



**EFET response to the ENTSOG consultation
on the Ten-Year Network Development Plan 2013-2022**

EFET Gas Committee

22nd May 2013

The European Federation of Energy Traders (EFET)¹ congratulates ENTSOG on the improvements made both to the presentation of data and the quality of the Ten-Year Network Development Plan (TYNDP) 2013-2022 report. We would like to highlight just four areas in which we continue to have some concerns and would suggest some changes to fine-tune the TYNDP:

1. Capacity at Interconnection Points

The TYNDP appears to use the capacity at each Interconnection Point (IP) that has been provided by the local TSOs, but on the other hand National Plans tend to defer to the TYNDP for IP capacities. There is a danger of circularity in the approach, which might embed inconsistent data with significant detrimental effects on investment decisions. For example, until TSOs have jointly assessed capacity at the IPs (as required by the new EU Network Code on capacity allocation) the 'lesser of' rule might be underestimating the capacity that could be offered if the combined system were operated efficiently. On the other hand, there may well be IPs where the capacities are seriously overestimated because the capacity is only firm when certain flow conditions occur in one part of the network.

In our view, the capacity that should be used in the TYNDP is the jointly assessed firm capacity that is always available (apart from when genuine emergency situations occur) to transport gas from one virtual trading point to the next. We understand that the TYNDP model is built on the assumption that we have such zones throughout Europe. The base data in the TYNDP must eventually be provided on the same consistent basis, i.e. by using the (fully) firm capacity that links adjacent balancing zones.

2. Project data

The information on gas infrastructure projects that has been collated by ENTSOG is very interesting for market participants for a variety of reasons, and we appreciate the efforts of ENTSOG to make this available to users in spreadsheet format. This project database is the 'living' part of the TYNDP as it is constantly changing as projects change their status or their scope. Whilst there need not be any formal update to the full TYNDP report more frequently than once in two years, it would be very useful if the project database were continuously updated and made available online to all interested parties. The next step in this direction might be to update and re-publish the project spreadsheets at intervals of three or six month

3. Project Selection

We note that in the future the Cost Benefit Analysis in the TYNDP will be the tool used for selection of Projects of Common Interest (PCIs). It should, however, be made clear that:

- a) Projects that have not previously been in the TYNDP can still become a PCI.

¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org.

- b) Some non-PCI projects might also occur (capacity enhancements at IPs, competing storage projects etc.) even if they had not been previously included in the TYNDP.

Such projects, which would normally arise through market needs or commercial strategies of competing energy suppliers, must not be disadvantaged by the TYNDP (and PCI) process.

4. Analysis and Presentation of TYNDP Results

The analysis by ENTSOG appears to have been thorough and well thought out. Our main concern is that the base data (like capacity at IPs and other local TSO assumption) must be sufficiently consistent. The presentation of the results is generally very clear, and ENTSOG have found pragmatic ways of displaying complex information in a reasonably clear format. Sometimes, however, the interpretation and messages cause concern among some members. For example, the continuing presentation of LNG as a 'single source' can give the impression of less supply security than might be the case for a country that has multiple LNG suppliers from several liquefaction plants in different parts of the world.