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EURELECTRIC AND EWEA JOINT DECLARATION

EUROPEAN GRID PLANNING AND INTEGRATED MARKETS ARE URGENTLY NEEDED TO MEET 2020 RENEWABLE ENERGY TARGETS

EURELECTRIC and EWEA believe that large scale grid investments and integrated wholesale markets are necessary to meet the 2020 renewable energy targets and greenhouse gas emission (GHG) reductions in the most cost effective way. A truly European approach to grid planning, together with larger and more liquid wholesale markets, are crucial to the large scale deployment of renewables, including wind energy and improving security of supply. In the context of the 18th Electricity Regulatory Forum (Florence Forum), EWEA and EURELECTRIC jointly urge the Commission, Member States, Regulators and other key stakeholders to:

- Make the best use of the 10 Year Network Development Plan (TYNDP) as a key tool for a truly European approach to grid planning, updating it as soon as possible to reflect the content of the National Renewable Energy Action Plans (NREAP) and with a list of priority projects;
- Ensure the implementation by 2015 of the market integration target models agreed at the last Florence Forum, in particular for cross-border Intraday and Balancing markets.

With the large scale integration of renewable energy sources, European grids are facing enormous challenges to meet the 2020 targets and will have to undergo a fundamental structural change. The exceptionally short timeframe until 2020 makes it crucial to increase the sense of urgency among all key stakeholders and to take important actions already today. **The opportunity is now to use the TYNDP as a key tool for any future network development at European level.** However, in order to make the TYNDP the basis of such grid planning, it is vital that ENTSO-E includes the following elements in its revision, due in June 2010:

- As soon as they are published, **NREAPs must be incorporated into the current pilot TYNDP.** The EU 2020 targets must not be undermined by inadequate grid enhancements projected in the TYNDP. Importantly, a bottom-up scenario assuming about 34% of electricity demand, as communicated by the European Commission, to be supplied by renewable energy sources must be applied in an updated version of the TYNDP by no later than end of 2010.
- Outline a clear **set of priority projects together with a traceable timetable** in order to convert the TYNDP from a mere forecast document into a concrete implementation plan.
- Enhance the TYNDP from being a compilation of National Plans to a **Pan-European vision for planning grid infrastructure** in line with long-term EU policy targets.

To meet the 2020 targets, large scale European grid investments should be accompanied by a stronger momentum in the creation of a pan-European integrated electricity market.

Integration of wholesale markets, through the development of cross-border intraday and balancing markets, will contribute decisively to reducing congestion, optimising both domestic and cross-border generation capacity flexibility, improving cross-border electricity trade and integrating RES in the most economically sound way. Deploying renewable sources such as wind power in the most cost-effective way, and the integration of European electricity markets are, in fact, intrinsically linked.

To achieve these objectives in time, clear target models and roadmaps were agreed at the last Florence Forum. However, **greater cooperation between TSOs and Power Exchanges is needed to ensure concrete results in the implementation phase,** progressing along an agreed roadmap. In particular, **introducing intraday continuous trading across all borders should be a top policy objective** to be achieved by 2015: all policy makers and stakeholders should constructively contribute to this process.