

Framework Guidelines on the joint scenarios for electricity and gas network development plans ("Scenarios Guidelines")

A Eurelectric response paper

November 2022

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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WG Regulation & Network Customers
WG E Mobility
WG Electrification & Energy Efficiency
WG RES & Storage
WG Thermal & Nuclear
WG Power & Gas Interactions
WG Hydro
WG Wholesale Market Design & Investment Frameworks
WG Market Integration & Network Codes

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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 think that current circumstances, with UE targets under discussion and timeframe, with draft National Energy and Climate Plans (NECPs) which are due by 30/06/23, imposes a very streamlined process to be fully completed by the end of 2023.

Based on the experience of TYNDP 2022 the storyline process is a keystone for TYNDP, determining strongly the outcome for infrastructure planning. Hence, we strongly support to carry out the storylines process separately from the scenario preparation process (starting from this TYNDP edition), to facilitate transparency in the elaboration and discussion among stakeholders and a timely final consultation before June 2023.

For next TYNDP editions, with ACER guidelines totally operational, we expect storyline process to be started at least one year in advance of its final consultation.

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).

Recital 30

It is to be made clear what is meant by the decided energy and climate objectives in the recital 30. RePowerEU plan of the commission at this moment of writing is a proposal and might not be considered among the decided energy and climate objectives. However, considering the ongoing war and the energy crisis, RePower EU plan sets targets for the union to improve its energy security and energy independence and hence is of paramount importance to be enshrined to the TYNDP scenarios. Since the political decision on RePowerEU might still have some delay and TYNDP 2024 cycle is ongoing, it is important to consider this at an early stage. Similarly, there could be some announcements from national governments in a crisis which might be logical to be considered during the scenario preparation.

[In this regard, Eurelectric proposes following amendment in recital 30.](#)

“The scenarios shall also consider, where relevant, the national energy and climate plans (NECPs) and shall take into account the latest Commission scenarios. Latest announcements or proposals from the commission or national governments followed by a significant event that could have a potential long-term impact shall also be judiciously considered while developing the scenarios”

Recital 34

Following statement in recital 32 “Scenarios and scenario development must be robust”, besides the requirement in recital 34 to request sufficiently supported assumptions on energy supply and demand, it seems paramount to establish equally supported hypothesis on other elements, such as technology evolution, raw materials availability and prices and investment costs, which are key for the scenario building process and its credibility.

[Hence, eurelectric proposes the following amendment in recital 34:](#)

“...about the evolution of energy supply and demand. Scenarios shall convey as well transparent and widely supported hypothesis on technology evolution, raw materials

availability and prices and investment costs and enable the elaboration of robust cost-benefit analysis. Such broad support in principle exists...”

Recital 38

The TYNDP scenario building modelling should strive to improve its long-term visibility. When selecting investment candidates at a given moment, the model has only limited degree of visibility on the evolution still required. TYNDP 2022 saw improvements in this approach by moving from a single time horizon approach to a multi-temporal approach. When selecting investment candidates at a given moment in time (eg: 2030), the plexos tool has a certain degree of visibility on the evolution still required (eg: increasing carbon price and electricity demand up to 2037). However, this is still not sufficient, and there should be a continuous effort to improve this in every TYNDP cycle.

Due to this limitation, the competitiveness of the different technologies and grid arrangements for meeting future requirements are not clear. Following examples could explain this limitation.

- The role of long-term storage to absorb the renewable surplus could be undermined because the model would prioritize to expand interconnection capacities due to this limitation
- Similarly, if a certain network requirement (say due to 3 GW capacity addition on a 38 kV system) is known now to be needed for a country by 2030, this could be accommodated with Demand Side Response and some network investments. However, if it is known now about the network requirements for a capacity addition of 10 GW on a 38 kV system by 2040, there is little likelihood of any normal investment or DSM being able to accommodate it and some more radical approach will be required. Probably, an efficient strategy would be to upgrade the 38 kV system to a 110 kV system. Having limited degree of visibility in the model will avoid such rational decisions. With the current network models, improving this visibility is possible.

[In this regard, we propose the following addition as a last sentence to the recital 38.](#)

“At the same time, for the model to make better investment decisions in the long-term, the long-term visibility of the modelling tool should be improved. ENTSOs shall put a continuous effort to improve this in every TYDNP cycle, consistent with the robustness and the efficiency principles stated above.”

Recital 39

[In the recital 39 footnote 17, electrification being a major driver for decarbonisation, we suggest to add: ‘moderate versus ambitious electrification’.](#)

Similarly, energy independence is becoming more and more important from the lessons learnt in the ongoing crisis, ‘low import vs high import’ could be another example to be included here.

Recital 41

[Eurelectric supports the statement:](#)

“The set of scenarios must be balanced and informative for decision makers, stakeholders and the public.”

For this reason It seems adequate to address the importance of cost-benefit basis in the elaboration of the scenarios (not only in the concrete investment analysis following the TYNDP itself – as said in #12, or in the sensitivity analysis referred in this #41). [Beyond this,](#)

sensitivity analysis should also address the effects on the compliance of EU targets. Hence we suggest the following change:

“... The set of scenarios, **build upon cost-benefit criteria**, must be balanced and informative for decision makers, stakeholders and the public... how the different assessment outcomes relate to each other, **and their effect on the compliance of EU targets...**”

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)).

