

ACER



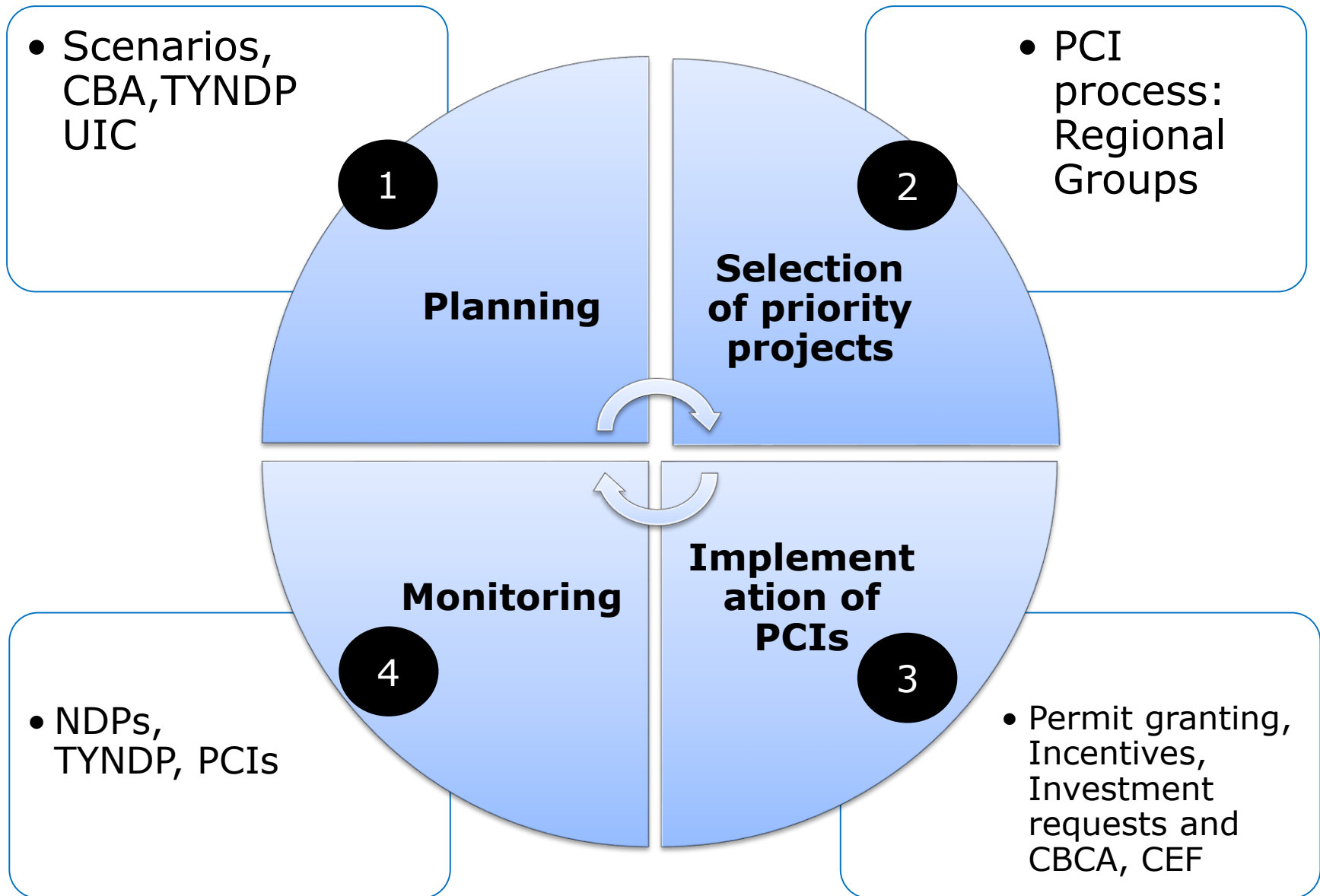
Agency for the Cooperation
of Energy Regulators

Insights to EU infrastructure development

Jan KOSTEVC
Team leader Infrastructure
Electricity Department

11 October 2019

- Introduction
- Main aspects of infra development
 - » 1- Planning
 - » 2- Selection of priority projects
 - » 3- Implementation of PCIs
 - » 4- Monitoring
- Challenges



