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CONTRIBUTION

From:	General Secretariat of the Council
To:	Delegations
Subject:	HU comments on the TEN-E Regulation

Delegations will find in the annex the HU comments on the TEN-E Regulation.

Article 11

Energy system wide cost-benefit analysis

1. By [16 November 2022], the European Network of Transmission System Operators (ENTSO) for Electricity and the ENTSO for Gas shall publish and submit to Member States, the Commission and the Agency their respective methodologies, including the network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union level for projects of common interest falling under the categories set out in points (1)(a), ~~(b)~~, (c) and (e), ~~point (2)~~ and point (3), ~~point (4)a) and (5)~~ of Annex II.

Those methodologies shall be applied for the preparation of each subsequent Union-wide ten-year network development plans developed by the ENTSO for Electricity or the ENTSO for Gas pursuant to Article 8 of Regulation (EC) No 715/2009 and Article 30 of Regulation (EU) 2019/943. Those methodologies shall be drawn up in line with the principles laid down in Annex V and be consistent with the rules and indicators set out in Annex IV.

Prior to submitting their respective methodologies, the ENTSO for Electricity and the ENTSO for Gas shall conduct an extensive consultation process involving at least the organisations representing all relevant stakeholders, including the entity of distribution system operators in the Union ('EU DSO entity'), all relevant hydrogen stakeholders and, where it is deemed appropriate the national regulatory authorities and other national authorities.

2. Within three months of the receipt of the methodologies together with the input received in the consultation process and a report on how it was taken into account, the Agency shall **complete an extensive consultation on the submitted draft methodologies**

Within three months of the receipt of the methodologies, Member States and the European Commission may deliver an opinion on the methodologies to the Agency and, as applicable, the ENTSO for Electricity or the ENTSO for Gas

~~3. The ENTSO for Electricity and the ENTSO for Gas, shall update the methodologies taking due account of the Agency's opinion, as referred to in paragraph 2, and submit them to the Commission for its opinion.~~

~~4. Within three months of the day of receipt of the updated methodologies, the Commission shall submit its opinion to the ENTSO for Electricity and the ENTSO for Gas.~~

No later than six months after the receipt of the methodologies, the Agency shall adopt a decision on the methodologies, whether to approve them or to amend them or request amendments to them, and publish it on the Agency's website

Within two months of the date of receipt of such a request for amendments, the ENTSO for Electricity or the ENTSO for Gas shall submit the proposed changes to the Agency. Within two months of the date of receipt of the proposed changes, the Agency shall amend or approve the changes and publish those changes on its website

~~6. Where the changes to the methodologies are considered to be of incremental nature, not affecting the definition of benefits, costs and other relevant cost benefit parameters, as defined in the latest Energy system wide cost-benefit analysis methodology approved by the Commission, the ENTSO for Electricity and the ENTSO for Gas shall adapt their respective methodologies taking due account of the Agency's opinion, as set out in paragraph 2, and submit them for the Agency's approval.~~

Commented [REDACTED]: We propose that the CBA methodologies for non-transmission projects should not be conducted by the ENTSSOs. Therefore, it is proposed to delete letter (b) (electricity storage) in this paragraph. At the end of Article 11, we propose that the European Commission shall assign responsibilities for developing these methodologies, which shall be compatible with the methodologies developed by the ENTSO for Electricity and the ENTSO for Gas in terms of monetised benefits and costs. The Agency, with the support of National Regulatory Authorities, shall ensure consistency of these methodologies with the methodologies elaborated by ENTSO for Electricity and the ENTSO for Gas. The methodologies shall be developed in a transparent manner, including extensive consultation of Member States and of all relevant stakeholders

Commented [REDACTED]: In a decarbonised EU wide energy system, besides electricity and hydrogen infrastructure also smart gas, power to gas and CO2 infrastructure are part of the system wide CBA. We propose addition of these categories. On the other hand the deadline for such modelling may be short.

