

## **EWEA response on the consultation on the ENTSO-E draft annual Work Programme 2014-15**

July 2014

EWEA welcomes the ENTSO-E consultation on its draft annual work programme 2014-2015 as required under the third Liberalisation Package and wishes to express its ongoing support to ENTSO-E in its work and for the demanding tasks it has set itself. The accomplishment of these will require stakeholders to work closely with ENTSO-E.

To this end, we would like to draw ENTSO-E's attention to the following areas of work which are either outlined only briefly or missing entirely in the draft work programme:

- Work on system studies and justifications for Network Codes, in particular for accompanying implementation guidelines;
- Increase TSO cooperation beyond Regional Security Cooperation Initiatives (RSCIs);
- More activities to tackle challenges on infrastructure financing;
- Further indications on how to enhance the System Outlook and Adequacy Forecast (SOAF) methodology;
- More activities on an improved market design with large scale wind power integration, in particular on grid support services markets.

### Work on system studies and justifications for Network Codes

System studies should constitute the basis for network codes in their formulation of requirements not only for wind power, but for all generators. EWEA notes that ENTSO-E does not use clear analyses or system studies as justifications in the requirements laid out in the current drafts of Network Codes.

Such studies and their application in the grid codes should, for instance, consider frequency support needs and voltage needs at the appropriate system level to identify what cross-border needs are as opposed to localised. The use of the results of system studies in network codes and subsequent national grid codes should be coordinated between TSOs and DSOs, as a significant part of wind power generation is connected to the mid- and low-voltage network.

These system studies would significantly contribute to any future "implementation guidelines" for Network Codes facilitating the appropriate application of Network Codes in national grid codes.

- ⇒ **EWEA, therefore, calls for ENTSO-E to outline more clearly which and in what timeframe studies are to be carried out in this regard, for instance in the system operations activity plan.**

### Increase TSO cooperation beyond Regional Security Cooperation Initiatives (RSCIs)

EWEA welcomes ENTSO-E's objective to further develop the framework for TSO coordination and facilitate the cooperation between Regional Security Coordination Initiatives (RSCIs). However, further measures should be taken to enhance cooperation between TSOs across Europe. What is missing are improved coordination strategies facilitated by regional and subsequently European system operation facilities, modelled on existing regional best practise, for example CORESO.

Such facilities have a proven track record with regards to their contribution to cross-border electricity markets by load-flow control to alleviate loop-flows and increase interconnection capacities as well as optimising the utilisation of the existing infrastructure and transmission corridors through, for instance, dynamic line rating<sup>1</sup>.

- ⇒ **The current work programme should consider developing such facilities with common network operation tools to ensure coordination of network operation in normal and emergency conditions, provision of network information day ahead, intraday and real-time, and all other measures to increase operational coordination between TSOs.**

#### More activities to tackle infrastructure financing challenges

EWEA notes that the draft ENTSO-E work programme only briefly outlines the need to tackle regulatory and financial barriers to making infrastructure investments. However, in view of the difficulties for TSOs to raise equity, in particular for higher-risk projects, such as offshore grid connections, further activities by ENTSO-E in this regard should be considered.

- ⇒ **A review of the Europe 2020 Project Bond Initiative needs to be carried out and improvements proposed to revive and expand capital markets to finance cross-border relevant grid projects.**

#### Further indications on how to enhance System Outlook and Adequacy Forecast (SOAF) methodology

The draft work programme rightly points out in section 6 that the methodologies for both the 10-year network development plan (TYNDP) and system adequacy and generation outlook (SOAF) documents are bound to evolve. In this context it is important to properly analyse wind energy's contribution to guaranteed capacity at peak load.

Many TSOs place RES (wind and solar above all) in the “non-usable capacity” category in the SOAF. The amount of firm power provided by wind energy is, therefore, not properly taken into account.

- ⇒ **To properly evaluate the contribution of wind power to system adequacy ENTSO-E should develop and utilise a harmonised method for wind power capacity credit assessment in European generation adequacy forecast and the TYNDP.**

#### More activities on an improved market design with large scale wind power integration, in particular on grid support services markets

EWEA would like to emphasise the need for further work on long-term market developments as outlined in the draft work programme in section 8. ENTSO-E's activities in this area such as on electricity balancing pilot projects are welcome.

However, what is needed, in particular, is work on future ancillary services or grid support services market arrangements on top of the ongoing implementation of the EU-wide Target Model.

- ⇒ **In the mid- to long-term new market forms for such grid support services will be indispensable. Such markets will provide an additional source of income for all generators, including renewables, without creating additional market distortions (for example from capacity mechanisms)<sup>2</sup>.**

EWEA is eager to support ENTSO-E's work and actively participate in subsequent consultations and workshops on these issues.

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<sup>1</sup> The EU-funded TWENTIES project, in which ENTSO-E member TSOs were involved, found proof that 10% more power can be brought online by measuring cable temperature in real time, thereby reducing the need of grid reinforcements: <http://www.twenties-project.eu>

<sup>2</sup> See also the EU-funded REServices project as the first study to investigate wind and solar based grid support services at EU level: <http://www.reservices-project.eu/>

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EWEA is the voice of the wind industry, actively promoting wind power in Europe and worldwide. It has over 600 members, active in over 50 countries, including wind turbine manufacturers with a leading share of the world wind power market, plus component suppliers, research institutes, national wind and renewables associations, developers, contractors, electricity providers, finance and insurance companies, and consultants. EWEA coordinates international policy, communications, research and analysis and provides various services to support members' requirements. EWEA analyses, formulates and establishes policy positions for the wind industry on key issues, cooperating with industry and research institutions on a number of market development and technology research projects.