

# TYNDP 2017

## Consideration of ACER views on TYNDP 2017

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# ENTSOLOG collaboration with ACER/NRAs

***ACER Opinion on TYNDP 2015 (Nov-15) used as input for TYNDP 2017***

## ***ENTSOLOG / ACER discussion in December 2015***

- > ACER indicated to ENTSOG its “top priorities”
- > ENTSOG clarified what it would (or not) consider for TYNDP 2017
- > ACER priorities and ENTSOG position presented in the 11<sup>th</sup> TYNDP WS

## ***Further collaboration during the stakeholder engagement phase***

***ACER presents today its views on TYNDP 2017 process and concept***

## ***ENTSOLOG consideration of ACER views***

- > ENTSOG statement on what has been considered
- > ENTSOG understands ACER views on further work and changes as to be considered for next TYNDP



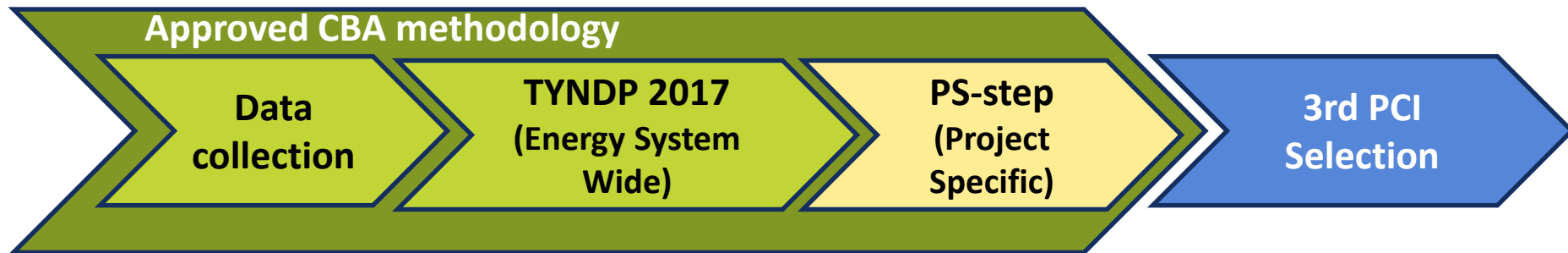
# Background on TYNDP 2017

## ***TYNDP is developed according to the CBA Methodology***

- > For TYNDP 2017: adapted CBA methodology approved by the EC in February 2015
- > TYNDP 2017 will complement the CBA with **additional elements** on a voluntary basis

## ***Where does TYNDP stand in the PCI process?***

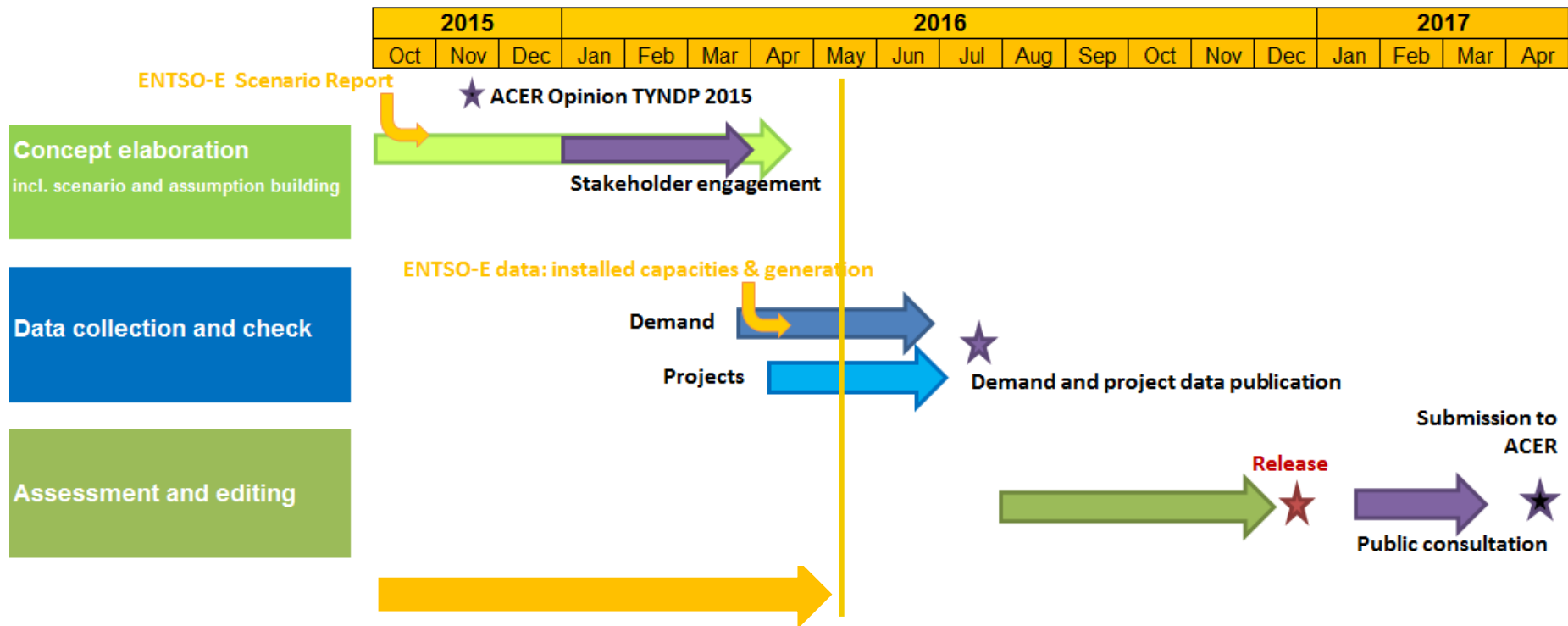
- > TYNDP 2017 is a first step in the 3<sup>rd</sup> PCI selection process
- > But TYNDP is more than just a contribution to the PCI selection process



