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of Energy Regulators

ACER Opinion on TYNDP 2015

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Opinion. Main objectives

TYNDP process

TYNDP criteria and methodology

“Top” Priorities

Opinion. Main objectives

- Highlight the important role of the TYNDP as reinforced by Regulation (EU) 347/2013->TYNDP-CBA output is key input for PCI selection
- Note improvements of the draft TYNDP 2015 compared to the TYNDP 2013
- The identification of the main areas where improvements may be due or advantageous

The TYNDP 2015 process

- Public consultation on the TYNDP and analysis of the responses to the public consultation
- Provide minutes of the workshops/stakeholders sessions
- Release of final TYNDP only after duly considering stakeholder feedback and the Agency's Opinion on the TYNDP.
- Delivery of the next TYNDP (final version) by the end of 2016



General findings

- Big effort of ENTSOG team under time constraints
- Cost information missing
 - » Cost-Benefit Analysis?
- Recommendation
 - » Include cost information on a project-per-project basis
- Improve quantification benefits/monetization
 - » improve indicators to quantify the benefits (incl. externalities, + cross-border)
 - » develop a methodology for the sufficient monetisation of all benefits (when realistic)
- Reassess and fine tune "modelling"



Definition and use of scenarios

- Improve process for its determination and consistency with ele. TYNDP scenarios.
- Simplification: reduce the number of scenarios, combined with sensitivity analysis.
- Consider merits of regional approach to scenario planning.
- Discard high infrastructure scenario (unrealistic)



Identification of infrastructure gaps

- Use of maps for visualization of areas in Europe with need of investments...
- Identification of infrastructure gaps:
 - » Complete the task of identifying infrastructure gaps, especially with respect to cross-border capacities.
 - » Evaluate the degree to which the TYNDP projects match infrastructure gaps at EU level
- TYNDPs to include a cross-reference check of TYNDP and NDPs codes. Projects not part of NDPs, promoters to provide a well-founded reasoning



Data issues, supply sources, other

- ENTSOG's approach to data collection appropriate and not discriminatory
 - » Clear deadline for project submissions
- Distinction between "price diversification" and "source diversification".
- Voluminous Annex. Good for transparency -> Is simplification possible?
- More investigation future sources by origin and entry point with historical information from recent years.
- Is LNG diversification adequately considered?



Maturity / grouping / clustering

- Better treatment of maturity of projects (accuracy of the information available regarding the project and its implementation stage)
- Clustering of complementary projects: provide guidance “a priori” to promoters in TYNDP context, in consultation with other stakeholders
- Identification of competing projects?



“Top” Priorities

- Process and timeline of next TYNDP-> Delivery of the final TYNDP in Q4 2016, stakeholder feedback and the Agency's Opinion considered.
- Inclusion of costs per-project to complete CBA
- Improvements of scenarios: determination and simplification
- Identification of infrastructure gaps
- Improvement of benefits monetization
- Better treatment of maturity
- Clustering of complementary projects (provide guidance)
- Transparency on consistency of plans (NDPs vs. TYNDP)
- TYNDP and CBA to be fully in line with Reg. 715/2009 [Art. 8 (10)] and Reg. 347/2013 [Art. 11, Annex V]

[ACER Opinion 11-2015 on TYNDP](#)

Thank you for your attention!



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Common input data set in E-G CBAs...

- Annex V(1) of Reg. 347/2013 requires "common input data set" for the CBA of the electricity and gas TYNDPs (e.g. data on fuel and CO2 prices)
- ENTSOs to discuss and agree to use same input data -> transparent in TYNDPs

	Expected Progress 2020	Vision 1 2030	Vision 2 2030	Vision 3 2030	Vision 4 2030
	Fuel prices (€/ net GJ)	Fuel prices (€/ net GJ)	Fuel prices (€/ net GJ)	Fuel prices (€/ net GJ)	Fuel prices (€/ net GJ)
Nuclear	0.46	0.46	0.46	0.46	0.46
lignite	1.1	1.1	1.1	1.1	1.1
Hard coal	2.86	3.01	3.01	2.8	2.19
Gas	8.9	9.49	9.49	7.23	7.23
light oil	15.6	17.34	17.34	13.26	13.26
Heavy oil	12.32	13.7	13.7	9.88	9.88
Oil shale	2.3	2.3	2.3	2.3	2.3
CO ₂ prices (€/ton)	11	17	17	71	76
Source[1]	IEA "Current Policies"	IEA "Current Policies"	IEA "Current Policies"	IEA "450" except coal price IEA "New Policies"	IEA "450" except CO2 price (UK FES High)

Fuel & CO2 prices from ENTSOE Market data for TYNDP 2016

Interlinked E-G market and network model

Article 11(8) Reg. 347/2013

"By 31 December 2016, the ENTSO for Electricity and the ENTSO for Gas shall jointly submit to the Commission and the Agency a consistent and interlinked electricity and gas market and network model including both electricity and gas transmission infrastructure as well as storage and LNG facilities, covering the energy infrastructure priority corridors and areas and drawn up in line with the principles laid down in Annex V."

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