

## **Response to ERGEG's Public Consultation on its draft advice on the community-wide ten-year electricity network development plan**

EDF welcomes the opportunity to comment on ERGEG's draft advice on the Community-wide ten-year electricity network development plan (TYNDP). This plan introduced by the Electricity Regulation of the Third Energy Package will indeed help reaching the key political objectives the EU has set in the field of energy, as it will :

- contribute meeting the energy policy targets for 2020 set by the Climate Package,
- be a helpful tool to deliver integration, and
- ensure the security of electricity supply.

EDF therefore welcomes the work started around the TYNDP and considers that the proposed draft advice globally addresses the right issues. It constitutes an interesting and challenging step forward to higher collective benefits.

Through the answers to the questions raised in the consultation, EDF wishes to underline a few major aspects that should be taken into consideration or lead to further process evolutions :

- As underlined through the draft, the TYNDP shall not constitute a mere aggregation of national investment plans but allow long term pan-European visions; a ten-year visibility might be insufficient considering the nature of the activity;
- Regular assessment of the process should guarantee that permanent interactions between generation investment decisions and network development scenarios are effectively taken into account;
- Transparency can be usefully improved by publishing not only scenarios and results but also the network and generation data used during the analysis, in respect with confidentiality aspects that private investment require;
- Greater harmonisation of TSO's data, methods and criteria shall be accomplished;
- Cross-border capacity reinforcements should be addressed under the commercial capacity angle and not only under the physical aspect;
- Regulatory or practical gaps concerning cross-border cooperation that impede the development of integrated markets should be assessed; ERGEG's proposal for a review of barriers seems an appropriate solution.

The development of generation and of transmission networks show high interdependence. Indeed there are strong interactions between the economic efficiency and the risk acceptance of generation and transmission projects. Thus, a lack of information on network development can hinder generation investment decisions (and vice versa). An appropriate coordination on short to long term system development at a Regional and European level should, at least partially, tackle this issue.

**1. The document presents the regulators' view on the planning process to achieve a non-binding Community-wide network development plan. Does this view contribute to the objectives set in the Section 2 and especially transparency of planning? What should be added / deleted within the planning process in this respect?**

EDF considers that the planning process presented in the draft advice on Community-wide network plan is adapted to meet the objectives defined in section 2. It constitutes an enabling and challenging step to greater coordination, assuming a close monitoring of the projects.

In terms of transparency, the TYNDP constitutes a clear improvement of present situation by proposing a shared vision of European electricity prospective.

The process apparently guarantees appropriate consultation among all relevant stakeholders and shall reflect dynamic interactions between generation investment decisions and network development scenarios.

Nonetheless, EDF believes that more detailed data should be published on public transmission systems and their development. For example, in addition to scenarios, planning principles and results, a network data model should be communicated. A simplified European network model for different time scales (5-10 year – peak/off peak) would help investors to make accurate projections. More transparency in network data shall improve the quality of information collected from stakeholders.

The criteria for planning decisions by the TSOs should be more detailed and explicit.

Moreover, harmonisation of data, assumptions and models should be developed among the different member states and the European generation adequacy outlook should not be a simple patchwork of national models underestimating thereby interconnection bottlenecks.

**2. The document describes the contents of the Community-wide network development plan. Does it reflect the topics needed for the plan? What should be added / deleted within the contents of the plan?**

The contents of the plan seem globally ambitious, a pragmatic approach should therefore be favoured as network development plans at national and regional levels already exists.

A few comments can nevertheless be brought on this matter :

- As expressed previously, accurate projections from different stakeholders rely on precise and more complete network data publication by TSOs. As an example, National Grid publishes a "Seven Year Statement" that brings essential network data, without interfering with confidentiality issues.
- Communication on physical network capacity is obviously necessary but commercial capacity data should also be published.
- Technical and economical studies should be led among TSOs, on common grounds, to guarantee a better compatibility of national data and criteria, which would help better integration of the plans at regional and Community levels (i.e. what common economical reference data? Does a system security analysis rely on comparable N-1 approaches throughout Europe? Are AC/DC technical choices approached the same way from one system to another? What criteria for projects prioritization?).
- Projects should be classified according to their degree of maturity, or feasibility. Thus, the appreciation of the maturity of a project should be defined more clearly.

**3. The document addresses European generation adequacy outlook. What should be added / deleted in this respect when ERGEG gives its advice?**

European Generation Adequacy should go beyond the present UCTE System Adequacy Forecast.

As mentioned within this draft, this part of the TYNDP should not limit itself to the aggregation of national scenarios, but should articulate them to reveal a pan-European vision of generation adequacy.

Thus, the role and impact of interconnections on the European Generation Adequacy analysis should be clearly identified in that respect.

**4. The document describes the topics (existing and decided infrastructure, identification of future bottlenecks in the network, identified investment projects, technical and economic description of the investment projects) for the assessment of resilience of the system. Is this description appropriate? Should it be changed and if so, how?**

As stated before, considering the existing and decided infrastructure, TSOs should publish a map of existing and decided infrastructure with detailed information on physical and commercial capacity.

The identification of future bottlenecks in the network could also be extended to the identification of persisting weaknesses in national networks, with direct or indirect impacts on cross-border flows (such as integration of local generation).

**5. The document sets out criteria for regulatory opinion. Are these criteria clear and unambiguous? If not, how they should be amended?**

The criteria set for regulatory opinion seem to properly map the different issues that the TYNDP shall address. The question of valuation of these different criteria is still not fully addressed and the weighting of the different criteria shall be somehow clarified.

**6. Compatibility between the national, regional and Community-wide ten-year network development plans shall be ensured. How can this compatibility be measured and evaluated? How may inconsistencies be identified?**

The question of compatibility between national, regional and European plans seems globally well addressed through :

- both a bottom up and a top down approach, as proposed;
- transparent communication of network data throughout the Community;
- helped by transparent communication, harmonisation in TSOs' planning methods, and criteria;

At last, NRAs and ACER respective assessments over national and Community-wide plans, possibly leading to appropriate amendments, shall lead, over a "learning by doing" process, to an efficient method.

**7. The Agency monitors the implementation of the Community-wide ten-year network development plan. Are there any specific issues to be taken into account in monitoring besides those described in the document?**

EDF considers that the principle of a detailed and updated monitoring report, as proposed in section 9, including reasons of possible investments delays or cancellations, shall constitute a key element of an appropriate monitoring for the plan.

The implementation of the development plan could also be monitored with a quantitative approach relying on indicators related to market integration (interconnection load factor, price convergence, congestion revenues, evolution of social welfare, ...).