

Continental South East Regional Workshop with Stakeholders on ENTSO-E Ten-Year Network Development Plan and the Regional Investment Plans in 2014

Date: 27 March 2014 – Zagreb

Location: Hotel International, Miramarska 24, Zagreb Croatia

Time: 10:00-16:00

Workshop MINUTES

Agenda

No	Subject	Time	Lead
1.	Welcome	10:00	Damjan Medimorec ENTSO-E Vice-President and HOPS Director of Executive Office Yannis Kabouris ENTSO-E Regional Group Continental South East Convenor
2.	ENTSO-E TYNDP process - improvements and forward steps - new role of TYNDP under the Reg. (EU) 347/2013 and PCIs process	10:20	Silvia Ibba ENTSO-E System Development
3.	Third party projects in the TYNDP 2014 (regional focus)	10:50	Silvia Ibba ENTSO-E System Development
4.	TYNDP assessment: focus on CBA Methodology	11:10	Dejana Popovic ENTSO-E Regional Group Continental South East Member
5.	TYNDP 2014 process and scenarios (2030 Visions Approach)	11:35	Sasa Cazin ENTSO-E Regional Group Continental South East Member
6.	Lunch	12:00	
7.	Market and Network Studies: regional focus - Market studies methodology - Grid studies methodology	13:15	Yannis Kabouris ENTSO-E Regional Group Continental South East Convenor Kliment Naumoski ENTSO-E Regional Group Continental South East Member
8.	Market and Network studies provisional results: Comparison between Vision 1 “slow progress” and Vision 4 “green revolution”	13:55	Aristomenis Neris ENTSO-E Regional Group Continental South East Member

9.	Market and Network studies provisional results: Project assessment results	14:20	Nenad Sijakovic ENTSO-E Regional Group Continental South East Member
10.	TYNDP next steps & stakeholders involvement	14:40	Tomo Martinovic ENTSO-E Regional Group Continental South East Member
11.	Discussion	15:00	ALL
12.	Conclusion	16:00	Yannis Kabouris ENTSO-E Regional Group Continental South East Convenor

1. Welcome and Introduction: ENTSO-E TYNDP process

Damjan Medimorec, as ENTSO-E Vice President and HOPS Director of Executive Office, welcome all participants to the second Continental South East Regional Workshop with Stakeholders in the framework of next TYNDP 2014 and its Regional Investment Plans. Mr Medimorec provided briefly the ENTSO-E framework and main activities, also concerning the TYNDP process. He pointed out the increasing importance of the TYNDP as a guide for decision makers when considering investment in electricity infrastructure over the next decade and beyond, it is critical that stakeholders at regional and national levels are well informed and consulted on the TYNDP process and outcomes.

Yannis Kabouris from the Greek TSO (IPTO) and Regional group Continental South East Convenor welcomed the participants also from the RG side and underlined the fact that ENTSO-E TYNDP report is a reference for the electricity market around Europe, for assuring the Security of Supply and to enlarge the RES integration, while he also stressed the importance of stakeholders' participation and feedback in the whole relevant process. Mr Kabouris concluded highlighting main aspects for a coordinated Grid planning of the European Transmission Network and that the TYNDP is most comprehensive and up-to-date European –wide reference for transmission network development. Moreover the TYNDP supports the decision making process at regional and European level as well as TYNDP is continuous improving process with the selection of PCIs.

2. ENTSO-E TYNDP

- **improvements and forward steps**
- **new role of TYNDP under the Reg. (EU) 347/2013 and PCIs process**

ENTSO-E has presented the TYNDP role under the of two EU regulation on infrastructure: 714/2009 (part of the 3rd Internal Energy Package) and the 347/2013 which entered into force in May last year. Under these legislations the role of the TYNDP is the following:

- ensure greater transparency regarding the entire electricity transmission network;
- form the sole basis for the Projects of Common Interest.

