



## SUBMISSION TO ACER'S PUBLIC CONSULTATION ON SCENARIOS GUIDELINES

*Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With over 170 member organisations from 38 European countries, representing over 1.500 NGOs and more than 47 million citizens, CAN Europe promotes sustainable climate, energy and development policies throughout Europe.*

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With the following responses, CAN Europe provides its feedback to the public consultation of the European Union's Agency for the Coordination of Energy Regulators (ACER) on its Framework Guidelines on the joint scenarios for electricity and gas network development plans ("Scenarios Guidelines"). Under the revised Regulation (EU) 2022/869 on guidelines for trans-European energy infrastructure (TEN-E Regulation), ACER has been tasked with the introduction of these Scenario Guidelines by January 2023 in order to ensure that future scenarios for energy infrastructure planning are aligned with the EU's climate and energy targets. CAN Europe builds this on the previously published submission '[Good practices for developing scenarios in view of the ACER Scenario Guideline](#)' (August 2022) and on its feedback on ACER's concept not for scenario guidelines (September 2022).

### 1. Respondent's Data

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Activity: Civil society organisation

### 2. Consultation questions

To help the Agency understand your concrete and specific input, we recommend that you connect your feedback as much as possible to the recital numbers in the draft Guidelines.

*8. Please write here your specific and concrete feedback on the criteria proposed to ensure a timely scenario preparation process (Section 2 of the draft Guidelines).*

CAN Europe welcomes ACER's proposals for a more streamlined and timely scenario building process (25) (27). A more **binding timeline** for the different steps from the elaboration of draft TYNDP scenarios to the final TYNDPs could potentially facilitate the engagement of

stakeholders into the process. In the past, short-term invitations to events and consultations made it difficult for civil society organisations to **participate actively and on a regular base**.

During the two previous TYNDP processes, the ENTSOs' have already made a huge step ahead in view of increasing the **transparency of the data** used in the TYNDP scenarios with dedicated websites. In order to be able to understand the progress of the scenario building on the ENTSOs' side, we suggest that ENTSOs offer to **update stakeholders about the advancement of their scenario building** in a more regular way, for instance by highlighting upcoming milestones in time or through newsletters and other digital formats.

CAN Europe raises concerns with regards to the prominent role given to NECPs in the updating of the TYNDP scenarios (28). Despite their prominent role as the linking document between Member States' policies and EU level ambition, NECPs so far have not provided the required **consistency with EU climate and energy targets** (see CAN Europe's report '[Taking stock and planning ahead. National Energy and Climate Plans as a tool to achieve climate safety and energy security](#)', June 2022), while existing NECPs became outdated already after they were adopted. We see the risk that copying the poor level of ambition of a number of NECPs into the TYNDP scenarios will give the wrong signal for EU infrastructure planning.

Relying on NECPs as a key input for the next and future TYNDP scenarios could also **undermine the aim of a timely scenario building process**. Many Member States have been delayed considerably in submitting their NECPs. As documented in CAN Europe's previous research, public participation in the preparation of NECPs was far from being a timely and inclusive bottom-up process (see CAN Europe's report '[The clock is ticking. Insights into progress made by Member States so far in improving their draft National Energy and Climate Plans \(NECPs\)](#)', November 2019).

Against this backdrop, we recommend that higher climate and energy targets are taken into account, at least at the level of the most recent **REPowerEU Plan**. Regarding the demand for hydrogen, TYNDP scenarios should reflect the EU plans to use renewable hydrogen. That means sufficient additional renewable electricity generation capacities have to be foreseen in the scenario building to be in line with current EU strategies and targets. If renewable hydrogen production is not backed appropriately by additional renewable generation capacities, hydrogen demand would just jeopardise the increased renewable energy target.

For modelling the next TYNDP, there also should be sufficient flexibility for the short and mid-term level of ambition to go also beyond the targets currently suggested by the European Commission.

The **decoupling of the initial storylines** elaboration from the TYNDP scenarios (29) could improve the quality and credibility of the TYNDP process if it is backed up with at least an **independent assessment** involving the European Scientific Advisory Body on Climate Change (ESABCC) and other researchers and civil society stakeholders.

9. Please write here your specific and concrete feedback on the proposed criteria to ensure robust objective-driven scenario development (Section 3 of the draft Guidelines).

