

# Additional Benefits and Alternative Indicators

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TYNDP 2018: Project Promoters Workshop on Project Sheets finalization

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# Index

- The revised process for additional benefits
  - Definition of Additional Benefits
  - Current list of additional benefits for transmission and storage projects
  - Characteristics of the current list
  - Alternative indicators for transmission and storage projects
  - Characteristics of the current list
  - What to do in the next phase
  - How to finalize the input of Additional Benefits and Alternative Indicators

# The revised process for additional benefits

Date	Description
14/05 – 18/05 – 23/05	Additional benefits guidance and approach discussed in the related workshops with promoters
14/05 – 06/06	<p>Collection period of additional benefits, categorized as either:</p> <ul style="list-style-type: none"> <li>Previously identified from guidance documents (promoters might or might not provide already monetarization/quantification)</li> <li>New additional benefit category for consideration (not directly published in the June edition of TYNDP 2018)</li> </ul> <p>Additional benefits shall have supporting justification for consideration by ENTSOE in TYNDP</p>
14/05 – 06/06:	Consultation of Draft TYNDP – Projects that have submitted additional benefits that are being reviewed are identified with a standard comment in the project sheet
06/06 – 29/06	ENTSO-E works on the outcome of the consultation - Check the additional benefits on 'no objections' basis
2/07 - 16/07	ACER and the EC provide comments on the final version of the Guidance Document
27/07	ENTSO-E shares the final Guidance Document with project promoters (& EC/ACER)
15/09	Project promoters confirm/add additional benefits and provide justification, monetarization, quantification
30/09 (or 31/10 with release of TYNDP for ACER Opinion)	Release of the final additional benefits (all justified/quantified)

# The revised process for additional benefits

- The definitive list of additional benefits will be released after the consultation period  
→ your input is important!
- Proposed additional benefits won't be published in the TYNDP Summer edition but a disclaimer will anticipate that some extra additional benefits are under revision for that project
- Before the Summer edition you can provide justification and monetarized values for the selected additional benefit but you are not obliged to
- Before the Summer edition you are requested to select the additional benefits that apply to your project among the list
- The draft Guidance will be released to project promoters tomorrow morning, 15<sup>th</sup> May at the latest

# Index

- The revised process for additional benefits
- Definition of Additional Benefits
  - Current list of additional benefits for transmission and storage projects
  - Characteristics of the current list
  - Alternative indicators for transmission and storage projects
  - Characteristics of the current list
  - What to do in the next phase
  - How to finalize the input of Additional Benefits and Alternative Indicators

# Definition of Additional Benefits

Additional benefits are all benefits of a project, which may be taken into account in its direct valorization according to the scope of the TYNDP and. **not part of the present CBA approved methodology**

- As a necessary condition an additional benefit does not overlap with the benefits already covered by the present CBA and this condition needs to be proved and justified

# Definition of Additional Benefits

Additional Benefits are “Benefits missed “ by the current CBA and as such have the same necessary features of the benefits framed by the CBA:

- is intended as a benefit to the overall European electricity system (countries in the ENTSO-E Regional Groups).
- It does not refer to benefits not directly related to the electricity system
- It does not refer to benefits accruing to non-European countries (that are not in the ENTSO-E Regional Groups perimeter)
- It does not refer to redistribution of income among electricity participants

# Definition of Additional Benefits

An additional benefit must be a benefit that can be assessed according to the specific criteria as presented in Regulation 347/2013 Art. 4, Paragraph 2:

- “i) market integration, inter alia through lifting the isolation of at least one Member State and reducing energy infrastructure bottlenecks; competition and system flexibility;
- ii) sustainability, inter alia through the integration of renewable energy into the grid and the transmission of renewable generation to major consumption centres and storage sites;
- iii) security of supply, inter alia through interoperability, appropriate connections and secure and reliable system operation “



# Index

- The revised process for additional benefits
- Definition of Additional Benefits
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- Characteristics of the current list
- Alternative indicators for transmission and storage projects
- Characteristics of the current list
- What to do in the next phase
- How to finalize the input of Additional Benefits and Alternative Indicators

# Current list of additional benefits for transmission projects

Additional Benefit	Explanations on the benefit
Reductions of costs for ancillary services	<p>Taking into account ancillary services needs in terms of reserve to control frequency, voltage control resources, black-start, etc...</p> <p>Quantification and monetarisation can derive from specific statistical analyses and simulations of ancillary services amount and their relative costs.</p>
Reduction of necessary reserve or re-dispatch power plants	<p>Especially for projects able to solve internal congestions. This indicator gives the additional benefit coming from the saved peaking units [in MW] in the system due to the reduction of the maximum redispatch volume with and without the project</p>

# Current list of additional benefits for transmission projects

Additional Benefit	Explanations on the benefit
Reduction of emissions	SOx, NOx, PM 2,5 and PM 10, additional externalities due to COx reductions (CO2 excluded).
Impact on independent and reliable control of system operation and services (for Baltic States)	<p>For Baltic States only</p> <p>Projects making a contribution towards the synchronous operation of the Baltic system with one of the European Union networks will contribute to the independent and reliable control of system operation and services.</p> <p>This benefit is monetarised by taking into consideration the avoided cost of a potential blackout.</p>

