

Consultation document on ENTSOG TYNDP 2015

Through this document, European Network of Transmission System Operators for Gas (ENTSOG) launches a formal public consultation on its Ten-Year Network Development Plan (TYNDP) 2015 published on 16 March 2015.

ENTSOG published TYNDP 2013-2022 in February 2013 and, during the subsequent consultation, received valuable feedback from the stakeholders, including ACER Opinion (September 2013). For the TYNDP 2015, ENTSOG has pursued its stakeholder engagement process organizing Stakeholder Joint Working Sessions from January to May 2014, two public workshops in November 2013 and June 2014 and many bilateral talks. It was a joint process covering both the development of TYNDP concept and the adaptation of the CBA methodology under the TEN-E Regulation. Considering the strong link between TYNDP and CBA methodology, the feedback received through this questionnaire will be factored in both deliverables.

ENTSOG has endeavored to take into account all comments received and encourages stakeholders to stay actively involved in the TYNDP process. Through their response to this public consultation, stakeholders will help ENTSOG to measure in which extent TYNDP 2015 meets their expectations (Part A) and to prepare next edition (Part B).

This consultation will be open today and will end on 5 June 2015. Responses should be submitted by email to the following mail box: tyndp@entsog.eu.

This public consultation should not only be taken as a regulatory obligation by ENTSOG but as a necessary step for the continuous evolution of the TYNDP, aiming the fulfillment of reader's expectations.

0. Contact details

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How would you describe your organisation?

<input type="checkbox"/>	Association (please specify type)
<input type="checkbox"/>	Project promoter
<input type="checkbox"/>	End user
<input checked="" type="checkbox"/>	Network user
<input type="checkbox"/>	Trader
<input type="checkbox"/>	Other (please specify)

PART A – Feedback on TYNDP 2015

1. Infrastructure Chapter

In which extent this chapter meets your expectations?				
Poorly:		Sufficiently:		Perfectly: x
<p>Which parts of this chapter you particularly appreciate, if any?</p> <p>Edison appreciates the efforts made by ENTSO-G to improve the quality of the infrastructure assessments included in the Plan and welcomes the Infrastructure scenario introduced in this new edition of the TYNDP.</p>				
<p>Which parts of this chapter should be particularly improved in next edition, if any? If yes, do you have any suggestion?</p> <p>We wish to reiterate the same comments already made during the development phase of the Plan regarding the “Final Investment Decision”- FID. We would remark the importance to consider the FID definition as the final step of a project schedule before construction and final commissioning. Moreover, it must be unconditional and not subject to other external or internal events.</p> <p>Therefore, each project promoter claiming the FID status for its project should demonstrate that the permitting phase is successfully completed with the award of all the necessary authorizations and permits necessary to start with the construction phase. Hence, we believe that ENTSO-G, and the other involved actors, especially NRAs and UE Commission, should pay attention to verify if project promoters’ declaration on project status are consistent with these basic principles in order to avoid unfair discrimination between projects. A first improvement could be reached if ENTSOG made known the typology of documents that a project promoter claims to have obtained, in relation to the FID status.</p> <p>In addition, we also consider useful that ENTSOG informs about the list of permits and authorization documents beyond the FID, obtained by a project promoter.</p>				

2. Barrier to investment Chapter

In which extent this chapter meets your expectations?				
Poorly:		Sufficiently: x		Perfectly:
<p>Which parts of this chapter you particularly appreciate, if any?</p> <p>We have appreciated the identification by ENTSOG of the main challenges that the promoters typically bump into, in particular, we agree with the two main barriers identified in the document: the regulatory and the market frameworks.</p>				

More in general, we agree with the concept that a clear political vision on the long-term role of gas in the European energy mix is of streamline importance. Together with this, the market outset remains a crucial aspect for any investment perspective. In particular, a favorable market context with suitable market-based energy policies encourages investors to implement the investment.

Which parts of this chapter should be particularly improved in next edition, if any? If yes, do you have any suggestion?

In the next edition it could be stressed that the barriers to invest in gas infrastructures listed by can have a possible impact in delaying or preventing the realization of investment projects. In particular, we refer to:

- all those factors that can negatively impact the appetite for new infrastructure projects
- the difficulties of project promoters to take a Final Investment Decision.

3. Demand Chapter - Analysis of historical demand

In which extent this section meets your expectations?

Poorly:		Sufficiently:		Perfectly:	x
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Which parts of this section you particularly appreciate, if any?

We agree with the approach adopted by ENTSG in the analysis of historical demand carried out in the TYNDP.

Which parts of this section should be particularly improved in next edition, if any? If yes, do you have any suggestion?

4. Demand Chapter - Definition of scenarios to be used in the Assessment Chapter

In which extent this section meets your expectations?

Poorly:		Sufficiently:		Perfectly:	x
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Which parts of this section you particularly appreciate, if any?

We welcome the increased coordination between ENTSG and ENTSG in this edition of the Plan. As result of this collaboration, we have appreciated the definition of gas demand scenario for power generation based on the Visions covered by ENTSG-E's TYNDP 2014.