CBA

- Cost-benefit analysis methodologies
- ENTSOs develop methodology, used for TYNDP, PCI selection, inv. requests (CBCA)
- **ACER, MS, COM involved (Opinions)**
- Methodology approved by COM

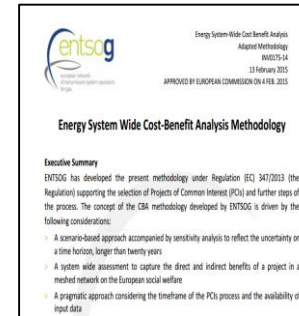
TYNDP

- EU Ten-Year Network development plan every 2 years
- ENTSOs run process, consult stakeholders, draft and publish report
- **ACER monitors (Opinions)**

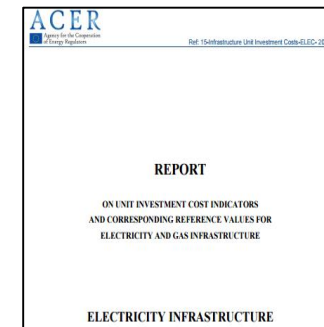
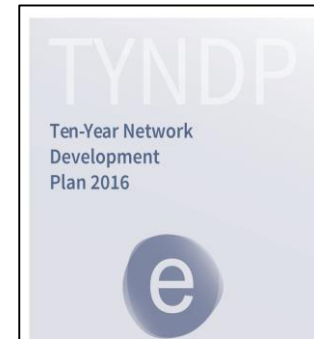
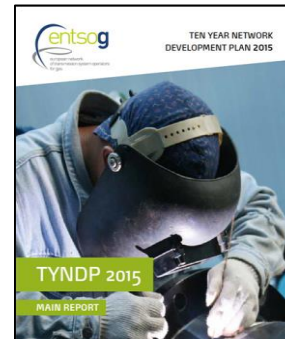
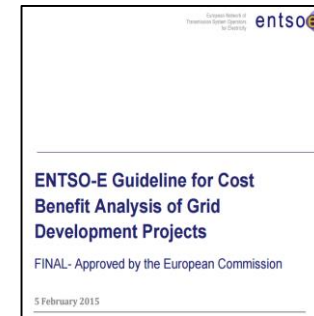
UIC

- Unit Investment Costs for ele/gas transmission
- **NRAs in cooperation with ACER**
- Built on actual cost data provided by TSOs / infrastructure operators