Commented [REDACTED]: To enable an efficient and streamlined process, ACER should be empowered to approve and, where appropriate, to amend the CBA methodologies, after a wide and open consultation on the ENTSSOs' submitted drafts

Commented [REDACTED]: We have some time concern with regard to extra opinion making role of the COM. The procedure is already quite time consuming. We propose for the COM and ACER to elaborate their opinions in a parallel manner which ENTSO will take into account when finalising the method. Under the proposed timeline ENTSO would be forced to start the procedure even before the adoption of the Regulation. This creates legal uncertainty. As an alternative, we also support the Czech proposal to have COM opinion in case of non-agreement a last resort option.

Commented [REDACTED]: Incremental changes are not defined, we propose to delete term, as it is vague and creates uncertainty.

7. ~~In parallel, the ENTSO for Electricity and the ENTSO for Gas shall submit to the Commission a document justifying the reasons behind the proposed updates and why those updates are considered of incremental nature. Where the Commission deems that those updates are not of incremental nature, it shall, by written request, ask the ENTSO for Electricity and the ENTSO for Gas to submit to it the methodologies.~~ In such case the process described in paragraphs 2 to 5 applies.

Commented [REDACTED]: We do not see the added value of double checking non-substantial updates also checked by ACER. It is against the principle of simplification and acceleration of procedures. ACER should be able to decide alone.

8. Within two weeks of the approval by the Agency ~~or the Commission~~ in accordance with paragraphs 5 ~~and 6~~, the ENTSO for Electricity and the ENTSO for Gas shall publish their respective methodologies on their websites. They shall publish the corresponding input data and other relevant network, load flow and market data in a sufficiently accurate form in accordance with national law and relevant confidentiality agreements. The Commission and the Agency shall ensure the confidential treatment of the data received, by themselves and by any party carrying out analytical work for them on the basis of those data.

Commented [REDACTED]: We support DE, CZ with regard to the confidentiality of data and propose to bring back the text in force.

For projects of common interest falling under the categories (1b), (1d), (2), and (4) of Annex II, methodologies for a harmonised energy system-wide cost-benefit analysis at Union level shall be elaborated too. The European Commission shall assign responsibilities for developing these methodologies, which shall be compatible with the methodologies developed by the ENTSO for Electricity and the ENTSO for Gas in terms of monetised benefits and costs. The Agency, with the support of National Regulatory Authorities, shall ensure consistency of these methodologies with the methodologies elaborated by ENTSO for Electricity and the ENTSO for Gas. The methodologies shall be developed in a transparent manner, including extensive consultation of Member States and of all relevant stakeholders

10. Every three years, the Agency shall establish and make publicly available a set of indicators and corresponding reference values for the comparison of unit investment costs for comparable projects of the infrastructure categories included in points (1), ~~(2)~~ and (3) of Annex II. Those reference values may be used by the ENTSO for Electricity and the ENTSO for Gas for the cost-benefit analyses carried out for subsequent Union-wide ten-year network development plans. The first of such indicators shall be published by [1 November 2022].

Commented [REDACTED]: ENTOSs should not be in charge for non-transmission CBAs. The European Commission should assign responsibilities for developing the CBA methodologies for non-transmission projects (electricity storage, smart electricity grids, smart gas grids, electrolyzers), and include a role for ACER and the NRAs to scrutinise these methodologies following the same process suggested by regulators for the ENTOSs CBA methodologies

Commented [REDACTED]: We propose to ask ACER's opinion on the necessity of 3 year frequency of the indicator and reference value setting.

Infrastructure owners, system operators and third-party promoters are obliged to provide the requested data to the national regulatory authorities and to the Agency

Commented [REDACTED]: Smart gas grids were left out in the EC proposal. We suggest that the Unit Investment Report be conducted for smart gas grids, too, as such projects could be part of the TYNDP and smart electricity grids are already included in the unit investment cost exercise

11. By [31 December 2023], the ENTSO for Electricity and the ENTSO for Gas shall jointly submit to the Commission and the Agency a consistent and interlinked energy market and network model including electricity, gas and hydrogen transmission infrastructure as well as storage, LNG and power to gas applications including electrolyzers, covering the energy infrastructure priority corridors and the areas drawn up in line with the principles laid down in Annex V.

