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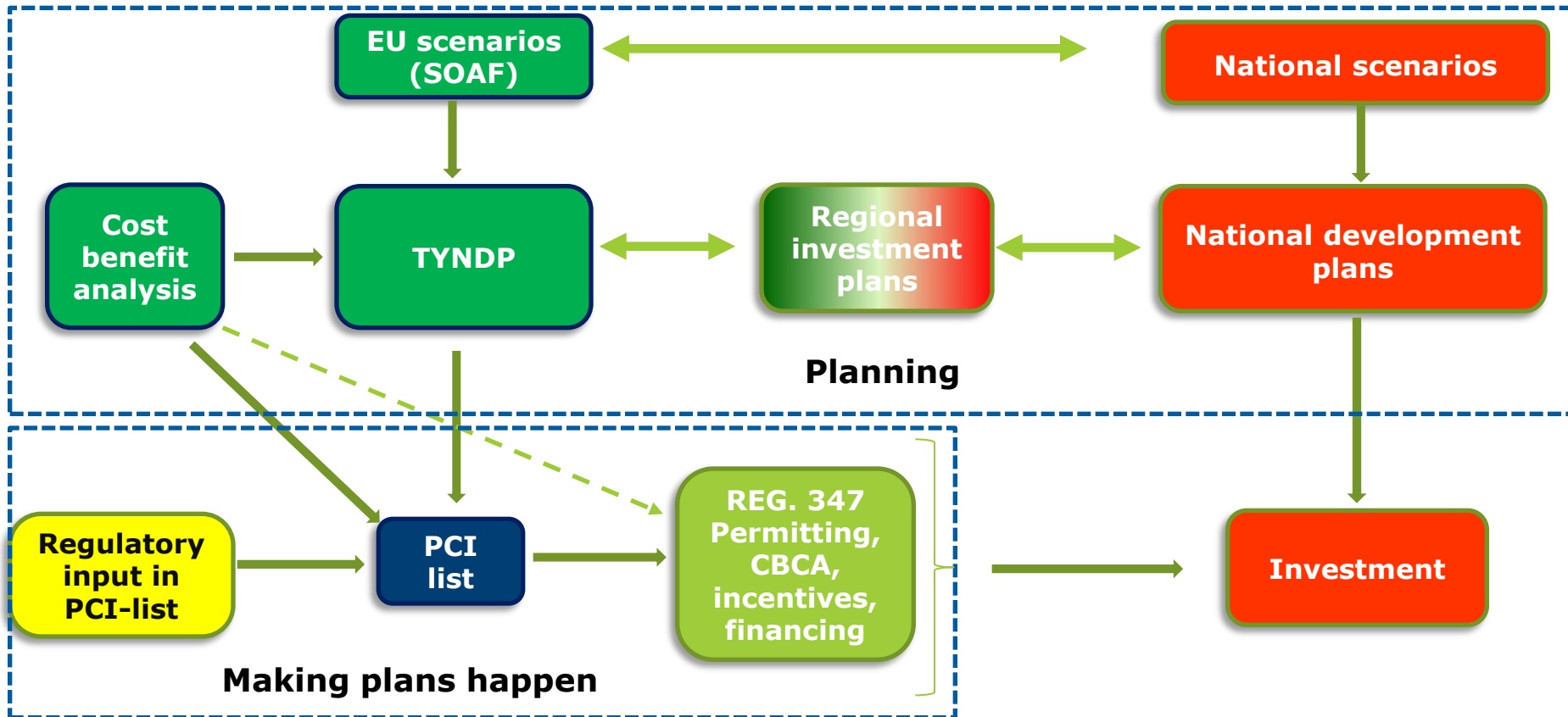
Addressing the Barriers to New Network Infrastructures

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Head of the Electricity Department

