



european network
of transmission system operators
for gas

Feedback received

TYNDP 2013-2022

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Introduction

TYNDP 2013-2022 – Improved but not perfect

- > TYNDP 2013-2022 included a series of methodological improvements targeting the main critics received by the previous edition.
- > The new approach was defined along with the stakeholders between January and June 2012, along a series of 7 SJWS for the discussion of the feasibility and added value of the different alternatives.

Feedback – preparing the ground for the next steps

- > The evolution of the TYNDP concept should target the weak points identified in the previous editions, and at the same time get it adapted to the evolving requirements.
- > Food for thoughts: Answers to public consultation and ACER's opinion.

TYNDP has to be seen as a continuously evolving concept (“the living organism”)

Feedback received

Public consultation

- > Public consultation period: February-May 2013
- > 6 Answers received, available in ENTSOG website: Edison, EFET, Eurogas, Mutual Energy, Reganosa, TAP
- > General Acknowledgment on the global improvement of the document
- > Identification of points to be further developed

ACER's opinion

- > Overall opinion: “meets the objectives of Regulation (EC) No 713/2009 and Regulation (EC) No 715/2009
- > “Invites ENTSOG to expand the scope of the TYNDP assessments and tools used for this purpose, in order to allow a better understanding of non-physical barriers and investment gaps “

Comments have been organized along 7 axis:

- | | |
|----------------------------|----------------------------|
| 1. Infrastructure projects | 4. Assessment Results |
| 2. Network model | 5. Barriers for investment |
| 3. Demand | 6. Sustainability |
| 4. Supply | |

Feedback received

1- Infrastructure projects

- > The data collection process from the point of view of the project promoter: the new on-line application, the design of the questionnaire...

PUBLIC CONSULTATION

- The process was perceived as efficient and satisfactory.
- Potential improvements:
 - A detailed user guide
 - A more flexible Web-based program

ACER's OPINION

- Monitoring of project implementation: Evolution of status and explanation of changes
- Clear definition of FID

*The collection of project data has been a good process, that could be improved with the utilization of a Web portal and the fine-tuning of the questionnaire.
A valuable feature of a Web portal would be allowing the regular update of the project data.*

Feedback received

2- Network model

- > Network topology, splits of the sources by route, cases modelled, methodology of the assessment, flow patterns...

PUBLIC CONSULTATION

- The network model is satisfactory as long as it can be updated to include further detail if necessary.
- The current definition to firm entry-exit capacity may lead to underestimation or overestimation of capacity, depending on the capacity products commercialized in different countries.
- The yearly daily average seems appropriate to some stakeholders, while other think that cases cover the description of the seasonal swing.
- Flow patterns could contemplate commercial constraints .

ACER's OPINION

- Topology should go to IP level
- Model too as a cooperative game on TSO and shippers' sides
- Non-physical barriers
- More constraints on top of physical capacity
- Price signals
- Role of UGS and LNG terminals
- Reality check

The network topology will be kept updated. A more detailed definition of the complex situations regarding capacities could be done, targeting an improved description of the existing capacities.

The model could be upgraded to include commercial constraints, as the supply prices

Feedback received

3- Demand

- > One vs. Multiple scenarios, definition of high daily demand cases, interaction between gas and electricity...

PUBLIC CONSULTATION

- ENTSOG's demand scenario with definition of different cases is satisfactory.
- Potential inclusion of seasonal cases
- Pending task: Consistency with ENSOE is seen as a MUST.

ACER's OPINION

- Move from a sum of national 1-in-20 to an European 1-in-20
- Common approach to TSO estimate to ensure consistency
- Introduction of cases deriving from a lower demand scenario
- Analysis of the differences with ENSOE
- Integration of potential of interruptible transmission contracts as a Demand Side Measure to reduce peak

On the demand side, the main target will be a further degree of consistence between ENTSOG and ENTSO-E's scenario

Feedback received

4- Supply

- > Multiple potential supply scenarios by source, supply under the reference case, LNG dual approach...

PUBLIC CONSULTATION

- The definition of supply scenarios was welcomed with the following considerations:
 - The historical period used for the estimation of the assumptions could be extended
 - The scope of the supply analysis could be enlarged:
 - Geographically
 - With a more detailed explanation of the assumptions taken on the definition of potential scenarios
 - Particular stress on the LNG supply scenarios
 - Multiple potential scenarios could be considered for national production

ACER's OPINION

- Development of environment friendly gas production
- Consideration of gas supply under peak and price and non-physical related issues
- Consider each LNG producing country as a different source
- Consideration of enhanced LNG supply

The supply sub-chapter could be extended

Feedback received

5- Assessment Results

- > Structure and set of infrastructure assessments, disruption and stress events, thresholds for supply dependence and diversification...

PUBLIC CONSULTATION

- The structure and assessments has been described as very representative.
- The disruption events have been identified as appropriate, while some additional disruption scenarios have been proposed.
- The thresholds considered as descriptive.
- The LNG potential diversification may be still not sufficiently explicit.

ACER's OPINION

- Clarification between capacity gap and lack of supply
- Naming of the disruption of transits through Ukraine not adequate
- Considering each LNG producing country as a different source
- Normalization of the Import Route Diversification and Import Dependency indexes

A robust assessment, with some fine-tuning to be discussed with stakeholders.

Feedback received

6- Barriers for investment

- > The barriers identified in this new chapter are shared by the stakeholders, nevertheless:

PUBLIC CONSULTATION

- Stakeholder involvement in the identification of barriers
- Some additional points (barriers and potential solutions) have been identified
- Monitoring: evolution of the barriers

ACER's OPINION

- Internal TSO barriers – underestimation of risks or improper identification of future supply and demand trend.
- Identification by promoters
- Guidance on how to avoid such risks

7- Sustainability

- > The contribution of gas infrastructures to a sustainable energy policy goes beyond the gas demand for power generation:

PUBLIC CONSULTATION

- Short-term over-capacity for the back-up of renewables
- Use of CO2 intensive technologies as reserve
- Potential benefit of the replacement of Coal and Oil in terms of emissions (not only CO2 but NOx, SOx and particles).
- LNG as fuel for transportation

Feedback received

Other comments

ACER's OPINION

- TYNDP not a mere sum of proposed projects: It must produce a coherent transmission system
- Overview of actual commercial use of the system
- Why new projects when the Supply Adequacy Outlook is good
- Enhanced transparency and consistency between reports:
 - European/Regional/National layers
 - Between ENTSOG ad ENTSO-E TYNDPs
 - More comprehensive submission of IP data by TSO on Transparency Platform
- Integrated European and regional process

Conclusions

Main directions for improvement

- > Monitoring of project implementation - > Web-based portal allowing a regular update
- > Introduction of market modelling - > prices as part of the implementation of the ESW-CBA
- > Consistency between ENTSO-E and ENTSG's



Thank You for Your Attention

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