

## **3rd meeting of the Commission expert group on electricity interconnection targets**

Brussels, 19 December 2016

### **Summary minutes**

#### **1. Welcome and recapitulation of the results from the second meeting**

The morning session of the meeting was opened and chaired by Mr Christopher Jones, Deputy Director-General for Energy.

The Chair presented the agenda of the meeting which was then adopted by the Group. The Chair briefly recalled the recent adoption of the "Clean energy for all Europeans" package and highlighted its main elements.

Following the request of the Group in the previous meeting, the Chair introduced the session with the three presentations by ENTSO-e.

#### **2. Presentations by ENTSO-E**

The overall aim of the presentations was to provide background on the existing assessment framework developed by ENTSO-E.

The first presentation was on the development of 2030 baseline scenarios for the assessment of TYNDP interconnection target capacities. ENTSO-E presented the stepwise scenario building process and the underpinning assumptions.

The presentation was followed by a number of questions regarding the assumptions and methodology, notably on the European approach (adequacy at European level), individual assumptions as regards electric vehicles, electricity demand, the role of heating, functioning of the market, grid modelling.

The second presentation was about the methodology behind the cost benefit analysis (CBA), which is used for the assessment of all transmission and storage project under the frame of the Ten-Year Network Development Plan (TYNDP). The presentation focused on the explanation of the relevant elements and their metrics. The presentation was followed by a number of clarification questions notably the monetisation of individual indicators and the definition of the socio-economic welfare.

The third presentation was about the computation of the "target capacities", which are recommended interconnection capacities for 2030 for the main boundaries as identified in the TYNDP 2016. These target capacities represent an interconnection level where the societal economic benefits brought by additional interconnection capacity exceed its costs. The presentation focused on computation principles and the explanation of the factors having positive (benefits) and negative (costs) on the target capacities. The presentation was followed by questions regarding the consistency of the target capacities across Europe, the possible impact of RES as well as technological progress on the calculated capacities.

### **3. Afternoon session**

The afternoon session was opened and chaired by Mr Kurt Glaeser, Deputy Head of Unit. The Chair defined the objective of the session, which aimed at discussing and identifying the relevant elements that should be taken into account when assessing the needs for cross-border electricity interconnections.

With regard to that, Mr Tomasz Jerzyniak briefly outlined the current structure of the report and explained the relevant elements that were summarised in chapter 4, following the previous discussions and suggestions made by the experts.

The presentation was followed by a discussion focusing on a number of issues. The main ones were:

- The need to classify the relevant elements and to ensure that they are based on the same or comparable metrics;
- The importance of a well-functioning European market and a clear and stable regulatory framework;
- The need to take into accounts the dynamics of the energy systems and that the relevant elements should reflect such dynamics.

The discussion demonstrated a number of open questions and diverging views not only on the relevant elements but also on some content of the first three chapter of the draft report.

Therefore, further explanation and discussion on the definition of the existing interconnection targets will be discussed in the next meeting. The Commission will share the most recent calculations of the current interconnectivity levels in Europe.

### **4. Operational conclusions**

Following the afternoon discussion, the Chair offered the following conclusions, which were agreed by the Group:

- The overall structure of the report will remain unchanged at this stage (Preamble + six chapters).
- The Members were asked to provide additional specific comments on the individual chapters and sections of the report (Preamble and the first three chapters);
- The Members were also asked to provide comments, remarks and additional suggestions on both the structure and the content of Chapter 4, and possibly Chapter 5 (i.e. more specific ideas on the formula and methodologies for the target).
- All comments should be submitted by 10 January 2017. They will be consolidated by the Commission. In case of diverging views, different options will be kept open for the group to decide a later stage;
- The Commission will present the existing interconnection framework and current interconnection capacities in Europe.

The fourth meeting will take place on 26 January 2017 in Brussels.

### List of participants

Commission: Christopher Jones (Chair), Kurt Glaeser (Chair) Tomasz Jerzyniak (Policy officer), Katrien Prins (Policy officer), Matti Supponen (Policy Officer);

Expert Group members present at the meeting:

Jan Kostevc (ACER),

Sebastien Lepy (ENTSO-E), Irina Minciuna (ENTSO-E),

Celine Heidreheid (ENTSOG), Malcolm Arthur (ENTSOG),

Paulina Beato Blanco,

Yannick Phulpin (Eurelectric),

Nikolaos Vasilakos (EREF),

Daivis Virbickas (Litgrid),

Brian Vad Mathiesen,

Michal Smyk (PKEE),

Andrew Hiorns (National Grid),

Antonella Bataglini (RGI),

Auke Lont (Statnett),

Jochen Kreusel (T&D Europe),

Cécile George,

Alejo Vidal-Quadras.