Regarding the consideration of NECPs in the TYNDP scenarios (30), see our comments in our answer to the previous question 8. The potential **contradiction with the levels of ambition of NECPs** which will only be available as drafts by the end of 2023 is not solved. Moreover, it is not clear what exactly the 'latest Commission scenarios' refer to.

CAN Europe strongly supports the inclusion of the **Energy Efficiency First principle** both on the supply and demand side in the scenario building. We welcome that our proposals for focusing future scenario building on challenges of **demand-side response and sector integration** are explicitly integrated in the Guidelines (31).

The potential lack of consistency between NECPs and overarching EU targets is recognised (35). If the Guidelines leave the task to solve this potential inconsistency exclusively to the ENTSOs, the scenarios might not be aligned with the EU energy and climate targets. There should be clear provisions to be followed by the ENTSOs to develop scenarios that achieve net zero emissions in a credible way.

Trajectories should at least be clearly aligned with the net zero emissions target and also include potential benefits of achieving climate neutrality earlier. If the 2050 horizon is not clearly defined (38) and if scenarios have no trajectories consistently connected to the 2040 and/or 2050 net zero emissions objective, the cumulative emissions before 2050 might remain at a much too high level, leading to **carbon budget overshooting**. The long-term perspective thus should not be left vague or undefined in the TYNDP scenarios.

10a. Please write here your specific and concrete feedback on the proposed criteria to ensure a transparent, inclusive and streamlined development process, focusing on the stakeholder engagement requirements (Section 4 of the draft Guidelines, recitals (42)-(48)).

An independent review of the scenario building process needs to provide **safeguards against biased assumptions and data inputs**. The suggested Stakeholder Reference Group (SRG) (43) is an important step into this direction. The selection of independent members and the access to this group as well as the institutional support for an appropriate functioning should be transparently detailed.

The current TYNDP process might be driven majorly by technocratic voices while the planning of Europe's energy transition is much more complex: scenario building is not just about society 'accepting the optimal engineering solution' but important values that need to be deliberated with different representatives from society: security of supply, affordability, nature protection, participation (economic and procedural), distributional justice. Against this backdrop, **participation in the SRG should be broad and not limited to technical experts**.

The role of ACER, the European Commission, the ESABCC and European Commission's Joint Research Centre (JRC) is not defined very well in this paragraph. Should these institutions just occasionally support the independent assessment? Should they discuss on

par with other stakeholders or play the role of **guiding institutions**? What would be their tasks and mandates?

For the purpose of creating an unbiased and truly independent SRG, CAN Europe suggests **strengthening the institutional and formal distance from the ENTSOs**. The independent convenor (44) could effectively ensure this task. The ESABCC should take over a guiding role to ensure consistency with EU climate and energy targets as it also covers a broader range of societal challenges that go beyond the formal mandate of the ENTSOs.

CAN Europe considers the proposal that stakeholders joining the SRG receive a plan detailing which input is expected from them by when (45) as potentially problematic for the guiding function of this new group. CAN Europe expects the SRG to **accompany and steer the course of the ENTSOs scenario building work**. If SRG members receive tasks from the ENTSOs, the SRG might be turned into their technical advisory group instead of discussing main features and orientation of the TYNDP scenarios.

The formation of the SRG represents an opportunity to introduce a crucial feedback loop into the TYNDP process between policy formation and technical insights from open, transparent energy scenarios. The TYNDP scenarios see political targets transposed into highly detailed and granular energy modelling, informed by a pool of Europe's technical experts. Expert scrutiny of the resulting scenarios could provide crucial feedback to policy-makers on the implementation of policy objectives, thus creating a feedback loop between the setting of political targets and transparent highly, technical scenarios. The lack of a feedback mechanism constitutes a procedural gap in the TYNDP process, where policy targets define the outcome of the scenarios, but **scenario analysis does not feed back into policy**.

It is proposed that the SRG conducts and **publishes an analysis of the final TYNDP scenarios**, in which this independent committee has the freedom to comment directly on and provide independent scrutiny of the outcomes of the scenarios. This complements the current description of the SRG's role in providing independent scrutiny on the inputs, assumptions and methodologies - and extends it to also cover the final scenarios. To add weight to the analysis published by the SRG, the published analysis could be co-signed by the observers of the SRG.

