



# **EREGEG Advice on 10-YNDP & Input to the Infrastructure Package**

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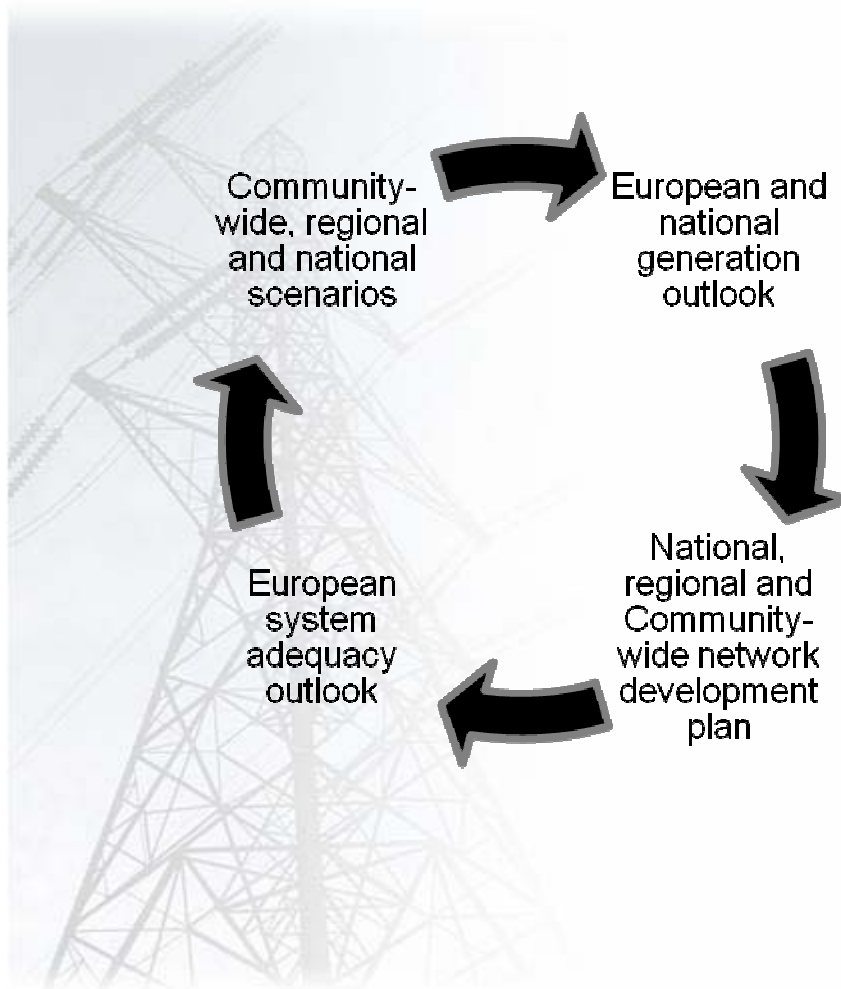
18<sup>th</sup> Florence Forum, 10-11 June 2010

- Objectives of the ERGEG Advice on 10-YNDP
- Public consultation January – March 2010
- Preliminary opinion on the ENTSO-E draft 10-YNDP
- Next Steps and Infrastructure Package

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# Objectives of Advice

- Create a better and more stable environment for the TSOs and the regulators / Agency:
  - By specifying explicitly **what should be included** in the Community-wide electricity network development plan, ENTSO-E will know precisely how to create it
  - By defining the **criteria for fulfillment / quality of the plan**, the Agency knows how to evaluate and what (possibly) to request further if something is missing
  - By defining the **process for preparing** the plan, the Agency can evaluate if all stakeholders have been consulted and if scenarios and planning principles behind the plan are transparently communicated to the stakeholders



I Status review of previous plan

II **Scenario development**

III **European generation outlook**

IV **Modelling of integrated system**  
 - Description of market and power system models  
 - Evaluation criteria for reinforcements

V **Assessment of system resilience**  
 - Existing and decided infrastructure  
 - Identification of future congestions  
 - Identification and description of investment projects  
 - System adequacy outlook

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- 21 Responses
- Generally positive feedback
- Recurrent prompts to be clearer on certain topics → to be elaborated and specified in more detail
- Very few (no substantial) disagreements → the final ERGEG Advice on 10-YNDP would not contain major changes compared to the draft

# Suggested changes → Applicable

- ACER Criteria for opinion to be clearer and more detailed (opinion to be issued not just on the process but also on the content of the ENTSO-E 10-YNDP)
- Stakeholder involvement should be ensured wherever necessary (scenario development, generation outlook, etc.)
- Role of merchant lines to be addressed more detailed



# Suggested changes → Not Applicable

- **Issues relating to development of national plans**
  - Non-binding character of the national 10-YNDP plans of the OU TSOs
  - Coordination among the national plans (this is the duty of ENTSO-E)
  - Call for ERGEG to make standards for all national plans to follow
- **Issues about realisation of investments**
  - European benefit for grid investments must be defined (methods) (this is the duty of ENTSO-E)
  - Challenges regarding different (and slow) licensing procedures (ERGEG can – and has already done so since our Workshop on 17 February 2007 – but changing licensing procedures is out of ERGEG / ACER power)

