

## **Initial views on the draft ENTSO-E Ten Year Network Development Plan 2014**

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**ENTSO-E's Workshop with  
stakeholders on TYNDP 2014**

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## Outline

- Clustering
- Third party projects
- Target interconnection capacities
- Costs
- Benefits

## Clustering

- ENTSO-E elaborated new clustering rules in the framework of the cost-benefit analysis methodology and applied them in the draft TYNDP 2014
- TYNDP 2012: 112 clusters, 503 investments (average: 4.5 investment per cluster)
- Draft TYNDP 2014: 127 clusters, 382 investments (average: 3.0 investment per cluster)
  - 81 clusters with 1 to 3 investments
  - 18 clusters with 6 to 11 investments
- A clear improvement, but ò is it possible to further increase the consistency of clustering across Europe?

## Third party projects

- ENTSO-E elaborated a revised procedure and launched two calls in 2013 for the inclusion of third party projects (TPP) in the TYNDP
- TYNDP 2012: 5 submissions, 0 TPP included
- Draft TYNDP 2014: 33 submissions. 24 TPP in the plan (13 transmission, 11 storage)
- The TPP procedure requires promoters to provide investment cost of their project to ENTSO-E. **Still, investment costs are not displayed for some TPPs** (*costs figures have not been provided to ENTSO-E*). Equal treatment should be pursued soon also by third party promoters (as done by ENTSO-E)

## Target interconnection capacities

- ACER opinion on TYNDP 2012: *%ACER expects ENTSO-E to develop a specific assessment of cross-border capacities. The aim should be to identify a target value (MW) for the additional transfer capacities at cross-border boundaries+*
- Draft TYNDP 2014 is an improvement vs TYNDP 2012:
  - *%For every boundary, the target capacities correspond in essence to the capacity above which additional capacity development would not be profitable, i.e. the economic value derived from an additional capacity quantum cannot outweigh the corresponding costs+*
  - Target capacities (for visions 1 and 4) are displayed as ranges for about 25 boundaries, they vary between 1000-10000 MW

## Costs

- *%Total investments costs for the portfolio of projects of pan-European significance amount up to €150 billion+*
- But ÷ ENTSO-E displays the cost information in the format of a (wide) range for each cluster
  - The overall uncertainty (all clusters) is more than 2
  - Further, the uncertainty (as ratio: maximum cost/min. cost) for every cluster is always above 1.6
- Do such wide ranges provide sufficient confidence to all stakeholders about the maturity of clusters planned in the short term (till 5 years ahead)? Can ENTSO-E and TSOs increase soon the confidence in the TYNDP by reducing its uncertainty on the cost side?

## Benefits

- In terms of socio-economic welfare benefit, *the increased market integration leads to an overall levelling of electricity prices in Europe, mitigating electricity prices on average from 2 to 5 €/MWh+*
- The origin of this result is not immediately clear in the draft TYNDP 2014 (action soon by ENTSO-E?). Is it the sum of benefits of individual clusters (calculated with TOOT method) at year 2030?
- Should ENTSO-E display benefit information also in the shorter term (when market integration is likely lower, with less reinforcement in the reference network, and thus benefits from market integration are likely higher)?

## Conclusion: stakeholder participation

- Draft TYNDP 2014 is another step forward compared to the previous TYNDP
- ENTSO-E and TSOs strive to improve the TYNDP according to comments received
- **ACER encourages stakeholders to contribute in the TYNDP processes**



**Thank you for your attention!**



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