Related to the TYNDP development over time the graph below is summarising the main improvements:

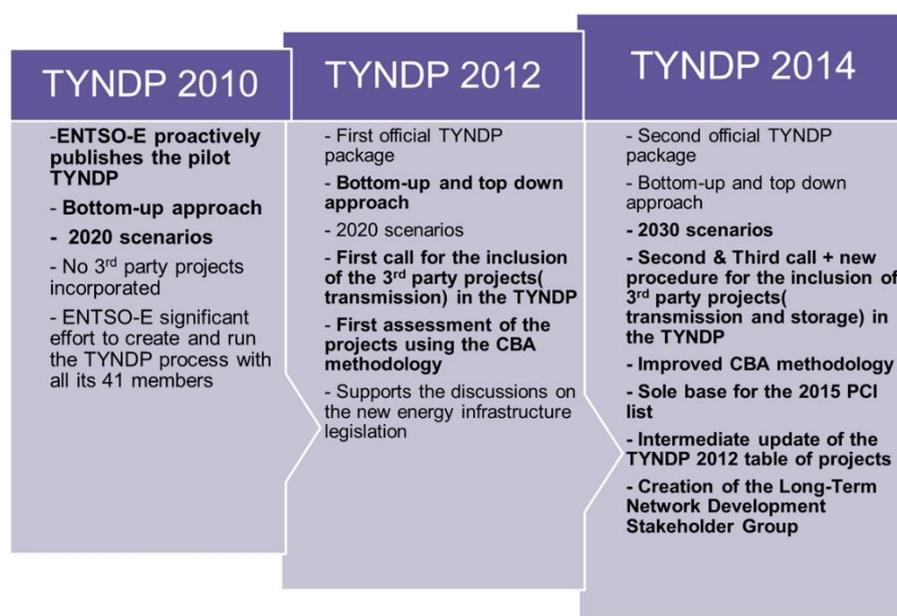


Fig 1. TYNDP improvements

For more detail information please see the associated presentation.

The question from audience

Where will the TYNDP 2012 monitoring statistics come from and who in ENTSO-E is demanded to provide those kind of data? A similar project monitoring process currently exists in ACER, and the data are collected from National TSOs.

ENTSO-E answer

Those statistical data come from the TYNDP 2012 monitoring report published by ENTSO-E last Summer 2013. In addition, ENTSO-E collects data via web tool from all TSO members, in order to have updated information on a constant and homogeneous basis.

3. Third party projects in the TYNDP 2014 (regional focus)

The inclusion of the third party projects in the 2014 version of the TYNDP is based on the third party procedure which ENTSO-E published in January 2013 and further updated (in the light of the new (EU) 347/2013 regulation) in September the same year. The update in the procedure has been followed by 2 open calls for projects. As an outcome, ENTSO-E has accepted for further assessment 24 third party projects (transmission and storage) out of which 19 are PCIs. The CSE region incorporates four 3rd party projects involving *Bulgaria, Cyprus, Greece* and *Israel*.

For more detail information please see the associated presentation.

The question from audience

Is ENTSO-E the contact point with third party promoters? In which point National regulators and TSOs are involved in the process? What about the IT-HR interconnection?

ENTSO-E answer

ENTSO-E receives input directly from the 3rd party projects promoters which may already have contacted the relevant TSOs affected by the specific project. Additionally, according to the ENTSO-E third party projects Procedure, an agreement with those relevant TSOs is necessary.

Sometimes it is possible TSOs and 3rd party projects might be competitors. For this reason, ENTSO-E assesses both TSOs and 3rd party projects in a fair and equal way under the same rules.

Concerning the possible HR-IT interconnection, the ACER has in its database two relevant projects that, for the moment, will not be part of next TYNDP 2014 and shall be not taking into account.

The question from audience

What about the “Euro Asia interconnector” project? It looks like a huge project, there are any CBA analysis results for this project at ENTSO-E level? Which are storage projects role?

ENTSO-E answer

Preliminary results from a project evaluation have been already delivered to the project promoter according to ENTSO-E process.

Storage projects, in the framework of transmission planning, aim to assist RES penetration.

4. General Methodology applied in CSE Regional Group

The presentation aimed to explain main pillars and milestones of the TYNDP 2014 definition and of Pan-EU significance project assessment. The major improvements introduced in the process from last version in 2012 have been described, and a detailed explanation of process steps have been linked.

For more detail information please see the associated presentation.

5. TYNDP assessment: focus on CBA Methodology

The Regulation (EU) 347/2013 mandates ENTSO-E to draft and publish a Cost Benefit Analysis (CBA) methodology by November 2013 followed by ACER, EC and member states opinion. The target is having the official CBA methodology publication by September 2014.

ENTSO-E’s approach is to adopt a combined cost-benefit and multi-criteria framework, allowing for the best available information both for the public (TYNDP) and PCI decision-makers, on the full range of indicators required by the Regulation 347/2013, while monetising as far as possible.