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# ERGEG Preliminary Opinion on the ENTSO-E Draft 10-YNDP

- ERGEG **acknowledges the ENTSO-E commitment** & effort
- ERGEG is also aware that this is a pilot 10-YNDP and that, as also indicated by ENTSO-E, it will serve to
  - gain feedback,
  - illustrate trends,
  - test the necessary process for Europe-wide methodologies,
  - give a review of existing trends.
- ERGEG is not participating in the consultation on the draft plan → it will provide **an opinion on the finalised plan** “*as if ERGEG were ACER*”
- It is with this background, that ERGEG provides here a preliminary opinion on the draft plan

# Recall: Criteria for Regulatory Opinion - General

- According to Regulation, the Plan shall ensure:
  - Non-discrimination
  - Effective competition
  - Efficient and secure functioning of the internal electricity market
  - Sufficient level of cross-border interconnection open to TPA
- The planning process should be smooth, efficient, consistent and transparent

# Recall: Criteria for Regulatory Opinion - Details

- **Scenarios** have been prepared and these have been applied also at regional and national level
- **Modelling of integrated network** has been made applying bottom-up and top-down approaches
- European and national **generation outlooks** have been prepared
- **Assessment of the resilience of the system** in present and future has been made
- **Consultation** of all relevant stakeholders has been executed at European, regional and national level and outcome of these consultations has been documented
- **Coherence** between national, regional and Community-wide ten-year network development plan is met
- **Monitoring report on implementation** of the plans has been prepared

- Bottom-up approach needs to be complemented with a well structured and designed **top-down view** with a European perspective
- Regional approach of the ENTSO-E System Development Committee is understood but it is important to address the **cross-regional issues and integration** at a sufficient level of detail and depth
- Only two – rather “rough” – scenarios need to be complemented with **more detailed and realistic** ones
- Modelling of **integrated network** needs to be done

- An analytical approach and top-down modelling needs to complement (or replace) the present synthetic assessment of **system resilience**
- A methodology and practical approach for ensuring **coherence between the national and EU-wide 10-YNDP** needs to be elaborated in detail
  - Address the various situations with different TSOs' organisations (OU, ISO, ITO)
  - Non-binding vs. binding character
  - Continuous process → needs to be specified in detail
- Monitoring, reporting, "*enforcement*" (?)

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- ERGEG expects the final version of the ENTSO-E 10-YNDP to be released by mid-June 2010
- Based on the Advice and defined criteria for regulatory opinion, ERGEG will provide an “*official opinion on ENTSO-E 10-YNDP as if it were ACER*”
  - Intensively discussing and exchanging views with ENTSO-E during the elaboration of the opinion
  - Main goal to provide guidance and support excellence and adequate result of the first „real“ plan in 2012
- ERGEG will also prepare support for ACER with the result of this “exercise” and provide a report for future usage in ACER’s opinion on the ENTSO-E 10-YNDP’s

# ERGEG View on Infrastructure Package\*

- Coordinated congestion management, implicit allocation AND new electricity infrastructure are essential for the internal electricity market (IEM)
- Cross-border and necessary control-area-internal investments
- 10-YNDP (E/G) provides for a good common ground → minimal discrepancies in approaches for Electricity and Gas

\* cf. Letter from ERGEG President to the DG of DG ENER, May 2010

# Expectations - General

- Setting principles for NRAs to agree on fair distribution of costs relating to cross-border infrastructure projects
- Concerted and faster licensing (EIA) processes
- Mechanisms for enhanced cooperation of countries
- Enforcing construction of priority interconnections decided upon by market principles and e.g. TEN guidelines

- Cross-border and national EHV electricity infrastructure eligibility for EU financial support
- EHV infrastructure of relevance only for national electricity grids financed from national tariffs
- Remove any obstacles for TSOs' participation in the commonly agreed new infrastructure projects
- National legal frameworks to include investments abroad if they benefit domestic customers (fairness & reciprocity)
- Detailed recommendations: ERGEG paper "Cross-Border Framework for Transmission Network Infrastructure"\*

*\*[http://www.energy-regulators.eu/portal/page/portal/EER\\_HOME/EER\\_CONSULT/CLOSED%20PUBLIC%20CONSULTATIONS/ELECTRICITY/E06-PC-15/CD/E07-ETN-01-03\\_CB-Frameword-ETNI\\_V24-04.pdf](http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/CLOSED%20PUBLIC%20CONSULTATIONS/ELECTRICITY/E06-PC-15/CD/E07-ETN-01-03_CB-Frameword-ETNI_V24-04.pdf)*

Thank you for your attention!

[www.energy-regulators.eu](http://www.energy-regulators.eu)