

1st meeting of the Commission expert group on electricity interconnection targets

Brussels, 17-18 October 2016

Summary minutes

1. Opening of the meeting and introductory sessions

The meeting was opened by Mr Dominique Ristori, the Director General for Energy, who outlined the current energy policy context and the challenges faced by the European electricity markets, and explained the policy relevance of the Group. He pointed out to the Group's specific objectives and their implications for the Energy Union and the further development of the electricity internal market, Projects of Common Interest and the evaluation of the TEN-E regulation. The introductory session was concluded by the tour de table including self-presentations of each member of the Group, and a family photo.

On both days, the meeting was chaired by Ms Catharina Sikow-Magny, Head of unit for networks and regional initiatives in the Commission's Directorate-General for Energy.

Mr Tomasz Jerzyniak, policy officer in the unit for networks and regional initiatives in the Commission's Directorate-General for Energy, presented specific objectives and timeline for the work of the Group. The draft report on the electricity interconnection methodology is expected to be finalised by the Group by May 2017. All members of the Group agreed to the proposed plan.

2. Experts' presentations

All members of the Group, present on the first day, presented their first views on the electricity interconnection targets based on six questions asked ahead of the first meeting: 1) key benefits of the electricity interconnectors; 2) challenges to implement the planned cross-border infrastructure; 3) the role of cross-border electricity infrastructure in the light of the current trends in energy, climate and relevant technologies; 4) the relevant elements in planning of new interconnectors, 5) the determination of the optimal interconnection level, as well as any 6) other relevant aspects. The session continued on the second day.

Ms Sikow-Magny summarised the experts' presentations and highlighted the three most common observations considering any future interconnection targets:

1) Efficiency first – the primary focus should be on the efficient use of the existing infrastructure to increase its utilisation rate, before finalising plans for building new interconnectors. This should also include the efficient use of internal infrastructure which is the enabler but sometimes also inhibitor of the cross-border electricity trade;

2) One size doesn't fit all – the recommendations of the Group should be simple yet intelligent; it should not go towards a simplistic solution but rather focus on a holistic system approach taking into account the energy specificities of individual EU countries and/or regions;

3) The process is key for acceptance – Public acceptance is the key element in developing any further electricity infrastructure so therefore not only all ongoing and planned projects and investments but also the process to define an optimal electricity interconnection target should include the public and local communities from the early stage of the planning process.

3. Presentations by the Commission on Energy Union policies

On the second day two presentations were given to the experts by representatives of DG ENER in order to illustrate the latest developments of the Energy Union policy framework.

Ms Paula Pinho, Head of unit for energy policy coordination, presented the state of play of the Energy Union, the achievements so far as well as the next steps, most notably the forthcoming electricity "winter package".

Mr Tom Howes, Deputy Head of unit for Economic analysis and financial instruments presented the Commission reference scenario and energy modelling tools. He also proposed that limited additional economic simulations could be carried out on the request of the Group. Presentations were followed by a number of questions, particularly related to the modelling assumptions and calculations.

4. Discussion

After the COM presentation of the proposed general structure of the Group's draft report, the Group had a dynamic and constructive discussion.

The key issues raised in the discussion dealt with the actual role of the new interconnection target, such as

- what problems should a new 2030 target solve;
- the need to look holistically at the energy systems rather than electricity transmission in isolation, i.e. taking into account such elements of the energy systems as heating/cooling, storage and transport;
- social benefits and costs of the proposed targets and resulting additional interconnectors;
- the need for an efficient use of the existing cross-border infrastructure and possible application of alternative solutions such as reinforcement of internal lines;
- the optimisation of the market rules creating clear business cases for new interconnectors; and
- the public acceptance which was widely considered fundamental to advance with any energy infrastructure undertakings.

5. Operational conclusions and agreements

The Group agreed that the starting point for the structure of the Group's report should be the structure of the preparatory contributions consisting of six points (see point 2) complemented by a preamble in which the Group would make explanatory statements on its role and objectives.

It has been also agreed that the Commission will prepare a more advanced draft structure of the report based on the experts' contributions including the conclusions of the first meeting.

The Chair confirmed that the draft structure will be shared with the experts around two weeks before the second meeting to allow for further comments and specific suggestions. The draft structure will be the main discussion subject in the second meeting.

The Group also agreed that after the agreement of the draft structure including a detailed definition of individual chapters and sections the Group will decide on task allocation.

The Chair made concluding remarks and thanked all participants for their active contribution. The next meeting is scheduled on 9 November 2016.

More information on the Group:

<https://ec.europa.eu/energy/en/topics/infrastructure/electricity-interconnection-targets>

List of participants

Commission: Dominique Ristori, the Director-General (opening session), Catharina Sikow-Magny (Chair), Tomasz Jerzyniak (Policy officer);

Christophe Gence-Creux (ACER), Jan Kostevc (ACER), Sebastien Lepy (ENTSO-E), Irina Minciuna (ENTSO-E), Malcolm Arthur (ENTSOG), Paulina Beato Blanco, Ivona Štritof (CEEP), Krzysztof Madajewski (CEEP alternate), Yannick Phulpin (Eurelectric), Nikolaos Vasilakos (EREF), Pierre Bernard (FOSG, present on 18/10), Daivis Virbickas (Litgrid), Liutauras Varanavicius (LitGrid alternate), Brian Vad Mathiesen, Michal Smyk (PKEE), Terry McCormick (National Grid), Antonella Bataglini (RGI), Mr Auke Lont (Statnett), Jochen Kreusel (T&D Europe), Cécile George, Alejo Vidal-Quadras (present on 18/10).