*10b. Please write here your specific and concrete feedback on the proposed criteria to ensure a transparent, inclusive and streamlined development process, focusing on the information and publication requirements (Section 4 of the draft Guidelines, recitals (49)-(52)).*

The proposals could considerably improve the transparency of the process. Access to data would potentially be facilitated. The two-staged publication with more details for 'informed stakeholders' (51) is questionable for us. **Full data access for the entire public** should be offered on equal footing. It is not clear whether the group of 'informed stakeholders' is a synonym for the Stakeholder Reference Group.

CAN Europe misses an explicit commitment to the publication of all data sets under an **open data licence** as well as the use of **open source modelling software**. We consider these standards as a prerequisite for an inclusive stakeholder engagement. Openness of models

would not only increase transparency but also encourage the sharing of innovative modelling approaches, strengthen its quality and credibility by harvesting the expertise of the scientific community.

Besides the energy-related information on supply, installed capacities and demand (51 iii), CAN Europe demands to also integrate into the Scenario Guidelines sufficient information about **greenhouse gas emissions and carbon budgets** to ensure a continued comparability of TYNDP scenarios with regards to climate targets.

*11. Please write here your specific and concrete feedback on the process for ensuring independent scrutiny of inputs, assumptions and methodologies (Section 5 of the draft Guidelines).*

As explained in our answer to question 10a, CAN Europe prefers not to consider the SRG as mere assistant or service provider to the ENTSOs. Instead of expecting the SRG just to 'assist the ENTSOs in this independent scrutiny' (53), the SRG should also be entitled to **form an independent scrutiny of the ENTSOs scenario building**.

The SRG could ensure the required **filtering and de-biasing function** in practice. As long as ENTSOs explicitly are not bound to any recommendation of the SRG, this role remains rather weak. CAN Europe regrets that the Scenario Guidelines tend to limit the role of the SRG to that of another advisory group. The ENTSOs are encouraged to refer to external advice from beyond the SRG in case the SRG does not unite behind a two-thirds majority view (55). This approach offers the ENTSOs a certain leeway to elude requests from the SRG, even while these would not be binding anyway (57).

The SRG represents an important step in providing safeguards against biased assumptions and data inputs, as well as a diverse range of expertise in line with Art.12(3) of the revised TEN-E Regulation. In order to give the SRG a more important role than any non-binding feedback to public consultations, we suggest to strengthen its role as follows: Where the SRG reaches a significant majority view (54), the **ENTSOs shall be bound by this advice** unless it is vetoed by any of the observers to the SRG, excluding the ENTSOs themselves - that is, ACER, the European Commission, the JRC and the ESABCC. These institutions are best placed to identify views which may be incompatible with the EU acquis and best practices, and thus are attributed veto power.

Should ACER retain its current wording, it is recommended the Guidelines mandate that, alongside the SRG advice published in the draft Scenario Report (54), the ENTSOs must identify those majority views which were taken into account in the scenarios and those ignored, providing justification for the latter.

*12. Please write here your specific and concrete feedback on the proposed quick-review process to enable updating a scenario in case key assumptions change (Section 6 of the draft Guidelines).*

A quick update process is needed and in principle welcomed. The participation and transparency is limited compared to other stakeholder engagement processes. While the ENTSOs themselves, ACER or the European Commission can trigger a review, the SRG would only be allowed to observe this review. The SRG then could only comment the review during a very short period in time. **The ESABCC and the SRG should also have the right to trigger an update.**

It is not clear who endorses the update. According to the proposal, ENTSOs could suggest that a certain event has a sufficient impact (59), they could then suggest changes, just inform the EU institutions and the SRG to then update scenarios according to their own suggestions (60) (62) as SRG recommendations are again non-binding. If this is the case, a **two weeks public consultation should always be run** (64) to broaden the independent scrutiny.

*13. Please write here your specific and concrete feedback on the proposed compliance reporting (Section 7 of the draft Guidelines).*

We have no specific feedback on paragraphs (65) to (67).

*14. Would you like to share anything else with us regarding the draft Scenarios Guidelines?*

The TYNDP scenarios can only live up to their role as the masterplan for Europe's energy infrastructure if they **help to prepare the ground for an accelerated energy transition**. The scenario building must not prolong path dependencies on fossil fuels but spearhead the EU's way towards the Paris Agreement's objective of **limiting average global temperature increase to 1.5°C**.