



EWEA

THE EUROPEAN WIND ENERGY ASSOCIATION

EWEA response on the consultation on the draft advice on the Community-wide Ten-year Electricity Network Development Plan

EWEA response on the consultation on the draft advice on the Community-wide Ten-year Electricity Network Development Plan

1. General remarks

EREGG has already rightly stated in its 2010 work programme that the momentum of the 3rd Package negotiations must not be lost. ENTSO-E's ongoing work on the first draft of the Ten-Year Network Development Plan (TYNDP) and the present consultation document will ensure an early development of a first TYNDP during the interim period which is urgently needed. Time is of the essence in grid development in order to meet the 2020 targets. By 2020, most of the EU's renewable electricity will be produced by onshore wind farms. Europe must, however, also use the coming decade to prepare for the large-scale exploitation of its largest indigenous resource, offshore wind power.

For this to happen in the most economical way Europe's electricity grid needs major investments, with a newly built offshore grid and major grid reinforcements on land. The legal framework with newly established bodies ENTSO-E and ACER - as of 2011 - makes the TYNDP a key building block for future grid planning and management of a Pan-European electricity network. Next to the actual grid development plan, the European Regulators advice on the TYNDP and its implementation will be crucial to achieve such a joint European approach to overcome planning and administrative barriers for infrastructure, lack of public acceptance of such infrastructure, lack of economic incentives for TSOs to invest and finally to ensure fair and unbiased access to the grid for wind power installations and other renewables.

EWEA fully supports the ongoing work on a first "Pilot" 10-Year Network Development Plan and recognises it as a step towards the achievement of the goals outlined in the 3rd Package. Furthermore, EWEA welcomes that the European Regulators actively strive for transparency with this consultation, given it is a critical deliverable for the European wind industry.

2. Questions for Public Consultation

- a. **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 Section 2 and especially transparency of planning?**

EWEA welcomes that the documents clearly state the main provisions, responsibilities and objectives of the regulators' advice on the TYNDP. However, it should be stated that the timing of the launch of this consultation is somewhat unfortunate as it conflicts with the launch of the first draft TYNDP on the 1st of March. It would be more helpful to assess the regulators' advice on the TYNDP after the publication date of the 1st of March in order to gain a

better insight of the actual content of the first draft TYNDP, its achievements and possible shortcomings.

- b. 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 consultation document outlines the contents of the forthcoming TYNDP as suggested by ENTSO-E. EWEA considers this outline to be well balanced in its content and well targeted to meet its expectations to become a first Pan-European grid planning outline, with ACER monitoring the progress on investment projects creating new interconnector capacity. However, the regulators advice should ensure that the TYNDP will be more than a mere compilation of national and regional development plans, rather it should perceivably aim at a Pan-European planning vision for grid infrastructure.

Furthermore, the TYNDP should give a clear overview not only on investments planned by TSOs, but also take due account of future infrastructure investments planned by private consortia (e.g. the merchant transmission line between Norway and Germany, NorGer, due to be operational by 2015).

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

When scrutinising the European generation adequacy outlook, ERGEG should take due account of the recent increase of wind power generation in Europe and the envisaged penetration levels of 34% renewable electricity by 2020, as expected due to the 2009 RES Directive (2009/28/EC). Recent EWEA statistics reveal that 39% of all new capacity installed during 2009 was wind power, followed by gas (26%) and solar photovoltaics (16%). Europe decommissioned more coal and nuclear capacity than it installed in 2009. Taken together, renewable energy technologies account for 61% of new power generating capacity in 2009¹.

Furthermore, as a consequence of the adoption of the 2009 RES Directive, EWEA, in March 2009, increased its 2020 target from 180 GW. EWEA's scenarios, dubbed "baseline" or "high", in terms of expected growth in wind generation, are as follows²:

"Baseline" scenario for the EU:

For the EU as a whole, the "baseline" scenario requires installed capacity to increase from 75 GW by end 2009 to 230 GW in 2020, including 40 GW offshore. That would require an average annual increase in capacity of 13.8 GW in 2009 - 2020, compared to 10.2 GW in 2009. Wind energy production would increase from 163 TWh (2009) to 580 TWh (2020) and wind energy's

¹ For further information on the recent 2009 figures:

http://www.ewea.org/fileadmin/ewea_documents/documents/statistics/general_stats_2009.pdf

² Pure Power: Wind energy targets for 2020 and 2030. EWEA. 2009

http://www.ewea.org/fileadmin/ewea_documents/documents/publications/reports/Pure Power Full Report.pdf

share of total electricity demand would increase from 4.8% in 2009 to 14.2% in 2020.

