

ELENGY's answer to the
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 checked="" type="checkbox"/>	Project promoter
<input type="checkbox"/>	End user
<input 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:	<input checked="" type="checkbox"/>	Perfectly:
Which parts of this chapter you particularly appreciate, if any?				
Which parts of this chapter should be particularly improved in next edition, if any? If yes, do you have any suggestion?				

2. Barrier to investment Chapter

In which extent this chapter meets your expectations?				
Poorly:		Sufficiently:	<input checked="" type="checkbox"/>	Perfectly:
Which parts of this chapter you particularly appreciate, if any? The use of a second demand scenario in order to mitigate the risk of overestimating investment needs.				
Which parts of this chapter should be particularly improved in next edition, if any? If yes, do you have any suggestion? Aspects relating to the gas competitiveness in Europe.				

3. Demand Chapter - Analysis of historical demand

In which extent this section meets your expectations?				
Poorly:		Sufficiently:	<input checked="" type="checkbox"/>	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? The TYNDP 2015 presents the yearly demand evolution up to 2013 only, while it has been published mid March 2015. What's about 2014 ? Yet very important changes happened during that period. Thus, as there may be important variations from one year to another, TYNDP should present the most up to date data, including best estimates when definitive data are not available.				

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

In which extent this section meets your expectations?				
Poorly:		Sufficiently:	X	Perfectly:
Which parts of this section you particularly appreciate, if any? ENTSOG-E's data regarding thermal power production.				
Which parts of this section should be particularly improved in next edition, if any? If yes, do you have any suggestion? The Grey scenario comes from the IEA-WEO 2013, while the IEA-WEO 2014 was already available six months before the publication of the TYNDP 2015. The reference scenarios used for the TYNDP would deserve to be the most up to date ones. In addition, dates of any sources referred to in the TYNDP should be clearly mentioned: eg. Eurogas scenario 20xx?. Moreover in order to bring better credibility to TSOs demand forecasts (in this process, TSOs are both judge and jury), a comparison of their past forecasts and the actual demands for a given year would deserve to be presented in the TYNDP. This comparison should be made country by country, over a sufficiently significant period (eg. at least 3 years).				

5. Supply Chapter - Analysis of historical supply

In which extent this section meets your expectations?				
Poorly:		Sufficiently:	X	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? As already mentioned in § 3 an § 4 above, the most up to date information /data (including best estimates) would deserve to be published in the TYNDP.				

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

In which extent this section meets your expectations?				
Poorly:	X	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?

ENTSOG's economical scenario appears as highly questionable. This is in particular the case with the price curves that do not reflect the way gas markets work. We recall what we already said several times during the preparatory work: ENTSOG should contact professional and independent experts in energy markets.

In addition, ENTSOG's decision to deeply change the relative competitiveness of pipeline gas vs. LNG* just a few weeks before the publication of the TYNDP raises concerns. And the reasons adduced to justify the change** only reinforces the concerns:

- why such a change had been needed to "ensure the necessary overlap of the curves [...]?"
- can one really consider that Europe has a "small influence [...] on the global LNG market", while at the same time one considers Europe as "a premium market" in order it to be able to attract up to 30% of the world LNG exports*** ?

This last question regarding the way LNG is handled in the TYNDP, is just one issue among many others. In fact, the entire hypothesis regarding LNG would deserve to be reviewed in depth.

* $\pm 15\%$ for pipeline sources and $\pm 2\%$ for LNG source in the TYNDP published on 16 March 2015 ; to be compared to $\pm 10\%$ for all sources in the CBA published by ENTSOG on 13 February 2015.

** cf. Appendix F, p. 9.

***cf. Main Report p. 126.

7. Assessment Chapter

In which extent this chapter meets your expectations?

Poorly:	X	Sufficiently:		Perfectly:	
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Which parts of this chapter you particularly appreciate, if any?

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

Some assessments (eg. saturation of all LNG terminals located north of Spain, which implies enormous LNG imports) are at odds with forecasts from major consultants in energy markets. This seems to be linked to the price curves as defined by ENTSOG which may not reflect the real competition between LNG and pipeline gas (cf. § 6 above). Thus, indicators referring to the price curves have to be considered very cautiously, as assessments may be misleading. This seems to be the case, in particular with respect to the Price Convergence indicator.

Moreover the relevance of the number and definition of indicators should be revisited and changed, when appropriate, as several of them are overlapping with each other.

In addition the probability of occurrence of each case would deserve to be evaluated in order to clarify and sort out the issues and to avoid to mix everything at the same level.

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:	X	Perfectly:
Which layout elements you particularly appreciate, if any?				
Do you have any specific concerns regarding the layout of the report? If yes, do you have any suggestion?				

9. Stakeholder engagement process

Do you consider that ENTSOG offered you sufficient opportunity to be involved in TYNDP process?				
Yes:			No:	X
Have you taken part in any public workshop or Stakeholder Joint Working Session related to TYNDP 2015?				
Yes:	X		No:	
Which part of the process have you particularly appreciated, if any (public workshop, Stakeholder Joint Working Sessions, bilateral meetings, data collection...)?				
Do you have any suggestion regarding how ENTSOG could improve the engagement process? ENTSOG should associate non-TSOs as from the beginning, and not only consult them. In particular, LSOs and LNG shippers would deserve to be associated with respect to LNG matters. This would certainly help the specificities and advantages of LNG to be really taken into account in the TYNDP.				
Moreover ENTSOG should endeavor to keep things as simple as possible.				

10. General comment

What is your overall appreciation of TYNDP 2015?						
Very poor		Poor	<input checked="" type="checkbox"/>	Average		Good
						Very good
Do you have any additional comment on the extent in which TYNDP 2015 meets your expectations?						
As expected, an important conclusion of the TYNDP 2015 is that Europe will more and more rely in the future on Russian gas and on LNG. Therefore it is paramount that these sources are properly taken into account from every point of view. Otherwise, assessments may be misleading (cf. §7).						

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.	NO
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.	NO
Other (please describe):	

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.	YES
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
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...)?	
Other (please describe): If a change is accepted for one project, any other project should have the right to be changed / adapted.	

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.

Do you agree with this approach? If not, please explain why	YES/NO
Do you see other environmental perspectives that could be addressed in TYNDP assessment?	
If yes, what could be a methodology to address them?	

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:

How do you consider the balance between the complexity and the comprehensiveness of the assessment?					
Too complex	<input checked="" type="checkbox"/>	Right balance	<input type="checkbox"/>	Not comprehensive enough	<input type="checkbox"/>
If too complex, which part of the assessment could be removed from the methodology? Overlapping between indicators would deserve to be avoided.					
If not comprehensive enough, which assessment should be deepen or added to the methodology? Comprehensive doesn't mean complex.					

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? The economical approach in general, and with respect to LNG in particular (cf. § 6 above) .
As part of the implementation of the Network Code on Interoperability and Data Exchange, ENTSOG will have to include its first long term monitoring of gas quality in TYNDP 2017. What are your main expectations regarding this new assessment?