***PS-step will come later as a second step***



# TYNDP 2017 process and timeline



- > Early transparency on demand and project data in July
- > Assessment finalised and published end 2016 to feed the PCI selection process



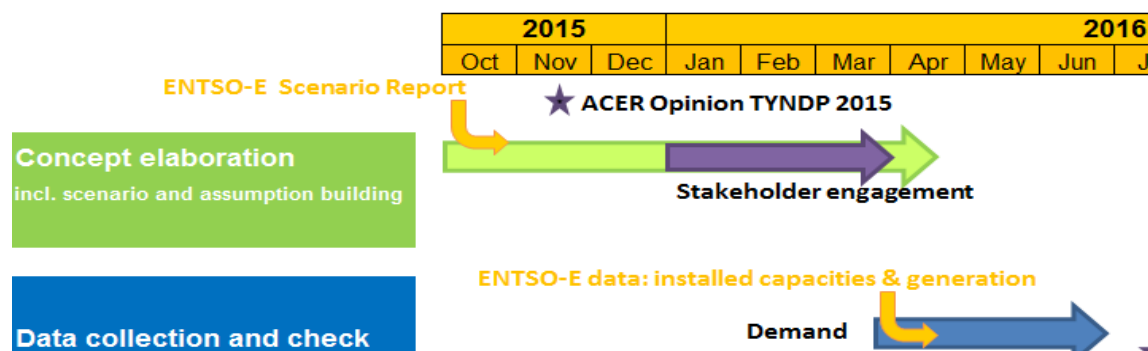
## **Reliable input data**



# Reliable inputs: demand scenarios

## *Gas-TYNDP 17 has increased consistency with the elec-TYNDP 16*

- > TYNDP 15 already building on e-TYNDP 14, with ENTSO-E mentioned 35+ times
- > e-TYNDP 16 scenario development process with electricity stakeholders: Q3-14 to Q3-15
- > TYNDP 17 strongly build on e-TYNDP 16 for power generation from gas
  - Scenario Report considered for gas scenario building
  - **Generation & capacities** as input together with **gas expertise & gas vs coal sensitivity**



*ENTSOs cooperation will be further increased for the TYNDPs 2018*



# Reliable inputs: infrastructure projects

## *A refined project collection taking on board ACER recommendations*

- > **Improved classification of projects along 3 status**, thanks to ENTSG / ACER co-building of an “advanced” criterion, and information requested from promoters on project schedule:
  - FID
  - Advanced non-FID
  - Less advanced non-FID
  
- > This allows to perform the TYNDP assessment for the following 4 Infrastructure levels
  - Low (FID projects)
  - Advanced (FID + Advanced non-FID)
  - High (FID + all non-FID)
  - PCI 2<sup>nd</sup> list (FID + PCI 2<sup>nd</sup> list)
  
- > **Transparency on inclusion (or not) of TYNDP projects in NDPs**





# Reliable inputs: infrastructure projects

## *A refined Project collection taking on board ACER recommendations*

- > **Projects costs collected from promoters** ensuring that TYNDP provides the Energy-System Wide (ESW) view on costs and benefits
  - Costs will be reflected in TYNDP at aggregated level
  - Improvement from TYNDP 2015
- > **ENTSOG cannot agree on ACER request to publish individual project costs in TYNDP**
- > Promoters' request to preserve cost confidentiality cannot be disregarded
  - TYNDP projects cover both TSOs and third-party projects.
  - Projects may compete with each other.
  - ENTSOG will ensure confidentiality of individual projects costs: they will not be accessible, even to the ENTSOG staff
- > Access to costs by relevant bodies is granted outside of the TYNDP
  - As part of their role, NRAs have access to project costs
  - In PCI selection process, as part of their PS-CBA, promoters will provide their costs to the institutions in charge



