

Public Consultation on ENTSOG's Energy System-Wide Cost-Benefit Analysis Methodology Update (Questionnaire)

The Energy System-Wide Cost-Benefit Analysis (ESW CBA) methodology (hereafter only CBA methodology) currently in force is the one approved by the European Commission (hereafter EC) in February 2015. This methodology has been applied to develop the Ten Year Network Development Plan 2015 (TYNDP 2015) as well as TYNDP 2017. For this latest TYNDP edition, ENTSOG has complemented the CBA methodology with additional elements on a voluntary basis.

ENTSOG's development of the CBA methodology in 2015 was largely based on stakeholders' support in order to provide a robust framework to the second Projects of Common Interest (PCI) selection. The CBA methodology responds to requirements from Regulation (EU) 347/2013 and it is especially used for the selection of PCIs.

Based on the experience of TYNDP 2015 and 2017 and the 2nd and 3rd PCI selection processes, ENTSOG sees benefits in updating and improving the CBA methodology to be applied for the preparation of its TYNDP 2018, as foreseen in Article 11(6) of Regulation (EU) 347/2013. Regulation (EU) 347/2013 defines also the different steps to be followed by ENTSOG in the process of updating the CBA methodology. These steps include *"an extensive consultation process involving at least the organisations representing all relevant stakeholders — and, if deemed appropriate, the stakeholders themselves — national regulatory authorities and other national authorities"*.

ENTSOG with the support of its TSOs prepared this public consultation document formulating the identified possible paths to update the current CBA methodology. ENTSOG has taken into consideration the Opinions of ACER in particular on TYNDP 2015 and TYNDP 2017 as well as the recent findings of the study mandated by the EC, whose draft recommendations were released in March 2017.

In early 2017, ENTSOG has organised meetings with 'Prime Movers' to identify what are the most expected improvements in the CBA methodology. ENTSOG has taken these proposals into consideration in the preparation of this consultation.

Today, ENTSOG would like to receive stakeholders' feedback and concrete proposals as regards possible evolutions for its CBA methodology.

Please provide us with your feedback for all covered items, or a selection of them, no later than 16 June 2017.

Stakeholders are invited to read the supporting document ([link](#)) before filling in the questionnaire.

For any queries, please do not hesitate to contact Stefano Astorri (Stefano.Astorri@entsog.eu) and Laurent Percebois (Laurent.Percebois@entsog.eu) - and always in cc. Mirsada Spaho (Mirsada.Spaho@entsog.eu).

ATTENTION: The online survey doesn't offer the possibility to 'save halfway' and continue later, you have to complete the full questionnaire in one go. Therefore, in order to facilitate participants, at the following [link](#) you can find the questionnaire in word version [only as support - participants are expected to reply the survey online].

Identification

1.1 What is your name? [mandatory]

1.2 What is your organisation? [mandatory]

1.3 What is your email address? [mandatory]

2. How would you describe your organisation? Association (specify), Project promoter, end user, network user, trader, other (specify)?

3. ENTSOG intends to publish the results of this public consultation. ENTSOG will disclose only the organisation name but not the participant's personal information (i.e. name and email address). If your response should remain completely confidential, please indicate it below. Otherwise simply skip the following question.

- a. My response should only be disclosed anonymously (no personal information and no organisation name disclosed)
- b. My response should not be disclosed
- c. Please indicate why (free text – 1000 characters at most)

General information

4. Do you have a former experience in reading ENTSOG and/or ENTSO-E TYNDPs?
 - a. ENTSOG TYNDP 2015 and/or TYNDP 2017
 - b. ENTSO-E TYNDP 2016
 - c. None

5. Do you have a former experience in reading ENTSOG and/or ENTSO-E CBA methodologies?
 - a. Yes
 - b. No

6. Did you participate in the ENTSOG TYNDP 2017 Stakeholder engagement process?
 - a. Yes
 - b. No

7. Did you participate in the ENTSOG Stakeholder engagement process for the current CBA methodology?
 - a. Yes
 - b. No

8. Do you have experience with the Project of Common Interest (PCI) selection process by the European Commission?
 - c. Yes, with the ongoing 3rd PCI selection process
 - d. Yes, with the 2nd or the 1st PCI selection process
 - e. No

9. Why is the ENTSOG CBA methodology valuable for you?
 - a. Comment box

1. Framework

The following identified areas of improvement reflect the feedback already received from Institutions, Prime Movers and other stakeholders, together with ENTSOG's experience gained over developing TYNDP 2015 and 2017 and supporting the 2nd and 3rd PCI selection processes:

1. Simplification in terms of readability and user-friendliness, and focus on a limited number of results;
2. Integration of Project-specific CBA (PS-CBA) in the TYNDP for PCI, ensuring transparency on relevant project information, and ensuring further usability of the CBA methodology for the PCI selection process;
3. Reinforcement of the monetisation of benefits from projects and reinforced market modelling to further support project assessment;
4. Improve usability of CBA methodology for investment requests.

Therefore, the questionnaire follows the same structure as the identified area of improvement described above.

2. Simplification

For each question participants are asked to provide exhaustive justification of their answer.

2.1 Simplification of the document

Question 10: Do you have further proposals for simplification of the CBA methodology document (please elaborate)?

- a. Yes
- b. No

2.2 Infrastructure needs identification and role of TYNDP

Question 11: Do you agree that the approach of using the TYNDP assessment of infrastructure needs which is performed for each new TYNDP edition to set the frame for the Project-specific assessment would ensure a focused and pragmatic approach (please elaborate)?

- a. Yes
- b. No

2.3 Indicators

Question 12: Would you see some indicators as having limited additional value for CBA analysis? Which ones and for which reason (please elaborate)?

