value of the SSPDi and SSPDe are not entirely clear to us.

The N-1 indicator is wrong for Austria. We would appreciate if ENTSOG could correct this in the pdf and xls versions provided on the webpage.

The CSSD and USSD indicators are tricky. On a European level, i.e. the graphs on page 160-161, the indicators give the impression that even in the low infrastructure scenario Europe would not face issues in case of a supply source problem in 2035 if all member states are cooperative (and if the few helping countries can really help that much). We assume that this is not the message ENTSOG wants to deliver with these indicators. However, this reading of the indicators would mean that (more or less) no investments would be needed which is in contradiction to the conclusions which can be drawn from other indicators.

As a non LNG country we do not have an in-depth knowledge of the LNG market, however, we are aware of the complexity of this global market. We appreciate the efforts undertaken by ENTSOG to analyze the LNG market. However, it might be worth considering using external sources to deal with the LNG market to allow ENTSOG to focus on what should be the core of the community-wide network development plan.

As a general comment regarding the price analysis undertaken by ENTSOG we would like to stress that Take-or-Pay contracts are still a reality in the European Gas Market and that not considering them is an oversimplification which should be avoided.

ENTSOG is of course aware of the fact that currently no fully functioning European Gas Market exists. We would like to suggest establishing at least 4 price zones (e.g. North-West, Iberian, Central-East and South-East) in the next TYNDP edition to receive a clearer picture on the market and different situations in the regions of Europe.

The concept of the European total bill is not clear. An explanation why only gas, coal and CO<sub>2</sub> are considered is lacking.

## **8. Layout of the report (clarity of the analysis, graphical representation...)**

In which extent do you consider that the form of the report support its content?

Poorly:	Sufficiently:	Perfectly:
		x
Which layout elements you particularly appreciate, if any?		
The graphical presentation, e.g. the maps, is perfect.		
Do you have any specific concerns regarding the layout of the report? If yes, do you have any suggestion?		
The used color codes are sometimes not straight forward and could be more aligned to a “traffic light – color code” system.		

### 9. Stakeholder engagement process

Do you consider that ENTSOG offered you sufficient opportunity to be involved in TYNDP process?			
Yes:	x	No:	
Have you taken part in any public workshop or Stakeholder Joint Working Session related to TYNDP 2015?			
Yes:	x	No:	
Which part of the process have you particularly appreciated, if any (public workshop, Stakeholder Joint Working Sessions, bilateral meetings, data collection...)?			
The engagement with stakeholders was very intensive. However, we would like to see ENTSOG considering more of the comments NRAs and ACER give.			
In general we believe that a consultation after such a tool as the TYNDP was issued is of limited value, especially if the consultation does not result in changes to the TYNDP.			
Do you have any suggestion regarding how ENTSOG could improve the engagement process?			
See above.			

### 10. General comment

What is your overall appreciation of TYNDP 2015?							
Very poor	Poor	Average	Good	x	Very good		
Do you have any additional comment on the extent in which TYNDP 2015 meets your expectations?							
We appreciate the enormous work done by ENTSOG. The community-wide network							

development plan in itself is already a very challenging and demanding task, but due to the increased functions and duties stemming from to the Energy Infrastructure Package it is impossible to deliver a perfect tool from scratch. Therefore we appreciate the learning-by-doing approach taken by ENTSOG.

E-Control is ready to provide further constructive feedback to ENTSOG.

However, as a general comment we would like to state that the development between 2013 and 2015 editions is more characterized by trying to fulfill requirements related to Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 and by increasing complexity than getting closer to the core elements of a network development plan. This year edition offers a lot of detail on demand and supply, but lacks, in our view, the core elements a network development plan should include:

- Identification of investment gaps,
- Highlighting possible measures to resolve such gaps if available, i.e. a network development plan, and
- A plan on what should and will (in case of FID projects) happen in the future.

Annex I on Infrastructure Projects could be very useful against the background of the foreseen information, if information would have been provided completely by all TSOs. Due to the incomplete, fragmented information which is spread across multiple worksheets (which in turn contain numerous duplications of information) the annex is rather confusing and of limited suitability to provide an overview. In future editions ENTSOG should strive for a better completeness of information and improvement of clarity.

## Part B – Preparation of the next edition

### 11. Project maturity

The quality of the assessment of the European gas system depends on the accuracy of the topology of the infrastructure (the way firm capacity interlinked different systems being transmission, storage or LNG terminal).

In case projects do not have a sufficient maturity to precisely identify interconnection with existing or planned infrastructure (interconnection point, capacity increment or commissioning date not clear enough) it affects the ability to assess not only these projects but all the others both at TYNDP and CBA level. In addition the inclusion of such projects in the assessment may give an over-optimistic picture of infrastructure development.

