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Brussels, 16 January 2020

**Subject: Eurelectric's assessment of the ENTSO-E and ENTSO-G draft TYNDP 2020 scenario report**

Dear Commissioner,  
Dear Director General,

I am writing to you to express the **serious concerns of the Electricity Sector regarding the joint ENTSOs' TYNDP 2020 draft scenario report** currently under public consultation.

In this context, I would like to bring to your attention the proposals made by Eurelectric to **ensure a future-proof electricity and gas grid sustaining the net-zero emissions ambition by 2050.**

Reaching this goal requires drastic changes in the way the EU generates, transports and consumes energy. As mentioned in the 2019 Communication on the European Green Deal, **the transition to climate neutrality will require smart infrastructure that will be key to delivering a carbon-neutral energy supply to end consumers in a secure and affordable way.**

**The TYNDP plays a crucial role to ensure a coordinated, cost-effective and future-proof approach to electricity and gas infrastructure requirements and investments.** To do so, TYNDP scenarios should ensure that long-term projections for the overall electricity and gas demand are compliant with the Paris Agreement and duly take into account the level of maturity of all technologies.

From this perspective, Eurelectric is particularly concerned about the following preliminary results presented by the ENTSOs:

- **The low electrification rate foreseen by the TYNDP 2020 scenarios report (40-50%)** and the rather low electricity gross electricity generation forecast (max 5500 – 6000 TWh compared to EC LTS scenarios – 6700 TWh for LIFE scenario and 8000 TWh for TECH scenario). This is striking while the EC Long-Term Strategy clearly recognises the key contribution that carbon-neutral electricity supply will play in the transition towards a climate-neutral Europe.
- **The strong divergence of the TYNDP gas demand forecasts in all three scenarios compared to the European Commission Long-term Strategy.** For instance, the “Global Ambition” scenario assumes that EU will import 3000 TWh of decarbonised gas in 2050 (out of 4000 TWh). This scenario seems questionable given the EU climate ambitions and implies that the gas sector’ decarbonisation efforts would essentially depend on significant imports from third countries.
- **The Cost-Benefit Analysis (CBA) for transmission and storage projects will be fully performed on the basis of the National Trend scenario only.** In this scenario, around 3500 TWh of unabated gas will compose the gas supply mix by 2040 – very close to today’s consumptions level. We do not see this supported by the NECPs which are supposed to deliver on the EU 2030 objectives. It is also not compatible with the requirements of the Paris Agreement. This is not acceptable given that the CBA is the sole basis for the selection of Project of Common Interests that benefit from accelerated permitting procedures and funding. **The main scenario for a CBA should be compliant with the EU 2050 decarbonisation objectives.**

Our recommendations on ensuring that TYNDP scenarios safeguard a coordinated, cost-effective and future-proof approach to electricity and gas infrastructure requirements and investments are the following:

- **TYNDP’s scenarios should provide a wider range of future possibilities to test the energy infrastructure under more extreme circumstances.** Indeed, a greater spread in scenarios (at least the “COP21 scenarios”) to illustrate potential stress situations would provide more insight, as well as a sensitivity analysis of key risk factors.
- TYNDP scenarios should **consider the different starting points and commercial availability of key transition technologies**, especially to provide new storage options. Also, the significant decentralisation trend and related investments in distribution grids should be acknowledged.
- **A revised governance for the elaboration of the TYNDP should be accomplished during the review of the TEN-E Regulation.** Going forward, the European Commission and Members States should ensure a close oversight of the process. Moreover, stakeholders - including market parties and DSOs - should be proactively consulted, especially when assumptions on demand and supply are being defined.

We remain at your disposal to discuss the content of this letter and assist in the development of any proposals that may be put forward.

Yours sincerely,



Kristian Ruby  
Secretary General

c.c.  
DG ENER Deputy Director General Klaus-Dieter Borchardt



ENTSO-E Secretary General Laurent Schmitt  
ENTSO-G General Director Jan Ingwersen