

# **6<sup>th</sup> meeting of the Commission Expert Group on electricity interconnection targets**

Brussels, 21 April 2017

## **Summary minutes**

### **1. Working breakfast with Mr Dominique Ristori, the Director General for Energy**

The 6<sup>th</sup> meeting of the Commission Expert Group commenced with a working breakfast with Mr Dominique Ristori, the Director General for Energy. The objective of the session was to discuss with the experts the progress of the work and their opinions and ideas. The meeting also aimed at providing Commission's expectation for the target and further work before the Expert Group finalises its recommendations.

The experts shared their observations from the work of the Expert Group, reported on the progress achieved so far and confirmed their engagement into the further work. Mr Ristori reminded the Expert Group that its work is of highest relevance particularly in the context of the ongoing energy transition in Europe and a recently adopted package of legislative proposals for clean energy. He also highlighted that the recommendations of the Expert Group will provide a valuable input to the Commission's reflections on the future implementation and development of the EU infrastructure policy. In this context, the Commission is planning to adopt a package of infrastructure related documents (including a policy communication, the 3rd list of Projects of Common Interest) at the end of 2017.

Particularly on the electricity interconnection target, Mr Ristori agreed with the Expert Group that the market should play a key role in determining the need for further interconnections and that the internal congestions must not be pushed to the borders thus limiting the availability of existing interconnectors. However, the target should help to determine the investment needs already today. The target should be simple but at the same time based on key parameters of the energy system of the future, not of today. Therefore, it is important for the Expert Group to assess where bottlenecks can be expected in 2030 if no further interconnectors are built.

### **2. Welcome and recapitulation of the results from the first meeting**

The Chair, Ms Catharina Sikow-Magny, Head of unit for networks and regional initiatives in the Commission's Directorate-General for Energy, opened the working session and presented the agenda, which should focus on analysis and discussion of further interconnection methodologies. The agenda was adopted by the Group.

In her introduction, the Chair reminded the 3 pillars of the approach agreed in the previous meeting and highlighted the need for finding the appropriate formula on the one hand and the relevant and meaningful threshold/target on the other hand.

### **3. Presentation and testing of further interconnection methodologies – refinement and continuation from the 5<sup>th</sup> meeting**

Mr Tomasz Jerzyniak, Policy officer, briefly summarised the computations and formulas tested in the previous meeting and explained the underlying assumptions. ENTSO-E then presented new computations and interconnection formulas which reflected the discussions in the previous meetings.

The first set of formulas was based on net transfer capacity and the second set was based on thermal transfer capacity (70% of available thermal capacity as recommended by ACER). Both transfer capacities were tested in relation to net generation capacity in 2020, net generation capacity in 2030, the peak load in 2020, and the peak load in 2030. For 2030 four TYNDP 2016 visions were taken into account.

The Chair reminded that it is crucial to analyse whether the existing formula (as it is used now for 2020) requires modifications and what recalibration would be necessary to make the possible new formula and the threshold meaningful.

The experts discussed all the formulas and raised a number of issues such as the suitability of the formulas to reflect security of supply, integration of renewables and the utilisation of existing interconnectors; applicability of the formulas at national level vs. bidding zones or regions; a likely need to recalibrate the 15% target to make it meaningful for the new formula.

At the end of the session the Expert Group came to the conclusion that the formulas which provide the best ground for further considerations are the ones based on net transfer capacity in 2020 and 70% of thermal transfer capacity in 2020, each of them in relation to the peak load in 2030.

### **4. Afternoon session – further refinements and discussion**

The Expert Group continued its work in the afternoon session by looking at the previous computation results presented in the form of rankings by country. The rankings indicated that no significant differences were found across different visions and different formulas. Usually, large and peripheral countries were characterised by lower interconnection levels as opposed to most of the smaller countries.

Given these results, the Expert Group discussed an option of putting the countries in different classes/groups depending on their need for further interconnection. As regards the formula, the Expert Group noted that while peak load would be a good proxy for security of supply, thermal capacity addresses better the issue of underutilisation.

The Expert Group also noted that the 15% value becomes obsolete when looking at new formulas particularly when considering the thermal capacity in relation to peak load as almost all countries are considerably above that value. Therefore, the Expert Group focused its subsequent discussion on the determination of a possibly new relevant value for a threshold (target) with the new formula.

At the end of the session, the Expert Group gained a good understanding of the different formulas and agreed that both net transfer capacity and thermal transmission capacity in relation to the peak load in 2030 would be the most appropriate options to continue with. However, the Expert Group further assessments would be needed as regards the identification

of the relevant threshold. In this regards, ACER was requested to provide more substantiated evidence on the 70% utilisation level of the thermal transmission capacity.

## **5. Operational conclusions**

The operational conclusions agreed by the Expert Group and drawn by the Chair are as follows:

- The Commission will finalise the draft report including the already commented chapters as well as the new chapters presenting the computations and discussed formulas. The report will be shared with the Group at last one week before the next meeting.
- The next meeting will take place most likely in the first half of June.
- In the meantime, the members of the Expert Group are asked to provide any additional comments on further deliberations.

The exact day of the seventh meeting will be scheduled in due time.

## List of participants

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

Expert Group members present at the meeting:

Christophe Gence-Creux (ACER),

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

Jan Ingwersen (ENTSOG),

Paulina Beato Blanco,

Yannick Phulpin (Eurelectric),

Nikolaos Vasilakos (EREF),

Daivis Virbickas (Litgrid) (connected per video)

Brian Vad Mathiesen,

Michal Smyk (PKEE),

Antonella Bataglini (RGI),

Auke Lont (Statnett),

Jochen Kreusel (T&D Europe),

Cécile George,

Alejo Vidal-Quadras.