# Current list of additional benefits for transmission projects

Additional Benefit	Explanations on the benefit
<p>Contribution to the removal of infrastructure bottlenecks which are caused by loop flows or transit flows</p>	<p>For countries identified in the list of needs provided to TYNDP project promoters. The loop flows are defined as unscheduled flows stemming from scheduled flows within a neighbouring bidding zone or control area.</p> <p>The transit flows are defined as unscheduled flows stemming from a scheduled flow between two or more bidding zones or control areas. Both of these types of unscheduled flows could significantly jeopardize security of the transmission system operation.</p>

# Index

- The revised process for additional benefits
- Definition of Additional Benefits
- Current list of additional benefits for transmission and storage projects
- Characteristics of the current list
  - Alternative indicators for transmission and storage projects
  - Characteristics of the current list
  - What to do in the next phase
  - How to finalize the input of Additional Benefits and Alternative Indicators

# Characteristics of the current list

1. The additional benefit does not overlap with any CBA 2.0 indicator
2. That is justified and explained for each additional benefit
3. For each additional benefit it is stated whether or not system modelling is possible
4. For each additional benefit a guidance for the monetization/justification is provided
  - ➔ If you select an additional benefit for your project the valorization will be necessarily done according the guidance provided

# Index

- The revised process for additional benefits
- Definition of Additional Benefits
- Current list of additional benefits for transmission and storage projects
- Characteristics of the current list
- Alternative indicators for transmission and storage projects
- Characteristics of the current list
- What to do in the next phase
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# Alternative indicators for transmission and storage projects

In case:

- a benefit is already included in the CBA 2.0 guideline
- but a more detailed and sophisticated computation referring to ENTSO-E scenarios / perimeter and/or a proposal of quantification/monetization is presented
- this benefit is not an additional benefit, but its more accurate computation can be included in the project sheet as a sensitivity analysis or **an alternative indicator**.



# Alternative indicators for transmission and storage projects

FOR TRANSMISSION PROJECTS	FOR STORAGE PROJECTS
B6 indicator: Security of Supply - Adequacy to meet demand [test ENTSO-E and promoter]	B6 indicator: Security of Supply - Adequacy to meet demand [test ENTSO-E and promoter]
Monetarisation of B7 indicator Security of Supply – System Flexibility	Monetarisation of B7 indicator Security of Supply – System Flexibility
	Alternative indicator of CBA benefits better captured with time granularity of the models (15 minutes steps for storage projects instead of 1h step foreseen in the CBA )
	B6:Security of supply- Adequacy to meet demand: alternative indicator to quantify avoided investments in peaking capacity

# Characteristics of the current list

1. The alternative indicator benefit does overlap with any CBA 2.0 indicator
2. But the room for improvement with respect to the CBA 2.0 is clearly framed
3. For each alternative indicator is stated whether or not system modelling is possible
4. For each alternative indicator a guidance for the monetization/justification is provided
  - ➔ If you select an alternative indicator for your project the valorization will be necessarily done according the guidance provided

# Index

- The revised process for additional benefits
- Definition of Additional Benefits
- Current list of additional benefits for transmission and storage projects
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- Alternative indicator for storage projects
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# What to do in the next phase

1. Next Phase: 15/05 – 06/06
2. Read the Guidance!
3. Select the additional benefits eventually provided by your project
4. Choose whether to provide an alternative indicator for your project
5. Participate the consultation on the guidance document and notifying us if you want to propose an additional benefit for your project and the final list

# Index

- The revised process for additional benefits
- Definition of Additional Benefits
- Current list of additional benefits for transmission and storage projects
- Characteristics of the current list
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- Alternative indicator for storage projects
- What to do in the next phase
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# How to finalize the input of Additional Benefits Mandatory for the Autumn Edition

## Valorisation:

- Monetarised value [M Euro]/year
- If not possible Quantified value - mention also the unit e.g. [MWh]
- If not possible Qualitative information (concise)
- Justification for the absence of monetarised value

# How to finalize the input of Additional Benefits Mandatory for the Autumn Edition

## Justification:

- Which share of the benefit addresses EU countries?
- Name of the study the value above resulted from
- Main assumptions of the study (copy the relevant text here and include the reference page and chapter)
- Who has conducted the study
- Year of the study
- Study horizons - the years the study looked into
- Did any national authority approve the study? What NRA?
- Link to the study or Upload the document

# How to finalize the input of Alternative Indicators Mandatory for the Autumn Edition

## Valorisation:

- Same inputs needed for an Additional Benefit without the box for the qualitative information

## Justification:

- Same inputs needed for an Additional Benefit with the addition of Link to/Upload of a document with methodology (copy the relevant text here and include the reference page and chapter)



# Current list of additional benefits for storage projects

The same list with the exception of:

- Contribution to the removal of infrastructure bottlenecks which are caused by loop flows or transit flows
- Impact on independent and reliable control of system operation and services (for Baltic States)