Commented [REDACTED]: An obligation on infrastructure owners, system operators and third-party promoters, to provide the requested data, is needed. Such an obligation would significantly increase the quality of data and help regulators and ACER assess project costs.

Every four years starting from its approval according to paragraph 13, the interlinked model shall be updated according to the procedure described in paragraph 11 to 13.

Commented [REDACTED]: Longer deadline may be necessary.

Commented [REDACTED]: P2G should be also included, technology neutrality should be respected.

Commented [REDACTED]: The interlinked model should be updated regularly.

Article 12

Scenarios for the ten-Year Network Development Plans

1. By [31 July 2022], the Agency, after having conducted an extensive consultation process involving the Commission and at least the organisations representing all relevant stakeholders, including the ENTSO for Electricity, the ENTSO for Gas, Union DSO entity, and relevant hydrogen sector stakeholders, shall publish the framework guidelines for the joint scenarios to be developed by ENTSO for Electricity and ENTSO for Gas. Those guidelines shall be regularly updated as found necessary.

Commented [REDACTED]: To allow a timely preparation of scenarios, the opinion of EC on the draft scenario report should be removed, as long as EC has full decision powers on the TYNDP scenarios, building on the ACER framework guidelines and the ACER opinion. EC should thoroughly take ACER opinion into account before approving the scenarios. ACER should be entitled to recommend amendment based on its analysis and its previously issued guidelines.

Commented [REDACTED]: Deadline may be too ambitious taking into account the complexity of the issue and the large number of stakeholders to consult.

The guidelines shall include the energy efficiency first principle and ensure that the underlying ENTSO for Electricity and ENTSO for Gas scenarios are fully in line with the latest medium and long-term European Union decarbonisation targets and the latest available Commission scenarios.

Article 13

Infrastructure Gaps Identification

1. Every two years the ENTSO for Electricity and the ENTSO for Gas shall publish ~~and submit to the Commission and the Agency~~ the infrastructure gaps reports developed within the framework of the Union-wide ten-year network development plans.

When assessing the infrastructure gaps the ENTSO for Electricity and the ENTSO for Gas shall base their analysis on all scenarios established under Article 12, implement the energy efficiency first principle and consider with priority all relevant ~~non-infrastructure-related~~ solutions which do not require new infrastructure to address the identified gaps.

When considering new infrastructures solutions, the infrastructures gaps assessment shall take into account all relevant costs, including network reinforcements

Prior to submitting their respective reports, the ENTSO for Electricity and the ENTSO for Gas shall conduct an extensive consultation process involving all relevant stakeholders, including the Union DSO entity, all relevant hydrogen stakeholders and all the Member States representatives part of the priority corridors defined in Annex I.

Commented [X]: These activities are already being developed by the ENTSOs in the frame of their Ten-Year Network Development Plans (TYNDPs) and are already subject to the ACER opinions on the TYNDPs. For efficiency reason, as well as because of the lack of control of the Commission and the Agency on the modelling, these reports shall remain indicative without formal submission and approval
Para 2-5 shall be deleted.

Commented [X]:
It is questionable how this part can be taken into account during the calculations and how much additional burden it causes.
The content of the assessment shall also be clarified.

Commented [X]: We welcome the inclusion of the “energy efficiency first” principle in the TEN E Regulation. Infrastructure needs could potentially be covered by cross-sectoral infrastructure solutions, especially taking into consideration already existing infrastructure that might not be used or might be used differently in the future. We also believe additional methodological guidance is needed to ensure the relevance of the assessment, with the use of all the scenarios established by the ENTSOs and the consideration of all relevant costs to the extent possible.