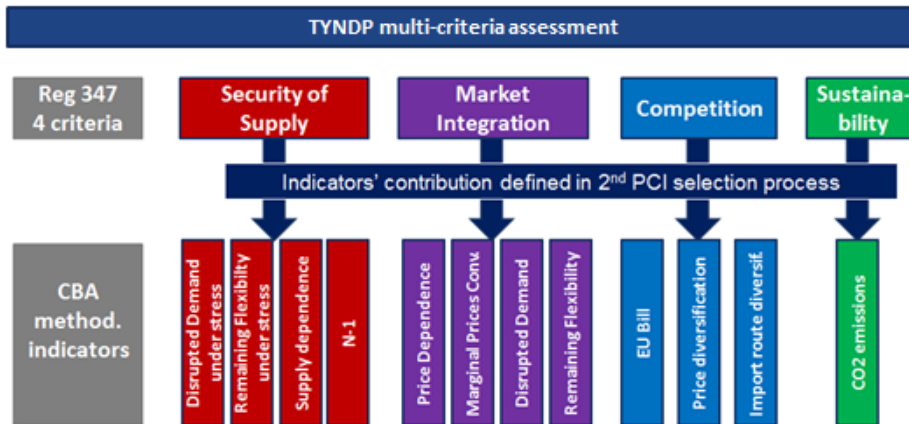


# **Improved assessment**



# An improved assessment

## *A more structured assessment of the infrastructure gap*



- > A dedicated chapter where CBA indicators assessment will be structured along the **criteria from Regulation 347**, in line with ACER recommendation for more structure

## *Indicators assess the cross-border situation*

- > All relevant indicators (10) are calculated **at country-level**
- > This provides a detailed assessment of the **cross-border situation**

## *Do projects close the gap?*

- > Answered by assessment under the Infra. levels (Advanced, High and 2<sup>nd</sup> PCI list)
- > **Which projects?** Different types of projects can answer a given gap. Project-Specific assessment, taking place outside of TYNDP, provides further insight.



# Further monetisation

## *Valuation of lost load for disrupted volumes*

### ***Disrupted volumes is the main result***

- > Information on **demand structure**, provided by TSOs, will complement the analysis
  - such as power sector / final sector

### ***TYNDP 2017 approach to VoLL***

- > **Simple and standardised**
  - Basis: Total EU28 GDP / Gross Inland Consumption
  - Recognised approach: used and considered accurate by EIB, REKK
  - To keep it even simpler: use of a **fixed value** over the time horizon: **600 EUR/MWh**
  - Users will be able to recalculate with a different value
- > **Fit for purpose**
  - The approach has limitations, yet it fits the purpose
  - Allows to feed the simulation tool with a realistic cost of disruption
  - Ensures a **consistent EU approach** when comparing projects

*The approach to VoLL in TYNDP 2017 is a step forward. Further steps may be taken in next edition.*

# Other elements

## *Modelling*

- > ENTSG is surprised at ACER considering the modelling as “abstract”
- > ENTSG provided **transparency** on the modelling (see SJWS#2 and #5)
- > ENTSG modelling proved to provide valuable results
- > Modelling fitted to TYNDP objective to identify **where infrastructures are needed** (“hardware” solutions)
  - Infrastructure should not substitute “software” measures (i.e. full implementation of EU Regulations, reconsideration of specific transmission tariffs...)
  - Hence the **perfect market functioning** approach (i.e. “software” measures exhausted)
  - Comparing actual situation vs TYNDP results provides insights on “software” solutions



## Other elements



### ***Gas quality***

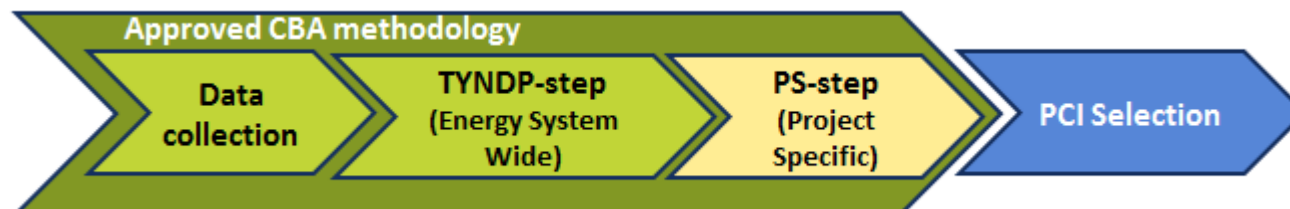
- > L-gas will be modelled in the GRIP NW
  - L-gas balances per market area

### ***LNG potential for diversification***

- > ENTSOG fully acknowledges LNG embedded diversification
- > TYNDP looks at the big picture: avoid complexity where not valuable for the assessment
- > For TYNDP 2017, LNG diversification will be handled **qualitatively**, in relation with GLE



# Project-Specific related topics



***PS-step takes place after and out of TYNDP (application of CBA methodology)***

## ***Clustering of projects***

- > TYNDP provides the ESW assessment of projects along the Infrastructure levels
- > No project clustering in the TYNDP
- > Project clustering is promoters responsibility and takes place later in the PS-step
- > ACER recommends ENTSG "a priori" guidance: ENTSG will consider in the coming months how it can support on this topic

## ***Benefits and costs***

- > ACER expects publication in TYNDP of benefits and costs per project: this is a PS-related topic, it will not be available within TYNDP
- > TYNDP 2017 will provide benefits and costs at Energy-System Wide level



**A large part of ACER views have been  
considered in TYNDP 2017**





# Thank You for Your Attention

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