

**OPINION OF THE AGENCY FOR THE COOPERATION OF ENERGY  
REGULATORS No 09/2018**

**of 2 October 2018**

**ON THE ENTSO-E ANNUAL REPORT 2017**

THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

Having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators<sup>1</sup>, and, in particular, Article 6(3)(b) thereof,

Having regard to Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003<sup>2</sup>, and, in particular, Articles 8(3)(e) and 9(2) thereof,

Having regard to the favourable opinion of the Board of Regulators of 19 September 2018, delivered pursuant to Article 15(1) of Regulation (EC) No 713/2009,

Whereas:

- (1) On 30 May 2018, the European Network of Transmission System Operators for Electricity ('ENTSO-E') submitted its annual report for 2017 (the 'ENTSO-E Annual Report 2017') to the Agency for its opinion. The Annual Report 2017, according to ENTSO-E, is intended to highlight ENTSO-E's work in the area of market integration, infrastructure development, research, development & innovation, regional cooperation, and digitisation, whilst placing a special focus on network codes and their implementation.
- (2) Pursuant to Article 6(3)(b) of Regulation (EC) No 713/2009, the Agency is tasked to provide an opinion to ENTSO-E in accordance with the first subparagraph of Article 9(2) of Regulation (EC) No 714/2009 on relevant documents referred to in Article 8(3) of Regulation (EC) No 714/2009. Point (e) of Article 8(3) of Regulation (EC) No 714/2009 refers to an annual report to be adopted by ENTSO-E.
- (3) Under Article 6(3)(b) of Regulation (EC) No 713/2009, the Agency should take into account for its opinion the objectives of non-discrimination, effective competition and the efficient and secure functioning of the internal market in electricity. Further, the Agency regards it as essential to consider for its opinion

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<sup>1</sup>OJ L 211, 14.8.2009, p. 1.

<sup>2</sup>OJ L 211, 14.8.2009, p. 15.

the purpose of the annual report. By its nature, such a report shall provide transparent information about ENTSO-E's activities. In particular, information about the fulfilment of the various tasks of ENTSO-E under Regulation (EC) No 714/2009 is central,

#### **HAS ADOPTED THIS OPINION:**

1. The ENTSO-E Annual Report 2017 provides a good account of ENTSO-E's activities in 2017.
2. The ENTSO-E Annual Report 2017 communicates the relevant information in a way that is generally easy to understand for all stakeholders.
3. The ENTSO-E Annual Report 2017 offers a good overall level of detail. It is important to adjust the level of detail to the specific issue to ensure adequate clarity and completeness. In that respect, in the Agency's view, a few aspects in the ENTSO-E Annual Report 2017 could have benefitted from further elaboration, namely:
  - In the section on the Capacity Calculation Regions' tasks, the Annual Report fails to mention the delays or failures of some capacity calculation regions to submit the methodologies within the required legal deadline and the reasons for the delays or failures. The Agency invites ENTSO-E transparently to report not only successes, but also the problems in the implementation of the network codes.
  - In the section on Network codes, the Annual Report mentions that, when the proposals for regional design for long-term transmission rights were not approved by the concerned regulatory authorities, the decisions were forwarded to the Agency. The Agency however notes that no such case was referred to the Agency so far.
  - In the section on Grid development and planning, EUCO 2030 is mentioned as the fourth considered scenario, but the scenario development report 2018 explains that EUCO 30 is used as an input to create a scenario similar to EUCO 30, from which one could conclude that the resulting "external scenario" is not the same as EUCO 30. ENTSO-E should explain more precisely in its annual report that EUCO 30 is not used on its own, but as an input to create the so-called "external scenario". Furthermore, the ENTSO-E Annual Report 2017 wrongly implies that input from regulatory authorities was considered when developing the scenarios for the Ten-Year Network Development Plan and that those regulatory authorities agreed with the scenarios. In fact, regulatory authorities expressed strong concerns regarding the (overly) optimistic scenarios and had limited possibility to influence their development. Finally, what is mentioned in the ENTSO-E Annual Report 2017 about ENTSO-E's pan-European report "Europe Power System 2040:

completing the map” is not accurate for two reasons: first, it gives the wrong impression that different sets of increases in the transmission capacity at various borders were tried in order to derive the right one, while alternative sets were not investigated, and, second, it implies that the contribution of new capacity to market integration, security of supply and RES integration is explicitly shown in this report, while this is not the case.

- In the section on Transparency, the ENTSO-E Annual Report 2017 specifies when the upgrades of the platform to enable the submission of data according to the new specifications included in the updated Manual of Procedures have been or will be accomplished. In the Agency’s view, ENTSO-E’s annual reports should further specify whether all data providers are effectively submitting the data according to these specifications, or by when this is expected.

Done at Ljubljana on 2 October 2018.

For the Agency:

  
Alberto Pototschnig  
Director *ad interim*