Gas



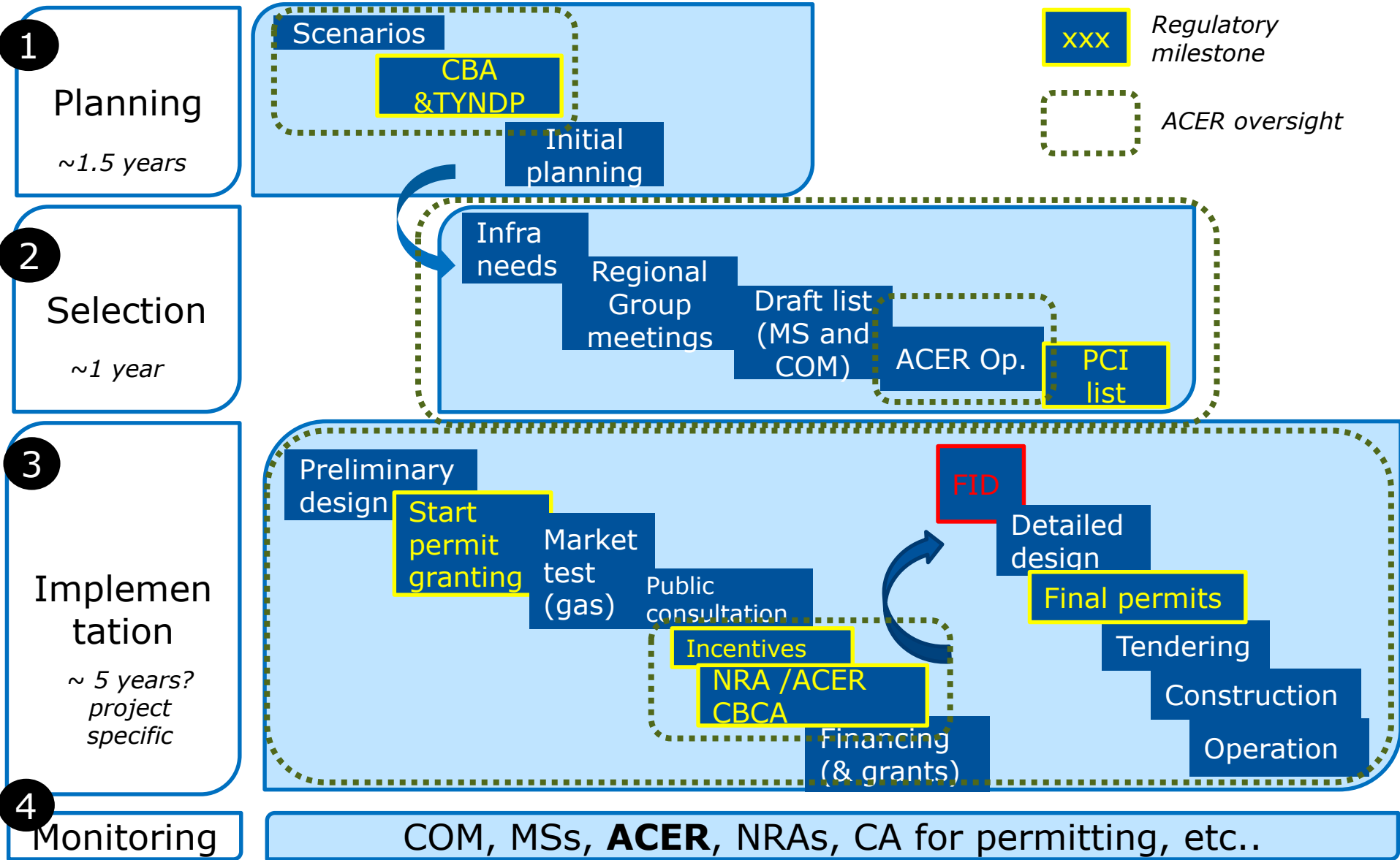
Elec





- Mostly due to different timing and frequency of individual NDPs compared to EU TYNDPs, consistency between both is often compromised!

A PCI: from planning to operation...

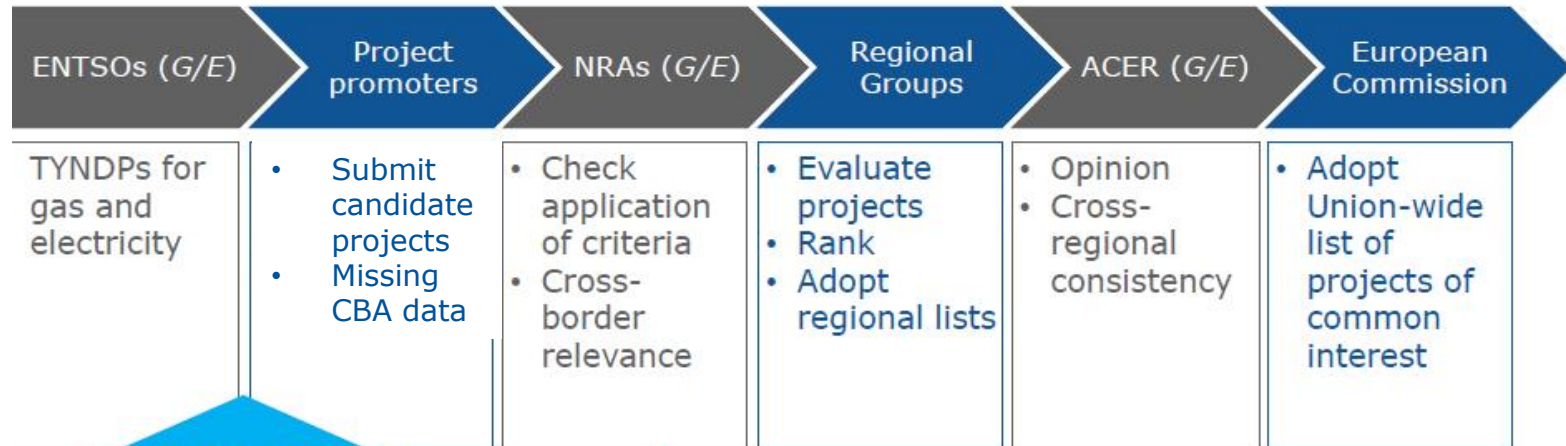


PCI list

- Every 2 years
- Based on the last TYNDPs
- Conducted by Regional Groups (COM-chair, MSs, NRAs, promoters)
- Assessment methodology is decided by the RGs
- ACER actively participates in the process, coordinates NRAs and issues an Opinion on draft lists



PCI process



Identification of needs

Building a well-functioning and fully integrated internal market...

