Comments from the Electrification Alliance on the ENTSO-E and ENTSO-G draft TYNDP 2020 scenario report

As members of the Electrification Alliance, we strongly support the European Commissions' Green Deal agenda. We agree with the Commission's statement in the European Green Deal communication that the transition to climate neutrality will require smart infrastructure to deliver carbon-neutral energy supply to end consumers in a secure and affordable way. We, therefore, recommended a revision of the EU's infrastructure policies in our Manifesto, including the Trans-European Networks for Energy (TEN-E) Regulation and the Ten-Year Network Development Plan (TYNDP) process.

In light of that, we write to share our concerns regarding the joint ENTSOs' Ten-Year Network Development Plan draft scenario report for 2020 (TYNDP 2020). We are particularly concerned about the following preliminary results presented by the ENTSOs:

- **The divergence between the TYNDP 2020 scenarios, the European Commission's Long-Term Strategy scenarios (LIFE and TECH) and estimates from individual members of the Electrification Alliance[1],** for example with regards to:
    - Direct electrification rates (40-50% compared to 60%);
    - Gross electricity generation forecast (5500 – 6000 TWh compared to 6700-8000 TWh); and
    - Demand forecasts for gaseous energy carriers (up to 4000 TWh with 3000 TWh of decarbonised gas imported in 2050 compared to 2200-2700 TWh with 2000 TWh of that decarbonised gas);

- **All scenarios project a strong uptake of biomethane, synthetic methane, hydrogen** and other so-called decarbonised gases but lack a sound assessment of their costs and climate benefits, or on the impact of these volumes on the required additional electricity generation;

- **Assumptions on renewable energy growth rates, energy efficiency and demand response are modest** in all TYNDP 2020 scenarios while presupposing a high level of unabated fossil gas demand (especially the National trend scenario). Due to the large quantities of remaining GHG emissions in 2050, the scenarios foresee important efforts for carbon removals after 2050 based on uncertain technologies such as CCS (Carbon Capture and Storage), BECCS (Bio-Energy with Carbon Capture and Storage) and DAC (Direct Air Capture);

- Given the dominant role of gaseous energy carriers, **benefits of sector integration are barely explored.** The scenarios show little variation, underestimate demand side alternatives and do neither cover the distribution grid level nor the potentials of district heating systems.

We also like to point out that the TYNDP 2020 suggests that the **Cost-Benefit Analysis (CBA) for transmission and storage projects will be fully performed on the basis of the National Trend scenario only. In this scenario, around 3500 TWh of unabated gas will compose the gas supply mix by 2040 – very close to today's consumptions level**. We do not see this supported by the National Energy and Climate Plans (NECPs) which are supposed to deliver on the EU 2030 objectives. It is also not compatible with the requirements of the Paris Agreement. This is not acceptable given that the CBA is the sole basis for the selection of Project of Common Interests (PCIs) that benefit from accelerated

[1] Eurelectric Decarbonisation Pathways and WindEurope Breaking New Ground

permitting procedures and funding. The main scenario for a CBA should be compliant with the EU 2050 decarbonisation objectives.

The members of the Electrification Alliance, therefore, do not consider the current TYNDP 2020 scenarios as a relevant basis for future energy infrastructure prioritisation, including the 5th PCI list. Rather, we invite the European Commission to take the initiative and the opportunity to fast-track the revision of the relevant EU infrastructure regulations.

We invite you to look at the following three points:

1. **A more independent analysis of energy system needs** that considers all solutions to achieve energy security, competitiveness and sustainability, for example carried forward by an independent observatory that analyses system needs and decarbonisation options – drawing on ENTSOs operational expertise but triangulating with independent sources of evidence. Stakeholders should also be proactively consulted. The Third Energy Package and the TEN-E regulation give a strong mandate to the ENTSOs to determine system needs and develop the analytical basis for determining priority infrastructure projects. The Agency for Cooperation of Energy Regulators (ACER) recently stated that network asset owners "have a vested commercial interest in how those assets are used and developed, and so may not be incentivised to encourage more economic alternatives to come to the market through forward-thinking and planning."

2. The inclusion of a **sustainability indicator** in monitoring of gas markets by ACER. This would help to guide decisions to prioritise solutions towards reducing the use of unabated fossil gas - through demand reduction, deployment of renewables, and batteries as an effective measure to provide short-term storage solutions, or other policy measures - and tracks the reduction of fossil gas use in line with EU decarbonisation commitments.

3. The **revision of the definition of energy security** to include aspects of climate impacts/risk, and cyber security risk. The definition should recognise the energy security contribution of energy efficiency and renewable energy sources, consistent with the European Investment Bank (IEB) energy lending policy definition.

We remain at your disposal to discuss the content of this letter and assist in the development of any proposals that may be put forward.

Yours sincerely,

AVERE The European Association for Electromobility

eurelectric

European Climate Foundation

Cu European Copper Institute Copper Alliance

ehpa european heat pump association

EuropeOn ELECTRICAL CONTRACTORS ASSOCIATION

smartEn Smart Energy Europe

SolarPower Europe

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