

ACER Decision on Crisis Scenarios Methodology: Annex II (for information only)

## **Evaluation of responses to the public consultation on the Methodology for Identifying Regional Electricity Crisis Scenarios**

### **1 Introduction**

On 6 January 2020, ENTSO-E submitted to ACER a proposal for a ‘Methodology to Identify Regional Electricity Crisis Scenarios in accordance with Article 5 of the Regulation of the European Parliament and of the Council on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC’ (hereafter referred to as the ‘Proposal’).

In accordance with Article 5(6) of the Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk-preparedness in the electricity sector (the ‘Risk-Preparedness Regulation’), the Agency launched a public consultation on 6 January 2020 inviting all interested stakeholders, including the Electricity Coordination Group (ECG), National Regulatory Authorities, and Transmission System Operators to provide any comments on the Proposal. The closing date for comments was 12 January 2020.

### **2 Responses**

By the end of the consultation period, the Agency received responses from three respondents.

This evaluation paper summarises all received comments by respondents and includes the Agency’s views on them. The table below is organised according to the respective respondents; it also includes a response from the Agency clarifying the extent to which their comments were taken into account.

Respondents' views	ACER views
<b>ENEL SpA</b>	
<p>Enel welcomes the opportunity given by ACER to express our comments and suggestions on the methodology to identify regional electricity crisis scenarios.</p> <p>First, we would like to make a remark on Article 6 of the proposed methodology “TSOs’ obligation to provide information to ENTSO-E to support scenario identification and evaluation”.</p> <p>The methodology should be consistent with what is already written in the Risk Preparedness Regulation Art 7.2: “In identifying the national electricity crisis scenarios, the competent authority shall consult the transmission system operators, the distribution system operators that the competent authority considers to be relevant, the relevant producers or their trade bodies, and the regulatory authority where it is not the competent authority.”</p> <p>Therefore paragraph 3.a should be amended as follows: Each TSO shall share scenario information with ENTSO-E, the relevant producers or their trade bodies and the relevant distribution system operators in accordance with national and EU policies and legislation concerning handling of sensitive information;</p>	<p>The Agency does not agree.</p> <p>The Agency would like to highlight that the implementation of Article 7 of the Risk-Preparedness Regulation follows that of Article 6 of the Proposal and not vice versa. Also, the objective of Article 6 of the Proposal is to ensure that ENTSO-E is given sufficient information by TSOs to carry out the identification of regional electricity crisis scenarios in accordance with Article 6 of the Risk-Preparedness Regulation, and not to disseminate information collected in the course of this identification process. Moreover, the Agency understands that, as explained in Recital (10) of the Risk-Preparedness Regulation, the regulatory authorities and other relevant national authorities shall ensure the transparent and inclusive participation of all actors involved, including concerning the information exchanges in relation to that. Nevertheless, Article 17 of the Proposal lays out principles on how to handle sensitive information in a manner that ensures transparency towards the public in accordance with Article 5(3)(e) of the Risk-Preparedness Regulation.</p>