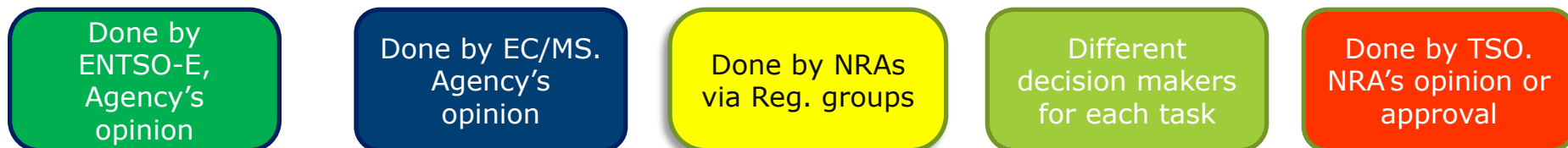
IEA Workshop, Paris

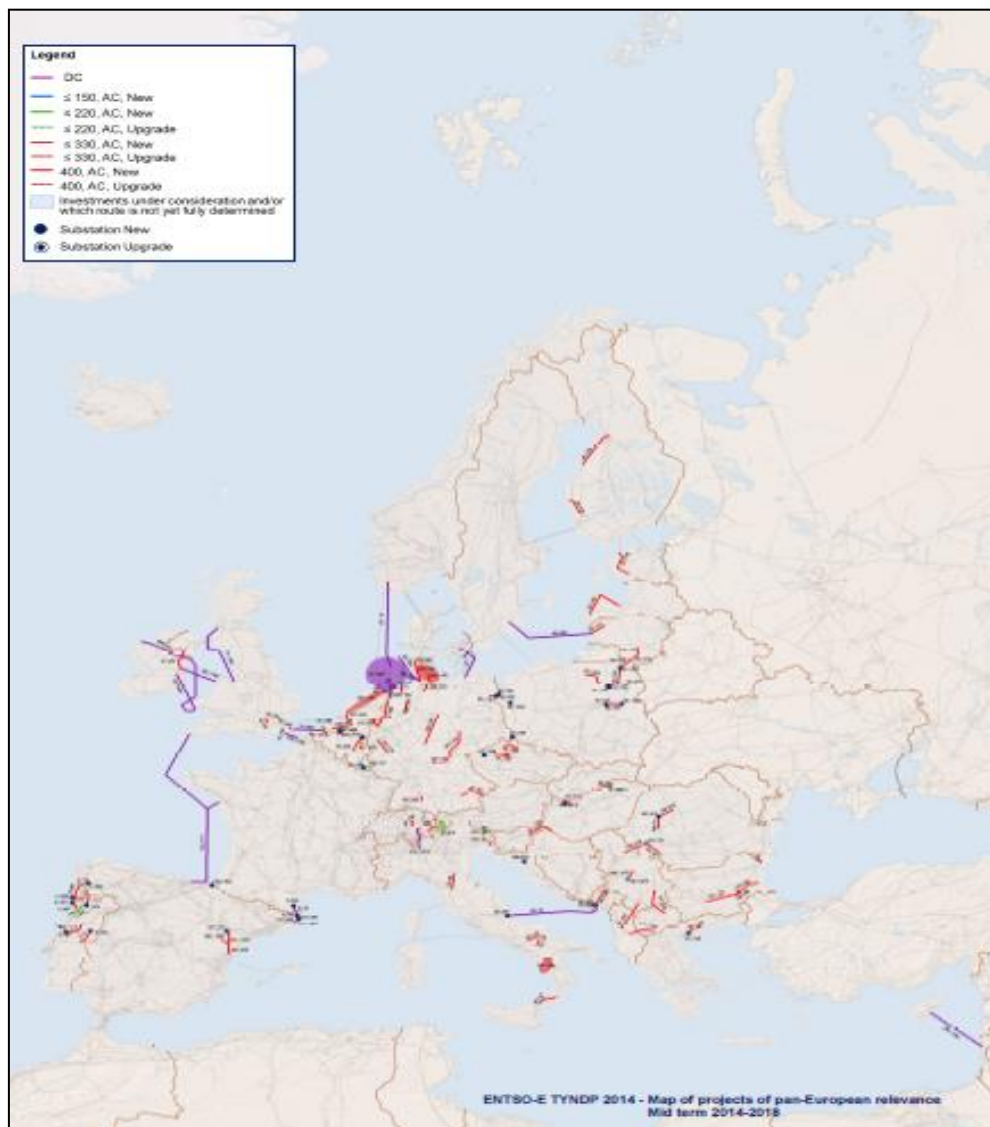
14 January 2015

DISCLAIMER: The views expressed in this presentation do not necessarily represent the official views of the Agency.



Clarification for colour scheme





TYNDP 2014:

- 127 clusters of investments for main bottlenecks
- 370 investments (108 of which are under consideration or beyond 2024)
- 104-144 billions € (mid-term mature projects: 35-42 billions €)
- mitigating prices from 2 to 5 €/MWh (in Vision 1 - 4)

Source: ENTSO-TYNDP and ACER calculations

- More expedient permit granting procedures
 - Priority status, including for EIA procedures
 - Competent authority to manage permitting
 - Time limits for procedures (3.5 years max)
 - Enhanced transparency and public participation
- More robust and coordinated methodologies and tools (Cost-benefit analysis, Scenarios, TYNDP and PCI selection process)
- Regulatory and other support measures
 - Incentives
 - Financial support (Tariffs)
 - Cross-border cost allocation



The screenshot shows the ACER website header with the logo and tagline "WORKING TOWARDS A SINGLE ENERGY MARKET TO THE BENEFIT OF ALL EU CONSUMERS!". Below the header is a navigation menu with items: THE AGENCY, THE EU ENERGY MARKET, ELECTRICITY, GAS, REMIT, DOCUMENTS, EVENTS, MEDIA. A search bar is located to the right of the menu. Below the menu, the breadcrumb trail reads "ACER > Documents > Acts of the Agency > Opinions". A sidebar on the left contains a list of categories: Framework Guidelines, Opinions, Recommendations, Individual decisions, and General decisions. The main content area is titled "Opinions" and shows a list of documents. The first document is highlighted, showing its title and a link to the PDF file.

