

European Union Agency for the Cooperation of Energy Regulators

Copenhagen Forum:

Coordinated onshore and offshore infrastructure planning, including an exploratory discussion on cost and benefit sharing for offshore grids

ACER's position on offshore grid planning and cost and benefit sharing

25 Nov 2021



Grid planning

- Offshore grid planning should be distinguished from generation assets development / planning
- Offshore grid planning should be addressed with the same planning processes followed for the onshore grid planning and appropriate regulatory scrutiny should be ensured (see <u>ACER Position Paper</u> <u>on TEN-E</u>):
 - Planning should be included in the existing TYNDP process (ENTSO-E and TSOs should continue carrying out fundamental system engineering studies)
 - ACER should be empowered to issue a binding decision on the content and process of the TYNDPs as well as binding amendment requests on the draft TYNDPs
 - The CBA should be developed by using the current ENTSO-E CBA methodology, updated as appropriate to assess offshore networks
- The ownership of the transmission lines is not expected to affect the timely delivery of network planning, as unbundling provisions regarding network development and operation are expected to remain as of today



Cost and benefit sharing

- To facilitate the cross border cost allocation (CBCA) processes, ACER issued two specific CBCA Recommendations, providing guidance to project promoters on the submission of an investment request, as well as to national regulatory authorities on the assessment of the investment request and the allocation of costs across the Member States. [Link to ACER Recommendation 05/2015]
- In addition, ACER has direct experience in taking decisions on cost allocation [Link to GIPL decision and Link to Litpol decision] and published 4 CBCA monitoring reports, the latest covering 43 CBCA decisions which involve a total of 27 countries. [Link to the 4th ACER CBCA monitoring report] 8 projects also included offshore parts, where the so called "territorial principle" for cost allocation is not applicable
- The cost-sharing methodology should consider only the costs pertaining to the transmission assets (not those pertaining to the offshore generators)
- The cost-sharing methodology should be developed by expanding the ACER CBCA Recommendation or via dedicated ACER recommendations, as appropriate.

Thank you. Any questions?

The contents of this document do not necessarily reflect the position or opinion of the Agency.



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