

# Target Model – scoping, coherence and critical factors

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# Target Model

## Madrid XVIII Conclusions

- interaction and interdependence of all relevant areas for network codes
- the definition and the scope of the model

## Critical enabler of market is infrastructure availability

- new infrastructure will be critical to support
  - new importation
  - EU renewable targets
  - market integration
  - SoS

Sound investment climate essential

# Investment framework way forward

Risk/reward distributions must be defined:

- specific system users, generality of users, consumers and TSOs
- cross border

Pricing

- Longer versus shorter term trade-offs
- Marginal based pricing problematic, pricing must minimise distortions

Solutions:

- Incremental capacity to be addressed
- Hub-to-adjacent-hub and longer distance approaches
- Market lead and/or political/SoS investments

ENTSOG ready to work with all actors to develop approaches for market based tests and non-market lead investments