Which parts of this section should be particularly improved in next edition, if any? If yes, do you have any suggestion?

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5. Supply Chapter - Analysis of historical supply

In which extent this section meets your expectations?				
Poorly:		Sufficiently:		Perfectly: x
Which parts of this section you particularly appreciate, if any?				
Which parts of this section should be particularly improved in next edition, if any? If yes, do you have any suggestion?				

6. Supply Chapter - Definition of scenarios to be used in the Assessment Chapter

In which extent this section meets your expectations?				
Poorly:		Sufficiently:		Perfectly:
Which parts of this section you particularly appreciate, if any?				
Which parts of this section should be particularly improved in next edition, if any? If yes, do you have any suggestion?				

7. Assessment Chapter

In which extent this chapter meets your expectations?				
Poorly:	x	Sufficiently:		Perfectly:
Which parts of this chapter you particularly appreciate, if any?				
Please, see answer to question n. 14.				
Which parts of this chapter should be particularly improved in next edition, if any? If yes, do you have any suggestion?				

8. Layout of the report (clarity of the analysis, graphical representation...)

In which extent do you consider that the form of the report support its content?				
Poorly:		Sufficiently:		Perfectly: x

<p>Which layout elements you particularly appreciate, if any? We are generally satisfied with the layout of the report.</p>
<p>Do you have any specific concerns regarding the layout of the report? If yes, do you have any suggestion?</p>

9. Stakeholder engagement process

Do you consider that ENTSOG offered you sufficient opportunity to be involved in TYNDP process?			
Yes:	x	No:	
Have you taken part in any public workshop or Stakeholder Joint Working Session related to TYNDP 2015?			
Yes:		No:	
<p>Which part of the process have you particularly appreciated, if any (public workshop, Stakeholder Joint Working Sessions, bilateral meetings, data collection...)?</p> <p>We have appreciated ENTSO-G's efforts to actively engage stakeholders during the development phase of the TYNDP 2015 Plan through the Stakeholder Joint Working Sessions and, after its publication, through the public workshop held in Athens and this public consultation.</p> <p>We believe that a continuous and transparent engagement of all interested stakeholders in the development of the Plan will contribute to further improving the quality of the report as well as its understanding by the natural gas market participants.</p>			
<p>Do you have any suggestion regarding how ENTSOG could improve the engagement process?</p> <p>We appreciated all the ENTSOG's initiatives involving the stakeholders and we suggest the improvement of a webinar, a video conference and of any other instrument that could allow a complete stakeholders' participation, in particular when they can't take part physically to the meetings.</p>			

10. General comment

What is your overall appreciation of TYNDP 2015?									
Very poor		Poor		Average	x	Good		Very good	
<p>Do you have any additional comment on the extent in which TYNDP 2015 meets your expectations?</p> <p>Edison continues to appreciate ENTSO-G's impartial approach to infrastructure assessment which provides market players with a clear overview of the existing and future gas transmission, storage and LNG projects. We agree with ENTSOG concerning the fact that Europe could benefit</p>									

from a high level of infrastructures, as a precondition to realize the completion of European market integration.

However we think that a balance between the **completeness** of the information related to the number of projects and the **realism** of the investments should be found. If not, the risk is having in place a Plan that is not realistic and reliable.

Indeed, especially in the current economical context it is very difficult for projects to be realized. The insufficient demand in the domestic or international market is one of the main barrier that the investors have to face today: in this situation long term investments are hardly covered by the current level of the market demand and consequently most of them are not put in place.

Finally, as a very general comment, we think that the presence of a clear energy strategy is a key element for the development of gas infrastructures. An energy strategy that fixes priorities is fundamental to develop sustainable investments' plans. As already underlined by ENTSG, fixing energy goals is just the first step to incentivize the competitiveness of gas against coal.

Part B – Preparation of the next edition

11. Project maturity

The quality of the assessment of the European gas system depends on the accuracy of the topology of the infrastructure (the way firm capacity interlinked different systems being transmission, storage or LNG terminal).

In case projects do not have a sufficient maturity to precisely identify interconnection with existing or planned infrastructure (interconnection point, capacity increment or commissioning date not clear enough) it affects the ability to assess not only these projects but all the others both at TYNDP and CBA level. In addition the inclusion of such projects in the assessment may give an over-optimistic picture of infrastructure development.