Eliminate bottlenecks

End isolation

Factoring in energy developments

Listening to stakeholders

Energy

Infrastructure fit for Europe's energy needs

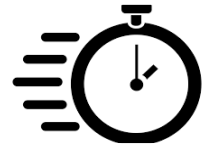
Cross-sectoral Regional Groups' seminar

Brussels, 27 May 2016

#W02795

- **Faster permit granting**

- » One national Competent Authority responsible for facilitating and coordinating the permit granting process
- » Priority status for permit granting processes of PCIs
- » Public consultation carried out at an early stage



- **Incentives and common methodology for risk evaluation**

- » ACER Recommendation on incentives and common methodology for risk evaluation
- » NRAs free to decide on the combination of regulatory measures, monetary reward/penalty schemes



- **Cross-Border Cost Allocation**

- » Possibility to allocate investment costs of a PCI outside the hosting country to neighbouring beneficiaries
- » NRAs to take decisions on investment requests and CBCA
-> ACER CBCA Recommendation



- **Financial support**

- » Connecting Europe Facility (CEF) to address the investment gap in the energy sector through:
 - Financial instruments
 - Grants (studies and works)



Possible outcomes of investment requests



- NRAs agreement: coordinated decisions
 - » Positive decision
 - Territorial principle - "no-real CBCA"
 - Cross-border cost compensations - "real CBCA"
 - » Negative decision
 - Rejection of investment request
- Lack of NRA agreement: ACER decides
 - » On investment request, including CBCA and way costs are reflected in tariffs
- Promoters withdrawal of inv. request



Reality is more complex! Updates, completeness, CBA calculations, etc.

The EU legislation tasks ACER with various **monitoring duties**.



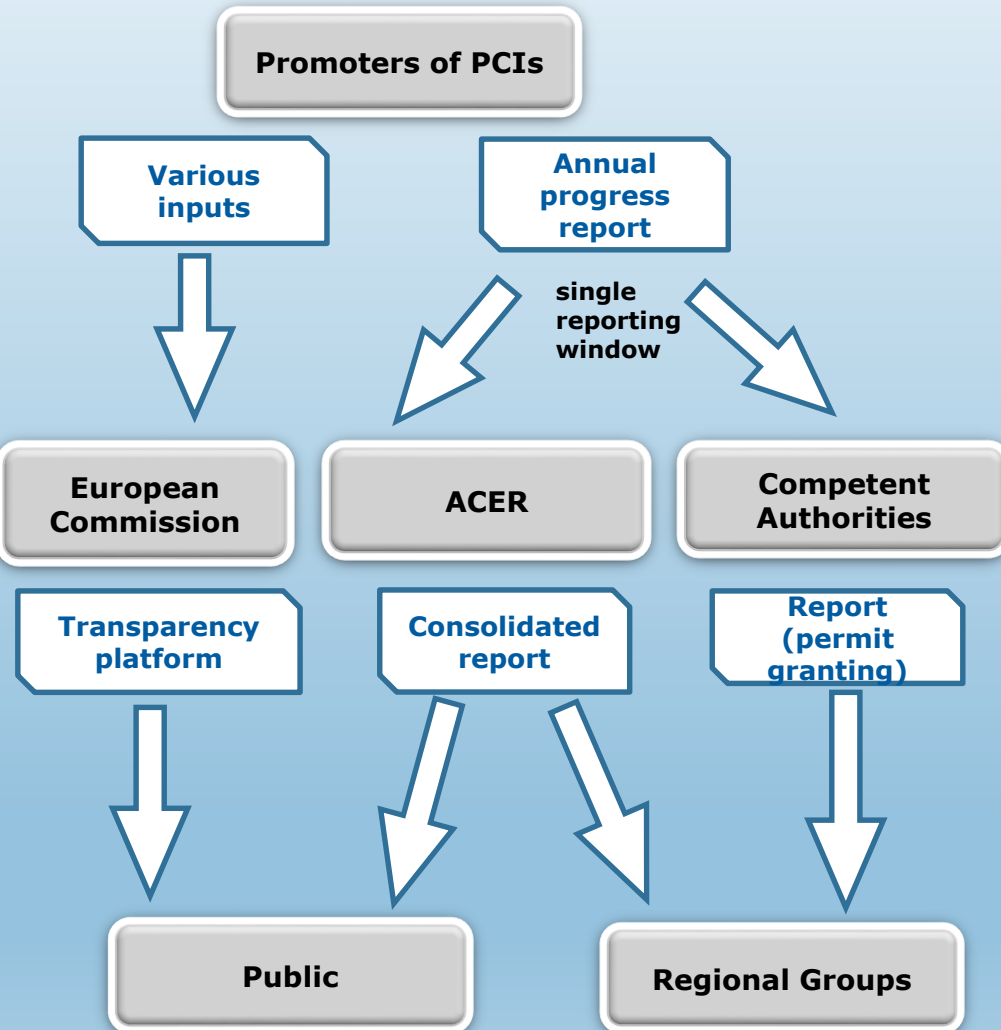
Comparison of the **EU TYNDP and national plans** (scenarios, modelling, methodologies) + project differences