Please provide your preferred alternative to address this situation:

To be considered in the Assessment Chapter a project should be submitted together with a document demonstrating that some prefeasibility study of its	YES/ <del>NO</del>
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interconnection has been carried out (e.g. Memorandum of Understanding, national investment plan...). Such documents should describe the interconnection (which systems are interconnected), the capacity increment and the commissioning date.	
To be considered in the Assessment Chapter a project should be submitted in coordination by the promoters/operators of the interconnected infrastructures (cross-check of submissions through the online portal).	YES/NO
A specific treatment should be put in place for projects where above conditions cannot be fulfilled. Such projects could be included in the Annex A of TYNDP to enable its eligibility to the PCI selection process but not considered in the Assessment Chapter.	YES/NO
<p>Other (please describe):</p> <p>We agree with ENTSOG that for a further improvement of the TYNDP and subsequently for the PCI selection process the issue of maturity of projects being considered needs to be addressed. However, in our view it is also very important to identify investment gaps in the TYNDP regardless whether a project is currently available.</p> <p>Regarding the maturity of projects it would be useful to find a common definition of project steps/development stages and thus a maturity level for being considered. In general PCI candidates must be able to perform a Cost-Benefit-Analysis (according to certain standards). This means project promoters must already have a clear picture on costs, which could be a second indicator whether projects are sufficiently mature for being considered as PCI.</p> <p>We do not agree with the proposal that promoters/TSOs need to have an agreement on projects upfront since we believe that the TYNDP needs to identify investment gaps regardless whether national TSOs want to solve an issue or not. The TYNDP should identify investment gaps which can be filled also by “independent” project promoters.</p>	

## 12. Evolution of infrastructure projects

Infrastructure projects are continuously evolving and new projects appear between subsequent TYNDP editions. Nevertheless considering changes in projects happening after the submission deadline will induce significant delay in the publication of TYNDP and subsequent PCI selection. For example TYNDP 2015 has been delayed in order to consider the cancellation of South Stream upon request from EU Commission.

Please provide your opinion regarding the introduction of changes in projects:

Only the projects submitted before the deadline should be taken into account.	YES/ <del>NO</del>
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Any changes/additions/cancellations after the deadline should be disregarded.	
As general rule, changes on already submitted infrastructure projects should not be taken into account. Nevertheless in specific cases where the impact of the change is of major relevance, it should be considered along with the delay caused by its implementation.	YES/ <del>NO</del>
<p>If you have answered yes to the previous question, how such potential major changes should be identified and considered (e.g. formal request from the European Commission, agreement within the Regional Groups...)?</p> <p>An agreement in the concerned Regional Group should be the trigger for assessment. However, there should be upfront evidence, e.g. significant capacity increment that the project or the changes of a project are of significance.</p>	
<p>Other (please describe):</p> <p>---</p>	

### 13. Assessment of sustainability aspects

In TYNDP 2015, the assessment of the sustainability focuses on the quantification of the RES production and associated gas flexibility as well as the measurement of CO2 emissions from the power generation sector.

<p>Do you agree with this approach?</p> <p>If not, please explain why</p> <p>---</p>	YES/ <del>NO</del>
<p>Do you see other environmental perspectives that could be addressed in TYNDP assessment?</p> <p>---</p>	
<p>If yes, what could be a methodology to address them?</p> <p>---</p>	

### 14. Streamlining of the methodology

The Assessment Chapter from TYNDP derives directly from the CBA methodology. Preliminary feedback has shown a willingness to simplify the assessment but this would imply a downscaling of the CBA methodology to be used in the PCI selection.

Please provide your opinion:

How do you consider the balance between the complexity and the comprehensiveness of the assessment?					
Too complex x		Right balance		Not comprehensiveness enough	
<p>If too complex, which part of the assessment could be removed from the methodology?</p> <p>As NRA we have to assess the application of the methodology. However, due to the complexity of the provided xls files, the fact that promoters are only obliged to send the results and the time constraints makes an assessment very challenging.</p> <p>Furthermore we would like to stress again the need for a project specific CBA for individual projects and not for groups of projects.</p> <p>Again, we would like to emphasize that a comprehensive, comprehensible, reliable and transparent CBA of high quality is of utmost importance and that feedback on the CBA methodology already provided by ACER and NRAs needs to be considered immediately and completely within the CBA methodology of ENTSOG.</p> <p>Furthermore, we would like to encourage ENTSOG to start necessary activities to ensure compliance with Article 11 (8) of Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 by December 31, 2016 also allowing adequate involvement of stakeholders in the process.</p>					
<p>If not comprehensive enough, which assessment should be deepen or added to the methodology?</p>					

**15. Priority for next edition and long term monitoring of gas quality**

<p>What should be the priority direction(s) of improvement for the next edition?</p> <p>See answers above. The general direction should be focusing on the core element of network development planning.</p>
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As part of the implementation of the Network Code on Interoperability and Data Exchange, ENTSOG will have to include its first long term monitoring of gas quality in TYNDP 2017.

What are your main expectations regarding this new assessment?

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