It is not clear in the section 4 when SRG will be created and active for the TYNDP 2024 cycle. While the stakeholders are listed, the recital does not call for an early creation of the SRG. Considering the completion of the framework guidelines by ACER in January 2023 and the draft scenarios due to be published before the summer 2023, we recommend the creation of SRG in the early 2023.

Recital 43

Eurelectric welcomes the creation of a Stakeholder Reference Group (SRG) that will help to improve the transparency and inclusiveness of the scenario building process. Nevertheless, it is not clear who are going to be the ‘key stakeholders’ that will represent the SRG.

To provide clarity, we propose following amendment to recital 43.

“To ensure key stakeholders are appropriately consulted and have the opportunity to interact between themselves, the ENTSOs shall create a Stakeholder Reference Group (‘SRG’), comprised of the key stakeholders referred in Art 12 (3) of the TEN-E which includes EU DSO entity, associations involved in electricity, gas and hydrogen markets, heating and cooling, carbon capture and storage and carbon capture and utilisation stakeholders, independent aggregators, demand-response operators, organisations involved in energy efficiency solutions, energy consumer associations, civil society representatives.”

Recital 45 & 46

Recital 45 is confusing regarding the ‘stakeholder engagement plan’. When reading together with recital 46, ‘stakeholder engagement plan’ looks like the plan for ENTSOs and SRG to work together. However, in our opinion, a distinction should be made about the stakeholder engagement plan for the broader public and the stakeholder engagement plan for the SRG. Despite of the creation of the SRG, it is imperative that ENTSOs should publish separate comprehensive stakeholder engagement plans for the public and the SRG at the beginning of the TYNDP cycle.

In this regard, the following amendment is proposed in recital 45.

“An open process means that the ENTSOs shall publish at the start of the scenarios-building cycle a comprehensive process timeline and comprehensive stakeholder engagement plans for broader public and the SRG that identifies the key moments for stakeholders to provide input. That plan shall.....”

Eurelectric would also like to highlight the need for a ‘terms of reference (ToR)’ to be prepared together by ACER, ENTSOs and the key stakeholders ahead of the creation of a SRG.

Recital 47

ENTSOs are already running two public consultations, one on the scenario storylines and the other one on the draft scenarios, which is a minimum requirement to ensure stakeholder involvement. This recital saying 'at least one public consultation' should not be a way backward for ENTSOs to reduce the number of public consultations.

In this regard, we propose the following amendment.

“An open and streamlined stakeholder engagement plan shall, besides the regular engagement with the SRG, include at least two broad public consultations on the scenarios storylines and the draft scenarios”

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)).

Recital 51

Regarding the information and publication requirements, it is also important to have the data as granular and disaggregated as possible avoiding room for interpretations or assumptions to ensure that the model can be replicated or reproduced by the stakeholders.

Therefore, the following amendment is proposed in the first bullet point of recital 51.

“For informed stakeholders, the ENTSOs shall publish all data sets, qualitative assumption and formal hypothesis, as granular and disaggregated as possible, in an appropriate and predefined format, and technical documentation of the models for those wishing to replicate and reproduce the scenario building; the way in which data sets are shared shall remain as much as possible and consistent across cycles to increase robustness”

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).

Recital 57

Although ENTSOs may not be bound to the advice of the SRG, it is vital that ENTSOs consider SRG's advice and give a proper explanation to the SRG how they have considered SRG's advice. In case, if SRG's advice is not considered, ENTSOs should explain why the advice has not been considered.

Hence, the following amendment is proposed in recital 57.

“The ENTSOs remain at all times responsible for the inputs, assumptions and timely submission of the draft Scenarios Report and are not bound to the advice of the SRG; however, ENTSOs shall inform SRG about how their advice has been considered with proper explanation. Moreover, this advice must be recorded and published in line with the transparency requirements established in section 4”

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).

Stakeholders should also be able to trigger a quick review process. This means if there are a significant number of stakeholders notifying the commission, ACER or ENTSOs about a significant event that might require the TYNDP scenarios to adapt this should be duly considered. In this regard, following amendments are proposed.

Recital (59)

“ To trigger the quick-review process, a sufficiently significant event must occur, which was not foreseen at the beginning of the standard scenario-development process and which cannot be considered within its regular timeline. The quick-review process can be activated by the European Commission, ACER or either of the ENTSOs, on their initiative or on the basis of a receipt of notification, about the need to adapt the TYNDP scenarios due to a significant event, by a significant number of key stakeholders. If doing so, the entity activating this process must inform all other entities mentioned above, and SRG regarding the reasons for the activation.

Recital (62)

The ENTSOs shall decide on the scenario adaptations, taking account of the SRG's recommendations, and shall produce amended scenario(s) within 3 weeks after receiving the non-binding recommendations. ENTSOs shall provide justification for adopting or rejecting the non-binding recommendations

Recital (64)

(64)

In case of a quick review process, the updated scenario(s) do not need to be publicly consulted, unless time allows such a consultation to be run. In this case, the public consultation can be shortened to 2 weeks. When time does not allow public consultation, for transparency reasons, ENTSOs shall publish the reasoning for the activation of the quick review process, the SRGs recommendations and the amendments of assumptions.

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

N/A.

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

N/A.

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability