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<p>Secondly, article 12 “identification of regional electricity crisis scenarios” should be amended as follows:</p> <p>In addition to the aggregation of national scenarios, ACER shall also consider infrastructure disruption scenarios. At a minimum, this should include scenarios related to the electricity distribution grids and the natural gas supply, as developed by ENTSO-G pursuant to Article 7 of the Regulation (EU) 2017/1938 of the European Parliament and of the Council. Additional scenarios related to connected infrastructure (e.g. gas, ICT) may be considered and included where appropriate, by ENTSO-E in cooperation with the relevant TSOs ,DSOs and the EU DSO.</p> <p>As the electricity networks comprise both transmission and distribution infrastructure and due to the increasing growth of distributed generation, Distribution System Operators will play a major role in managing increasing intermittency and should participate in the crisis scenarios identification. In addition, their participation will also enhance international cooperation between TSOs and DSOs.</p> <p>Furthermore, Distribution system operator’s key role in ensuring a secure, reliable and efficient electricity system is also stated in Articles 31 and 40 of Directive (EU) 2019/944. Putting DSOs broad experience and profound knowledge dealing with electricity crisis at EU’s service, is of extreme importance for ensuring EU’s security of supply.</p> <p>We would like ACER to include also the participation of the EU DSO entity in the scenarios related to connected infrastructure as it is the organization in charge of the cooperation between DSOs at EU level and, according to the Electricity Regulation, the EU DSO entity shall cooperate with the ENTSO-E and adopt best practices on the coordinated operation and planning of transmission and distribution systems (Article 55).</p>	<p>The Agency partly agrees.</p> <p>The Agency agrees that the future EU DSO entity will become a relevant body that could supply information on possible crisis scenarios originating in distribution networks, directly into the process for the identification of regional electricity crisis scenarios in accordance with Article 6 of the Risk-Preparedness Regulation. Also, the Agency understands that the EU DSO entity will evaluate and condense the input from numerous DSOs across the EU before informing the process efficiently and effectively, thus suppressing a need to include all DSOs that would likely render the process inefficient. To this end, the Agency included the reference to the EU DSO entity in Article 12(6) of the Proposal.</p> <p>Nevertheless, the Agency believes that the list of initiating events in Appendix II of the Proposal includes the necessary infrastructure disruption scenarios, e.g. cyberattack. Any additional scenarios, including those related to electricity distribution grids, shall be considered and included during the identification of regional electricity crisis scenarios in accordance with Article 12(6) of the Proposal. To this end, the Agency clarified in Article 12(6) of the Proposal that additional scenarios may pertain to</p>

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	interconnected infrastructure such as for example distribution grids.
<p>Finally, the last comment is on Article 13, suggested to be amended as follows:</p> <p>For each Member State, the TSO(s) shall specify the likelihood and the impact on the electricity system of each regional scenario consistent with the rating scales provided (Appendix I), in accordance with paragraphs (1) and (2) of Article 7. TSOs shall collaborate with their competent authority as well as the distribution system operators and generators or trade bodies that the competent authority considers to be relevant. This collaboration should provide a single evaluation for each electricity crisis scenario. TSOs who belong to the same Member State shall coordinate with other TSOs within the Member State.</p> <p>As previously said, for coherence with the Risk Preparedness Regulation Art 7.2, in identifying the national crisis scenarios, the competent authority shall consult relevant producers, TSOs and DSOs who are indeed, ultimately liable for safe and reliable operation of the system at national level and, their experience in terms of crisis management is up to now, mainly among these stakeholders."</p>	<p>The Agency does not agree.</p> <p>The Agency believes that replicating, in Article 13 of the Proposal, obligations from Article 7(2) of the Risk-Preparedness Regulation would result in a clash of competences between the TSO(s) and the competent authority as designated by the respective Member State. Stakeholders in the course of ENTSO-E's public consultation raised issues concerning clarity with regard to Article 7 of the Risk-Preparedness Regulation and in turn ENTSO-E adapted the Proposal to avoid the clash of competences during the implementation of the Risk-Preparedness Regulation.</p>
<b>EDF</b>	
<p>The implementation of the Risk-Preparedness Regulation will contribute to an enhanced cooperation between EU Member States, in order both to ensure the optimized use of the installed capacity in Europe and a better coordination in the management of the security of supply.</p>	
<p>Concerning the proposed methodology, EDF would like to make the following comments:</p> <ul style="list-style-type: none"> <li>- The proposed methodology provides for very general information on the process, setting a poorly constrained framework. Some more precise information is required. In</li> </ul>	