Review of the **progress of the TYNDP** and certain national projects (expected costs, benefits, implementation)
Detailed analysis for **PCI projects**

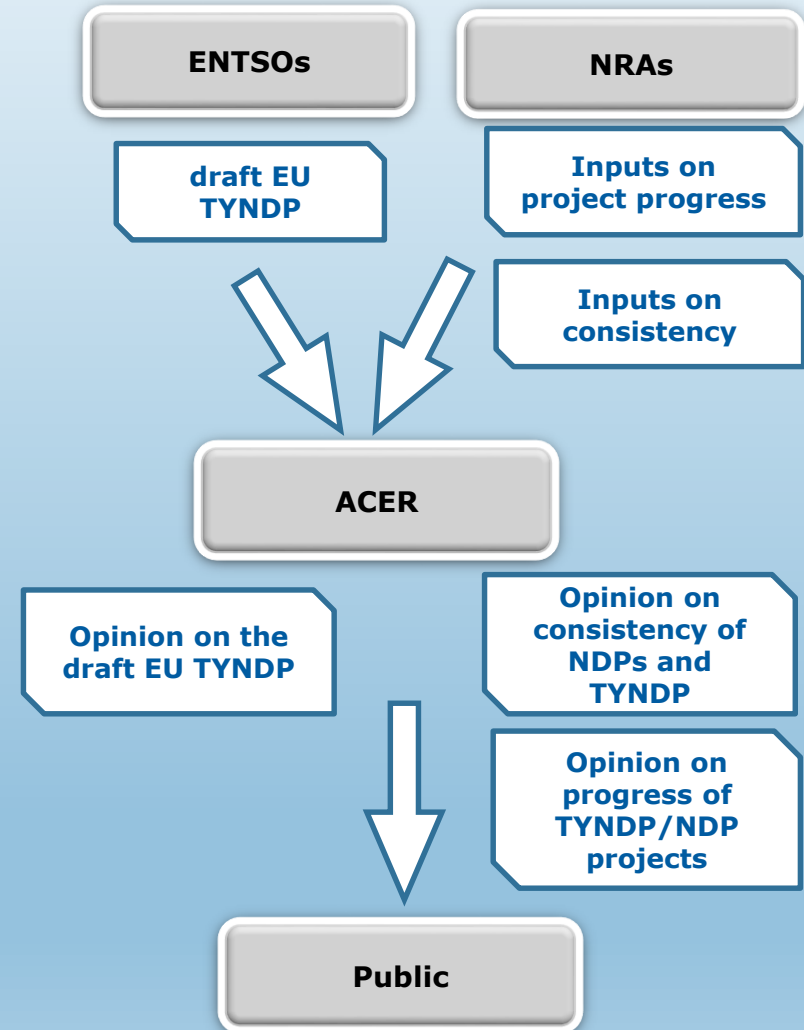
Added value:

- ACER findings serve as an input to policy decisions
- Facilitate other EU activities– selecting priorities, granting EU funds
- Increase transparency in infrastructure development and raising
- ACER recommend improvements where needed

PCI monitoring



TYNDP/NDP monitoring



Thank you for your attention!