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TO THE BENEFIT OF ALL EU CONSUMERS!

THE AGENCY THE EU ENERGY MARKET ELECTRICITY GAS REMIT DOCUMENTS EVENTS MEDIA

ACER > Documents > Acts of the Agency > Opinions

search

Framework Guidelines
Opinions
Recommendations
Individual decisions
General decisions

Opinions

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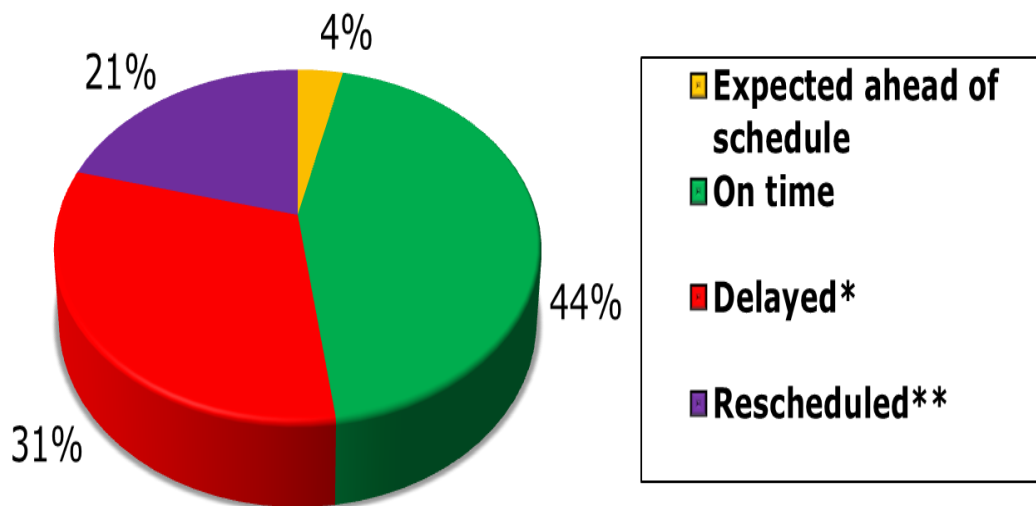
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ACER opinion No. 16/2014:
http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Opinions/Opinions/ACER%20Opinion%2016-2014.pdf

Progress of Implementation of TYNDP/REG (excl. commissioned investments, cancelled or under consideration)



**Almost one third of the investment components encounter delays!
More than 75% of the delays are due to permitting issues!**

**"Delayed" corresponds to an investment which is still needed at the expected date, but cannot be delivered on time due to various external factors*

***"Rescheduled" corresponds to an investment which is voluntarily postponed by a TSO due to changes of its external driver*



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ACER recommendation No. 07/2013:

http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2007-2013.pdf

- To enable investments which faces the “problem” of uneven distribution of costs and benefits across countries
- To provide Project Promoters with a framework for the submission of CBCA requests
- To facilitate the NRAs’ coordination and decision-making process

- **WHEN?** Compensations are provided if **at least one country hosting the project is deemed to have a negative net benefit**
- **TO WHOM?** To all countries hosting the project and exhibiting a negative net benefit
- **HOW MUCH?** Compensate negative net benefit in the relevant countries as much as possible
- **Unless the relevant NRAs agree otherwise**

- Only countries with a **“significant” positive net benefit**
- **“significance threshold” equal to 10 % of the sum of positive net benefits** accruing to all net benefiting countries
- A **lower significance threshold** may be considered, in particular
 - if the net benefits above the threshold are not sufficient to cover the compensation required or
 - if the amount of compensation places an unreasonable burden to a contributing country
- **Allocation rule** (for contributors): proportionately to the level of net benefits of each country exceeding the significance threshold

- CBCA might be a powerful tool to harmonise national regulatory frameworks
- However, given the existing framework (the methodological development and the practical implementation of CBA are still at an early stage), CBCA shall remain the exception (importance of the negative net benefit principle)
- One important lesson learnt from the 1st PCI round: CEF may give NRAs and PPs perverse incentives to rely too much on EU grants - EU grants shall remain the last resort measure once all the existing tools have been explored.
- An updated ACER Recommendation on CBCA is expected for summer 2015 (10%, timing, form and level of the compensation, uncertainty handling, affordability of tariffs increase)

Thank you for your attention!



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