

## Ten questions on the Ten Year Network Development Plan

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## Outline

- The importance of the TYNDP process
- The role of ACER and NRAs in the process
  - Opinion on contribution to European goals
  - Consistency of European/national plans
  - Monitoring implementation of the plans
- Questions on the draft TYNDP
  - TYNDP and stakeholders
  - The TYNDP methodology
  - TYNDP and EIP, costs and benefits

## Why the European TYNDP?

- To identify **investment gaps**, notably with respect to cross border capacities
- To contribute to a sufficient level of cross-border interconnection and to contribute to non-discrimination, effective competition and the efficient functioning of the market
- To ensure greater **transparency** regarding the entire electricity transmission network in the Community

(Articles 8 and 9, Preamble 9 of Regulation 714/2009)

## The central role of the TYNDP

- The TYNDP process is, in regulators' view, **central to the future of our networks**
- It provides an excellent basis for ensuring that all necessary projects are identified, assessed (**including a comprehensive cost benefit analysis**), and where appropriate incorporated into a coherent Europe-wide plan

(ACER - CEER paper on Energy Infrastructure Package - regulatory issues, Jan 2012)

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## Role on TYNDP contribution to EU goals

- ACER provides **opinion and recommendations** to ENTSO-E, Parliament, Council, Commission where it considers that the draft TYNDP:
  - does not contribute to non-discrimination, effective competition and efficient market, or
  - does not contribute to a sufficient level of cross-border interconnection open to third-party, or
  - do not comply with the 3<sup>rd</sup> package provisions

(Art. 6 of Regulation 713/2009, art. 9 of Regulation 714/2009)

## Role on consistency of development plans

- The regulators assess national investment plans of the TSOs as regards **consistency** with Community-wide TYNDP. They may recommend to amend them
- The regulators and ACER monitor the regional cooperation of TSOs, its implementation and its outcomes
- ACER provides opinion on consistency. If ACER identifies inconsistencies, it recommends amending the national plan or the Community-wide TYNDP as appropriate  
(Directive 2009/72/EC and Regulations 713/2009, 714/2009)

## Role on monitoring implementation 1

- The regulators monitor the national investment plans of the TSOs
- The regulators and ACER monitor the regional investment plans
- ACER monitors the **implementation** of the Community-wide TYNDP and progress as regards the implementation of projects to create new interconnector capacity

(Directive 2009/72/EC and Regulations 713/2009, 714/2009)



## Role on monitoring implementation 2

- If ACER identifies inconsistencies between the Community-wide TYNDP and its implementation, it investigates the reasons and make recommendations to TSOs, NRAs and other bodies
- ACER may provide recommendations to the Parliament, the Council and the Commission [on infrastructure development issues]

(Articles 5 and 6 of Regulation 713/2009)

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## Stakeholders: involvement in TYNDP

- ACER welcomes, supports and encourages ENTSO-E's intention to improve the involvement of stakeholders in the process of (...) developing the TYNDP  
(ACER opinion on ENTSO-E Work Programme, Dec 2011)
- Does TYNDP meet your expectations? Do you see possibilities for further improvement?
- What's your feedback on participation in developing the plan?

## Stakeholders: third party projects

- ENTSO-E elaborated and made publicly available already in February 2011 a call (and the related procedure) for the inclusion of third party projects in the TYNDP
- Five submissions. They did not demonstrate evidence of a license or an exemption and are therefore excluded
- What is the proper interaction between TSOs' plans and third party projects?

## Stakeholders: acceptance through TYNDP?

- Permitting remains the biggest obstacle to timely investments. This is a particular problem in relation to cross-border projects (ACER - CEER paper on Energy Infra Package, Jan 2012)
- The TYNDP is expected to be an authoritative and comprehensive source of information
- Can the TYNDP further contribute to public understanding of infrastructure needs and to increased acceptance of projects? How?

## Methodology: regional grouping

- ENTSO-E confirmed the six regional groups adopted for preparing the pilot TYNDP 2010
- Regions are overlapping to ensure overall consistency of the regional investment plans
- Do you see alternatives for regional grouping? If yes, which ones and why?
- Where regional plans overlap, would you like to know which regional plan is more relevant for your location?

## Methodology: criteria for projects of European significance

- The TYNDP identified criteria for projects of pan-European significance, which were developed since the beginning (Feb 2011, third party procedure)
- Do you think that criteria can be further improved? If yes, how?
- Would harmonised criteria be useful also to differentiate regional and national projects?

## Methodology: market + network studies

- Single database for consistent scenarios and parallel run of several regional tools/methods
- Wider inclusion of market studies and presentation of their results (especially in some regions), compared to the pilot TYNDP
- Is it possible and useful to pursue further harmonisation of the regional approaches, when taking into account the peculiar characteristics of each region?



## The TYNDP and the EIP: improved CBA?

- ACER notes that ENTSO-E is expected to play a key role in the EIP. This role includes the TYNDP and its interaction with PCI identification, and the development of the harmonised CBA methodology

(ACER opinion on ENTSO-E Work Programme, Dec 2011)

- Does the multi-criteria CBA assessment (as presented) allow to identify the cost-benefit balance of each project?

## Costing and cost transparency

- Useful to increase transparency on costing approaches? (e.g. which cost categories, such as right-of-ways or compensation costs, are included in cost estimates)
- Should the TYNDP indicate the level of certainty of cost estimates? If yes, how?
- Would you increase transparency of cost estimates? Why? If yes, how?

## Evaluation and transparency of benefits

- Harmonised identification of seven benefits, which relate to security of supply, competitiveness and sustainability pillars of the European energy policy, plus flexibility of projects to be adequate in different scenarios
- Would you increase transparency of benefit estimates? If yes, how? Do you think worth putting further efforts in the (difficult) monetisation of some benefits attached to the proposed indicators? Why?

## Conclusion: stakeholder participation in a learning-by-doing process

- ACER notes:
  - the step forward of the TYNDP 2012 in relation to the pilot TYNDP
  - the efforts of ENTSO-E and TSOs to improve the TYNDP according to comments on the pilot TYNDP
  - the learning-by-doing approach of ENTSO-E
- ACER encourages stakeholders to contribute in the TYNDP processes

**Thank you for your attention!**



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