High scenario for the EU:

For the EU as a whole, the "High" scenario requires installed capacity to increase up to 265 GW in 2020. That would require an average annual increase in capacity of 16.7 GW in 2009 - 2020. Wind energy production would increase to 681 TWh (2020) and wind energy's share of total electricity demand would increase to 16.7% in 2020.

Any European generation adequacy outlook and resulting network projects in Europe should factor in this EU objective as the achievement of the 2020 RES targets must not be undermined by inadequate grid enhancements in the TYNDP.

- d. 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?**

EWEA generally supports the European regulators' outline of the topics for the assessment of resilience of the system.

However, the regulators should emphasise the need for a more detailed outline of the main transmission infrastructure that needs to be built or upgraded over the next 10 years and their project costs. Importantly, it has to take into account projects planned not only by TSOs (see response to question b.), but also transmission lines between EU member states and third countries (in particular Mediterranean countries and EU neighbouring countries). For the sake of convenience, the regulators should make sure that not only a list of all identified investment projects is provided in the TYNDP, but also a graphical representation by means of a grid map.

Concerning identified investment projects, strong emphasis should be put on a North Sea grid, new grid infrastructure in the Baltic Sea region and in the Mediterranean region. Next to the identification of existing bottlenecks and the outline for corresponding grid reinforcements, new interconnectors are invaluable to exploit the vast RES potential in these three key regions. Grid development in these areas should furthermore take advantage of the growing political momentum through initiatives such as the so-called "North Seas Countries' Offshore Grid Initiative" and the Baltic Energy Market Integration Plan (BEMIP).

Clearly, a grid system can not operate in isolation. A concise advice on the TYNDP has to be seen in this context and regulators must ensure that all measures to improve interconnectivity in the European Community in the above mentioned areas and also with third countries are exploited.

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

EWEA urges the European Regulators to take a strong stand when it comes to assessing the socio-economic criteria on the evaluation of reinforcements. The bullet points on page 25 in the consultation document already point in the right direction: socio-economic criteria should comprise the value of a more integrated market, exchange of ancillary services and also potential socio-economic value of the higher welfare for the end-customers within the European market.

EWEA welcomes that the European regulators recognise the benefits of developing a truly European grid network which would lie not only in overcoming the present congestions on some of the main transmission lines, but would also provide for savings in balancing and system operation costs and enabling a functioning internal market. It is clear that investment decisions on building new transmission lines have to be supported by proper feasibility studies proving the economic benefit and fulfilling all technical planning criteria.

However, the TYNDP must go beyond the piecemeal grid planning of the past. Instead, a European approach towards an optimised European electricity system should be promoted with a strong top-down element in order to ensure that, as with any strategic investment at EU level, European priorities are properly reflected, namely the security of supply, market integration and connection of renewable energy technologies.

These important socio-economic criteria should therefore be taken into consideration by the regulators when assessing transmission infrastructure projects in the TYNDP.

f. 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?

As indicated in the response above, ERGEG must ensure a strong top-down element in the TYNDP reflecting a more strategic and visionary grid development on European level in addition to regional and national plans.

EWEA agrees with the regulators that the NRAs monitor consistency of national and regional development plans with the Community-wide TYNDP. On the basis of the assessments of the NRAs, the regulators as ERGEG/ACER should then amend the respective plans in case of inconsistencies. In general, the top-down approach of the Community-wide TYNDP should always be the guiding principle when national and regional plans are assessed.



The European Wind Energy Association (EWEA) is the voice of the wind industry, actively promoting the utilisation of wind power in Europe and worldwide. It now has over 600 members from 60 countries, including manufacturers with a 90% share of the world wind power market, plus component suppliers, research institutes, national wind and renewables associations, developers, electricity providers, finance and insurance companies and consultants. This combined strength makes EWEA the world's largest and most powerful wind energy network.