

European Regulators Group
for Electricity and Gas (EREG)
c/o Council of European Energy Regulators (CEER)
Rue de Titien 28
B-1000 Brussels

26 February 2010

Draft Advice on the Community-wide Ten-year Electricity Network Development Plan

Swissgrid response to public consultation

Dear Sir or Madam,

On behalf of Swissgrid, the Swiss TSO, we are pleased to hereby provide our response to the public consultation "Draft Advice on the Community-wide Ten-year Electricity Network Development Plan".

Question 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?

Answer 1: In general yes. We support the involvement of the stakeholders in this process but at the end the TSOs have to keep the responsibility for the development of the transmission grid although in an unbundled power system they are facing with many uncertainties especially concerning the long term development of electricity generation (where and what kind of technology), which is one of the main drivers for this development.

It also should be considered that the European electricity grid is a very close connected system. Changes within that system can therefore affect many parties even if the changes are not made directly within their area. It is therefore necessary to involve the parties depending on their functional connection to the system and not on their political membership.

Question 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? What are the implications for market rules?

Answer 2: The topics are well described. Concerning the market rules we consider that the implemented market models in Europe have many drawbacks especially concerning the lack of adequate locational signals for generation. This could lead in the future to a suboptimal power system which negative consequences on the electricity prices for end consumers.

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

Answer 3: The difficulty for the TSOs in an unbundled and competitive market is to get reliable information concerning the expected generation development. One reason is that this information is commercial sensitive. We therefore consider obligations for producers to deliver the most reliable information to the TSOs as necessary. These could be linked with confidentiality obligations for the TSOs. It must be mentioned that there are additionally heavy uncertainties concerning the political and public acceptance of specific technologies, e.g. nuclear energy for electricity generation.

Question 4: The document describes the topics (existing and decided infrastructure, identification of future bottlenecks in the network, identified investment projects, technical and economic de-

scription of the investment projects) for the assessment of resilience of the system. Is this description appropriate? Should it be changed and if so, how?

Answer 4: The description of topics is from our point of view appropriate. Nevertheless we consider especially the assessment of resilience of a transmission system as a quite difficult and sensitive issue which requires the detailed know-how of the TSOs. Each TSO shall therefore remain responsible for the resilience of his own transmission system which could be additionally assessed on a regional level. The difficulty in our opinion will be to agree on an acceptable level of congestions in cross border trade. Especially for transit countries like Switzerland the existence of an international agreement for a fair financial compensation for the use of Swiss transmission system by external users is of utmost importance.

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

Answer 5: We are missing the security of supply as criteria for regulatory opinion for an adequate network development, since this is the main task of a TSO. Limitations of cross border trade because of congestions in the transmission grid will remain unavoidable in the future. The realisation of a so called European copper plate for electricity trading seems not realistic (missing public acceptance for HV overhead lines) and not economically sustainable. Only an overall optimization of costs for generation and transmission assets will lead to affordable electricity prices for end consumers.

One other important aspect is that regulators should provide a regulatory framework which incentivises grid investments. Grid investments should be approved as early as possible in order to guarantee TSOs the financing of grid projects.

Question 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?

Answer 6: In order to improve the coordination for network development we consider it as necessary that rough guidelines for grid planning are defined top-down in a centralized approach. This for example could include the planning of super grid traces. For the definition of the guidelines it is important that all affected parties are appropriately involved. Depending on its functional connection to the affected grid section it should be decided if a party needs to be involved in the grid planning of this section or not.

Since each country has specific national obligations and faces his own challenges concerning network development, it also should be possible for affected parties to veto development plans that are suggested from the top-down approach. Additionally the detailed planning of the grid should be made on national level.

Question 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?

Answer 7: It should be considered that TSOs are in the first place bound to national law. This means that the accordant national authorities should be involved in all decisions and plans as early as possible. Which countries should be considered in the end should thereby not depend on the political membership. It is more important to take technical dependencies into account and to involve parties who really can affect the characteristics of the European grid system.

Best regards,

Swissgrid Ltd.



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