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<p>particularly article 10 of the methodology does not specify enough the scenarios which are candidates for the regional crisis scenario.</p> <ul style="list-style-type: none"> <li>- The methodology should specify with more detail how the most relevant scenarios are selected.</li> <li>- A minimum number of crisis scenarios should be identified in compliance with the article 5 of the Regulation which states “the proposed methodology shall identify electricity crisis scenarios”. To make sure that the various types of risks are addressed at regional level, EDF recommends that there should be at least one scenario for each risk. The proposed methodology recalls the hazards on which the scenarios shall be based but does not explain how the crisis scenarios are identified.</li> <li>- Besides, in the phase of identification of the main crisis scenarios, the stakeholders (e.g. market participants) should be at least informed, in order to be able to use this additional information to have better visibility on the risks affecting the stability of the electricity system.</li> <li>- Methodologies to assess risks, regional coordination process, system needs and operational procedures to mitigate risks may differ depending on the type of risk under consideration. For each scenario or each type of scenario, the associated high-level template risk preparedness plan should be specified. There should be at least one scenario considering all the types of risks and not only the most probable ones.</li> <li>- The geographical perimeter of the Expected Energy Not Supplied (EENS) and the Loss of Load Expectation (LoLE) should be specified. A perimeter smaller than the bidding</li> </ul>	<ul style="list-style-type: none"> <li>- The Agency disagrees. It is hazards, listed in Annex II of the Proposal, that shall inform the scenario candidates and not vice versa.</li> <li>- The Agency disagrees. Article 12 of the Proposal details the process for the identification of relevant electricity crisis scenarios. If it turns out in the future that this process is suboptimal, it shall be subject to a revision in accordance with Article 5.7 or the Risk-Preparedness Regulation. Also, rating of a regional crisis scenario is calculated as a sum over all Member States of national impact ratings weighted by the national ratings of the cross-border dependencies – see example on page 20 of the Proposal.</li> <li>- The Agency disagrees. Creating scenarios for the sake of their creation (e.g. one per each risk, one for all types of risks, minimum number of scenarios, etc.) does not meet the proportionality criteria and would in turn bring about inefficient costs for the development of the corresponding risk-preparedness plans. Crisis scenarios shall be identified as explained above.</li> <li>- The Agency disagrees. As explained in Preamble (10) of the Risk-Preparedness Regulation, the regulatory authorities and other relevant national</li> </ul>

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<p>zone could be interesting to highlight a local issue. Moreover, EDF wonders whether the EENS should be multiplied by the energy consumed.</p>	<p>authorities shall ensure the transparent and inclusive participation of all actors involved, including concerning the information exchanges in relation to that.</p> <p>- The Agency disagrees. Rather than identifying relevant electricity crisis scenarios, the Proposal lays down a method and a process to establish the relevant electricity crisis scenarios. In addition, as explained in Preamble (5) of the Proposal, mitigation of the cross-border impacts of electricity crises is outside the scope of the Proposal. This mitigation falls into the scope of the risk preparedness plans to be established by competent authorities in accordance with Article 10 of the Risk-Preparedness Regulation.</p> <p>- The Agency agrees to include the geographical scope (likely geographical location or part of the system affected by the event) in the description of electricity crisis scenario candidate (Annex III.1). The methodology to identify regional electricity crisis scenarios uses a bottom-up approach (input by each TSO first) so the expected energy not-served percentage (EENS%) is used consistently.</p>
<p><b>ANRE</b></p>	

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<p>General requirement :            According to art. 5 point (3) from Regulation on risk-preparedness in the electricity sector - RPR : The proposed methodology shall include at least the following elements: (a) a consideration of all relevant national and regional circumstances, including any subgroups;</p> <p>This point/letter should be implemented in Methodology.</p>	<p>The Agency agrees to clarify in Article 10 of the Proposal the role of regional subgroups defined by Member States in delivering electricity crisis scenario candidates, if relevant.</p>

### 3 List of respondents

Organisation	Type
ENEL SpA	Energy company
EDF	Energy company
ANRE	National regulatory authority