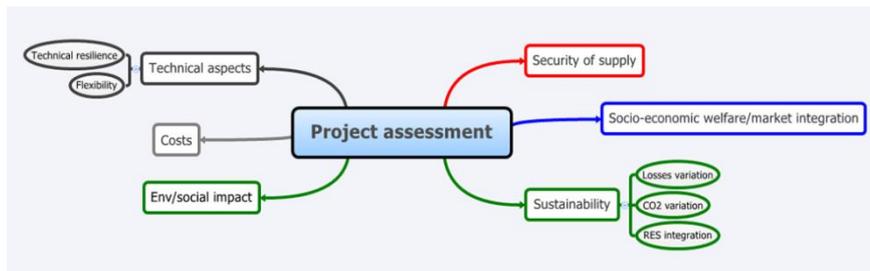


Fig 2. Main categories of the project assessment methodology (Cost Benefit Analysis indicators)

The main goals of this methodology, as stated in Regulation 347/2013, are the following:

- System wide cost benefit analysis (CBA), allowing an assessment of all TYNDP projects in a homogenous way;
- Supporting Selection Projects of common interest (PCIs);
- CBA results as one of possible input for Cross Border Cost Allocation (CBCA).

For more detail information please see the associated presentation.

The question from audience

In which way ENTSO-E is going to deal with the ACER request for full monetization of benefit indicators?

ENTSO-E answer

The Losses variation indicator and the Socio-Economic Welfare (SEW) are monetized in TYNDP 2014. Despite of the Security of Supply (SoS) monetization is difficult due to different approaches in European countries. SoS assessment is a challenging task due to the fact that different approaches are applied from country to country. Moreover, even ENTSO-E works closely with ACER on this subject, it is difficult to find homogeneous way to calculate and determine, even at national level, values as LOLE, ENS and VoLL. In the framework of this collaboration it has been explained that it is difficult to monetize all indicators. Furthermore, it has been explained that the monetisation of the RES integration and CO2 emissions reduction are included in SEW indicator.

Concerning the full monetisation of all ENTSO-E CBA methodology indicators is still an ongoing process, and also to monetize the Social Impact indicator and the environmental impact indicator is very challenging task.

6. TYNDP 2014 process & scenarios (2030 Visions Approach)- Scenario development status

The TYNDP is a two year process with activities at the European and regional level. The plan will be put forward for public consultation in July 2014 until September 2014 with the final version expected by December 2014.

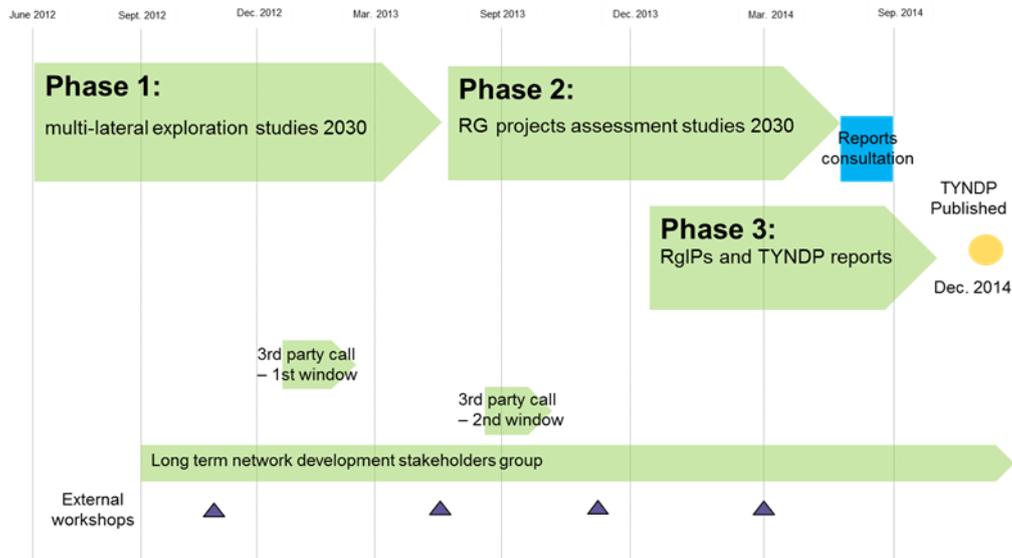


Fig 3. TYNDP process

The TYNDP 2014 tackles the 2030 by using four contrasting scenarios, as presented below:

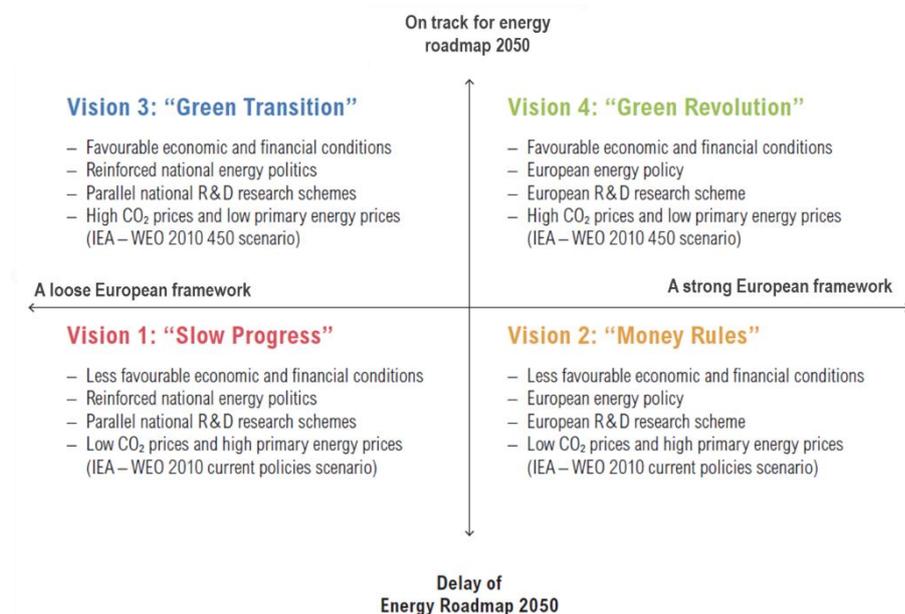


Fig 4. 2030 Visions

The role of the scenarios is to address uncertainties and to create the frameworks based on which the pan-European and regional market and network studies are performed. By having contrasting scenarios (going from 40 to 60% RES integration) ENTSO-E can assess in its TYNDP the proposed portfolio of projects and detect the possible gaps in the future grid infrastructure.

For more information on scenarios please see the associated presentation.

7. TYNDP 2014 process: regional focus

ENTSO-E has presented the role of the RGs within the TYNDP process and the main tasks associated to it as follows:

- Perform regional market and network studies;
- Identify the needs and necessary network reinforcements considering the four visions in analysis;
- Evaluate all the TYNDP projects (CBA assessment through a multi-criteria analysis of benefits and costs), including TSOs and Third party projects
- Adapt the Pan-EU studies according the regional specificities (e.g.: temperature sensitivity, hydro conditions, wind and solar profiles, pumping modelling, etc.)

For more insight please related to the associated presentation.

8. Market Studies: regional focus

In order to assess the TYNDP projects (including the PCIs), ENTSO-E's regional groups perform market and network studies based on a common set of data on which are added the regional specificities. Within this presentation ENTSO-E underlined the input data sets and the preliminary output of the regional CSE market and network studies of the vision 1 (slow progress) and vision 4 (green revolution).

For concrete details see the associate presentation.

9. Regional project assessment - provisional results for V1 and V4

ENTSO-E has presented network studies preliminary results against vision 1 ad vision 4, making a comparison between starting assumptions of the modelling and detailed explanations of results. The RG CSE showed examples of pan European relevant projects form the CSE region and the associated preliminary CBA assessment. Considering the proposed infrastructure on the 2030 horizon the congestions between the countries belonging to this region are generally mitigated.

For concrete details see the associate presentation.

The question from audience

In which way the calculated project benefits are going to be used in relation also to the Project of Common interest selection process (PCI), as established by the Reg. (EC) 347/2013?

ENTSO-E answer

Although PCI projects are included in the TYNDP, the PCI process is totally managed by the EC and not by ENTSO-E. In addition, in the framework of TYNDP perimeter, the PCIs can be clustered according to TSOs judgment and evaluated as components of a larger project. On the other hand, EC aims to evaluate PCIs separately. Anyway ENTSO-E is following what has been asked by the EC.

The question from audience

Is the calculation tool used for Market studies available commercially?

ENTSO-E answer

The relevant tool has been developed in house in the Greek TSO.

Notes:

All the material presented in the ENTSO-E stakeholders' workshops on the TYNDP can be consulted on the ENTSO-E website at: <https://www.entsoe.eu/major-projects/ten-year-network-development-plan/tyndp-2014/stakeholder-interaction/>

The TYNDP FAQ can be accessed here: <https://www.entsoe.eu/major-projects/ten-year-network-development-plan/tyndp-faqs/>

The ENTSO-E CBA methodology can be accessed at: <https://www.entsoe.eu/major-projects/ten-year-network-development-plan/cba-methodology/>

The ENTSO-E Visions 2030 can be accessed at