

## **E.ON proposals to amend**

### **Draft Advice on the Community-wide Ten-year Electricity Network Development Plan**

The E.ON Group welcomes and appreciates the draft Advice on the Community-wide Ten-year Electricity Network Development Plan (Ref.: E09-ENM-16-03).

Our amendments reflect the wish to promote an efficient internal market for electricity and to recommend measures to accelerate transmission infrastructure planning and realization in the light of this consultation.

**1. The document presents the regulators' view on the planning process to achieve a non-binding Community-wide network development plan. Does this view contribute to the objectives set in the Section 2 and especially transparency of planning? What should be added / deleted within the planning process in this respect?**

We fully appreciate all measures which help to increase transparency of the network planning procedures nationally, regionally and Community-wide. We would like to point out that the process, the methodology, the data and the results achieved are transparent and comprehensive to all stakeholders. However, we have doubts whether it is really justified to put such a lot of efforts into a lengthy process which is at the end of the day non-binding. Therefore, we recommend to focus on two steps.

*Top-down approach*

E.ON confirms the need to address overall planning premises for TSOs' individual or regional plannings. This would mean that a removal of physical bottlenecks should be the guideline and national TSOs 'just' decide' where (nationally or cross-border) to built the most efficient project to comply with the guideline.

Nevertheless, we remain sceptical whether ENTSO-E as a TSO body with natural TSO interest will consider in its guiding planning premises, scenarios etc. all relevant issues related to market integration. We assume that TSOs will namely agree upfront on the guiding planning premises which make a precise project-related planning on the regional or national level less challenging. Therefore, we urgently recommend **ACER, respectively ERGEG to challenge ENTSO-E as well TSOs to propose and implement projects that contribute to market integration the most and the quickest.**

*Draft plan (national, regional, Community-wide)*

We acknowledge TSOs' national responsibility to provide a network that is able to provide energy to all consumers. This includes the evaluation of changes in national generation and load patterns which results in nationally driven bottom-up input into a national as well a regional and additionally a Community-wide network development plan.

For the bottom-up process it is also essential to closely involve DSOs in a well designed manner because in many regions major parts of the intermittent generation, feed into the transmission grids, are on the distribution level. In this light, bottleneck may also exist in the distribution grid impacting the transmission network. An impressive example is the situation in Northern Germany where in 2015 about 5.000 MW of dispersed generation will be installed which will have, without any doubt, an independency with cross-border capacities to neighbouring countries.

At this stage, we consider it counter-productive to hold another three consultations with stakeholders. We think **it would be much more beneficial to organize only one additional consultation in which a Community-wide network development plan with national annexes is introduced.** This national plans as annexes are the linking element between the Community-wide more high level plan and its national implementation as well as nationally driven projects. All will be subject to the same consultation of which the national plans will be made binding by NRAs after the entire process is completed. This will immensely speed up the entire consultation process.

**2. The document describes the contents of the Community-wide network development plan. Does it reflect the topics needed for the plan? What should be added / deleted within the contents of the plan?**

Overall, we agree with the proposed content of the Community-wide network development plan. The only missing pieces are a **clear, precise and joint understanding of planning criteria** such as n-1 and dynamic rating and a **clear indication who remains responsible if single projects of the previously adopted plan have not been implemented.** We recommend to clearly black-board the relevant entity (see 6.6.3 b).

**3. The document addresses European generation adequacy outlook. What should be added / deleted in this respect when ERGEG gives its advice?**

We agree in principle. The generation adequacy outlook should serve as a further guideline. However, the conclusions should be drawn with the full awareness that the information for generation might change over a period of 10 years. Under no circumstances information received from generators in the framework of the adequacy report should be taken as binding.

**4. The document describes the topics (existing and decided infrastructure, identification of future bottlenecks in the network, identified investment projects, technical and economic description of the investment projects) for the assessment of resilience of the system. Is this description appropriate? Should it be changed and if so, how?**

We agree in general. All scenarios used shall be compliant with the achievement of the 20/20/20 target. In addition to the economic criteria stated, the changes in costs of ancillary services, ie redispatch, shall be taken into consideration as well.

The existing bottlenecks within the regions and across the borders should be clearly shown in the 10-Year-Electricity-Network-Development-Plan including measures to overcome them. The countermeasures should then have a high priority for implementation.

**5. The document sets out criteria for regulatory opinion. Are these criteria clear and unambiguous? If not, how they should be amended?**

The criteria for regulatory opinion as proposed under section 7 refer overall to the completeness of the Community-wider network development plan and whether its elaboration complies with the process foreseen. **We fully miss a thorough evaluation of the identified investment projects and ACER's statement whether they fulfil the objectives under section 2 of the consultation paper,** respectively ENTSO-E's priorities as set forth by the consulted planning premises, scenarios etc. Therefore, we recommend to evaluate the plan, inter alia, under a market integration perspective.

**6. Compatibility between the national, regional and Community-wide ten-year network development plans shall be ensured. How does this compatibility be measured and evaluated? How may inconsistencies be identified?**

The aspect of coherence and compatibility is first of all an issue of integrating the same priorities and assumption in all of the different planning tools. The task remains to the responsibility of TSOs and ENTSO-E.

From a market perspective we could only evaluate consistency whether an identified infrastructure shortfall in one market or between two markets will lead to an identified investment project in all of network development plans. Therefore, **we consider a central consultation of the Community-wider network development plan with national annexes, outlining national investment projects, as sensible.**

**7. The Agency monitors the implementation of the Community-wide ten-year network development plan. Are there any specific issues to be taken into account in monitoring besides those described in the document?**

Again, we refer to our recommendation under question 2 to clear state the reasons for any inconsistencies between the original plan and its implementation. We would also expect ACER to recommend to the European Commission any improvements that would overcome common reasons for inconsistencies for a more effective enhancement of Europe's electricity infrastructure.