- a. Yes
- b. No

2.4 Infrastructure levels

2.4.1 Inclusion of the 'ADVANCED' level

Question 13: Would you agree on the relevance of the ADVANCED infrastructure level (please elaborate)?

- a. Yes
- b. No

2.4.2 Removal of the 'HIGH Infrastructure' level

Question 14: Do you agree with the proposal that the updated CBA methodology should discard the HIGH infrastructure level (please elaborate)?

- a. Yes
- b. No

2.4.3 'PCI Infrastructure' level

Question 15: Do you think the CBA methodology should keep considering the PCI infrastructure level for the TYNDP assessment (please elaborate)?

- a. Yes
- b. No

3. A CBA Methodology with an increased focus on Project-specific CBA

3.1 Grouping of projects

Question 16: Do you support that CBA methodology would include guidance on project grouping (please elaborate)?

- a. Yes
- b. No

Question 17: Would you have any view on criteria to be retained for grouping (please elaborate)?

- a. Yes
- b. No

3.2 Project fiche

Question 18: Do you support the proposal of a Project Fiche template (in terms of content, please refer to the version for the project fiche as defined for the 3rd PCI selection process and available at the following [link](#)) (please elaborate)?

- a. Yes
- b. No

Question 19: Based on the example provided, is there any additional information the project fiche should cover (please elaborate)?

- a. Yes
- b. No

3.3 Project-specific assessment in the TYNDP

Question 20: Do you support that application of CBA to TYNDP covers performance of PS-CBA (please elaborate)?

- a. Yes
- b. No

Question 21: Do you agree with the publication of PS-CBA results and relevant project information in the TYNDP through a Project Fiche (please elaborate)?

- a. Yes
- b. No

Question 22: Do you agree that the Project Fiche scope identified by ENTSOG should have PS-CBA results published (only for projects confirming their previous application for the PCI label as described at page 11 of the supporting document) (please elaborate)?

- a. Yes
- b. No

Question 23: Do you have any comments on the PS-CBA elements proposed for publication as part of TYNDP (please elaborate)?

- a. Yes
- b. No

4. A CBA building on complementary monetised and quantified benefits

4.1 Multi-Criteria Analysis

Question 24: Do you agree that the ESW CBA methodology should maintain a Multi-Criteria Analysis (MCA) approach where the monetary analysis is complemented by non-monetary and qualitative assessment (please elaborate)?

- a. Yes
- b. No

4.2 Ex-post monetisation

4.2.1 Value of Lost Load under risk of demand curtailment

Question 25: What are your views on the current European-wide approach for security of supply (SoS) monetisation followed by ENTSOG (please elaborate)?

- a. Yes
- b. No

Question 26: Would you see benefits in considering a more “country/consumer-based” approach instead of the above mentioned European-wide approach, and if yes, please precise how (please elaborate)?

- a. Yes
- b. No

Question 27: Is there any data source that ENTSOG could consider using for Value of Lost Load (VoLL) and security of supply (SoS) monetisation in the updated CBA methodology and if yes, which ones (please elaborate)?

- a. Yes
- b. No

4.2.2 Monetisation of avoided CO₂ emissions

Question 28: Do you agree with ENTSOG's view that a specific monetisation of CO₂ emissions should be done when the capacity brought by projects can be clearly linked to an increase in gas consumption and a consequent reduction of CO₂ emissions (please elaborate)?

- a. Yes
- b. No

Question 29: Would you have any suggestion on how to better measure CO₂ reductions in mature markets in relation to existing and/or new infrastructure (please elaborate)?

- a. Yes
- b. No

Question 30: Do you support monetisation of CO₂ reduction to be based on a Social Cost of Carbon (SCC) rather than on the CO₂ market prices (please elaborate)?

- a. Yes
- b. No

Question 31: *[If YES in the above question]* Would you recommend any specific information source on Social Cost of Carbon (SCC) (please elaborate)?

- a. Yes
- b. No

4.2.3 Supply source diversification and others

Question 32: Would you have any specific suggestion on a methodology or proxy for the monetisation of the supply source diversification assessment (please elaborate)?

- a. Yes
- b. No

Question 33: Is there any other element or CBA indicator for which you would have monetisation suggestions (please elaborate)?

- a. Yes
- b. No

4.3 Market layer and modelling assumptions

Question 34: Do you have any specific view regarding whether and how market modelling is relevant in the framework of infrastructure assessment (please elaborate)?

- a. Yes
- b. No

Question 35: Could you indicate any source for input data required for the implementation of a market model (such as tariffs, supply prices, etc.) (please elaborate)?

- a. Yes
- b. No

4.3.1 Import price spread configuration

Question 36: Would you have any specific views regarding information sources for import prices for the various supply sources and regarding the minimum volumes used to assess market behaviour (please elaborate)?

- a. Yes
- b. No

Question 37: How do you think that import price spread configuration could be further improved (please elaborate)?

- a. Yes
- b. No

4.3.2 Information sources for supply prices

Question 38: Consistently with your reply to question 27, what should be the information source for the different supply source prices (please elaborate)?

- a. Yes
- b. No

4.3.3 LNG diversification

Question 39: How do you think that LNG diversification could be further improved (please elaborate)?

- a. Yes
- b. No

5. CBA for investment request and CBCA

Question 40: Do you agree that CBA methodology as proposed would support promoters by providing them with a common input framework to be used (e.g. demand scenarios) and outputs indicating detailed benefits at country-level as input to promoters` own project-specific CBAs (please elaborate)?

- a. Yes
- b. No

6. Other

Question 41: Do you have any additional comment or suggestion that has not been covered in previous questions (please elaborate)?

- a. Yes
- b. No