Please provide your preferred alternative to address this situation:

To be considered in the Assessment Chapter a project should be submitted together with a document demonstrating that some prefeasibility study of its interconnection has been carried out (e.g. Memorandum of Understanding, national investment plan...). Such documents should describe the interconnection (which systems are interconnected), the capacity increment and the commissioning date.	YES
To be considered in the Assessment Chapter a project should be submitted in coordination by the promoters/operators of the interconnected infrastructures (cross-check of submissions through the online portal).	NO
A specific treatment should be put in place for projects where above conditions	

cannot be fulfilled. Such projects could be included in the Annex A of TYNDP to enable its eligibility to the PCI selection process but not considered in the Assessment Chapter.	
<p>Other (please describe):</p> <p>We agree with the first alternative, but we recommend that project data considered as commercially sensitive by project promoters (e.g. data related to the costs of the projects), are subject to adequate confidentiality clauses to avoid the spread and the publication of such information.</p> <p>We suggest that any information related to projects' costs and, more in general, the commercial and financial information used to carry out the project specific CBA should be made available only to the relevant institutional bodies (i.e., EU Commission, the Regional Groups) responsible for the assessment of candidate PCIs and not published e.g. in the TYNDP.</p>	

12. Evolution of infrastructure projects

Infrastructure projects are continuously evolving and new projects appear between subsequent TYNDP editions. Nevertheless considering changes in projects happening after the submission deadline will induce significant delay in the publication of TYNDP and subsequent PCI selection. For example TYNDP 2015 has been delayed in order to consider the cancellation of South Stream upon request from EU Commission.

Please provide your opinion regarding the introduction of changes in projects:

Only the projects submitted before the deadline should be taken into account. Any changes/additions/cancellations after the deadline should be disregarded.	
As general rule, changes on already submitted infrastructure projects should not be taken into account. Nevertheless in specific cases where the impact of the change is of major relevance, it should be considered along with the delay caused by its implementation.	YES
<p>If you have answered yes to the previous question, how such potential major changes should be identified and considered (e.g. formal request from the European Commission, agreement within the Regional Groups...)?</p> <p>We recommend that any change on already submitted projects or addendum of gas infrastructures after the submission deadline, has to be strictly limited to a particular situation and related to a specific area, mitigating the withdrawal of a specific project (when it is the case). Moreover, every change should be done in a transparent way.</p> <p>Finally, we believe that it is of paramount importance that any projects eventually submitted after the deadline have to be considered at the level playing field of projects already listed in the TYNDP.</p>	

13. Assessment of sustainability aspects

In TYNDP 2015, the assessment of the sustainability focuses on the quantification of the RES production and associated gas flexibility as well as the measurement of CO₂ emissions from the power generation sector.

<p>Do you agree with this approach? If not, please explain why</p>	<p>YES</p>
<p>Do you see other environmental perspectives that could be addressed in TYNDP assessment? It should also be considered the benefit of power production from natural gas replacing the use of coal and oil power stations consisting in reducing dramatically the emissions of other pollutants, in addition to CO₂, such as nitrogen dioxide (NO_x), sulphur dioxide (SO₂) and particulate. Moreover, the model could take into account specific features of projects, for example some storages operates with electric compressors with substantially zero CO₂ emissions in respect of gas driven compressors</p>	
<p>If yes, what could be a methodology to address them?</p>	

14. Streamlining of the methodology

The Assessment Chapter from TYNDP derives directly from the CBA methodology. Preliminary feedback has shown a willingness to simplify the assessment but this would imply a downscaling of the CBA methodology to be used in the PCI selection.

Please provide your opinion:

<p>How do you consider the balance between the complexity and the comprehensiveness of the assessment?</p>					
<p>Too complex</p>	<p>X</p>	<p>Right balance</p>		<p>Not comprehensiveness enough</p>	
<p>If too complex, which part of the assessment could be removed from the methodology? We consider the asses We think that the information required to project promoters for the inclusion of their projects within the TYNDP are exhaustive in order to carry out the Project Specific CBA, as required by the Regulation 347/2013 EU on “guidelines for trans-European energy infrastructures”. Nevertheless some aspects related to the templates for the collection of information are too much complex. In particular, we think that the number of templates for each project is too high as well as the number of indicators and configurations (52). In this situation, project promoters have to face with an elevated complexity that could also risks to compromise/distort the final results,</p>					

impacting negatively on the quality of the Plan.

Consequently, in order to ensure a consistent and transparent collection process of infrastructure projects we suggest to reduce and simplify the number of tools.

Finally, we have a further comment on the collection process. Given its complexity, we would recommend to reassess the philosophy implemented into the model to have a more efficient PCI process by foreseeing a time window in which project promoter can verify/discuss the results provided by ENTSG, before the publication of the final results in the Plan.

Today this is not provided and in some cases project promoters can have difficulties in understanding the evaluation process (and the results) of their project.

If not comprehensive enough, which assessment should be deepen or added to the methodology?

We wish to highlight some details related to the templates filled out during the last PCI process.

Concerning the Economic template, it does not take into account any residual value of the project although the CBA Methodology approved by ACER and the EC clearly states in section 7.2 that it shall be taken into account also for the economic analysis.

Therefore, the Economic CBA should be interpreted just as part of information to be considered along the PCI selection process and cannot be read as indicator or a proxy for the net gain attributable to a project Group.

15. Priority for next edition and long term monitoring of gas quality

What should be the priority direction(s) of improvement for the next edition?

As mentioned above, we hope that such part of next TYNDP edition, in particular Assessment Chapter, would be simplify.

As part of the implementation of the Network Code on Interoperability and Data Exchange, ENTSG will have to include its first long term monitoring of gas quality in TYNDP 2017.

What are your main expectations regarding this new assessment?