

Agency for the Cooperation of Energy Regulators

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**Date** 27 May 2020  
**Subject** Resonse to consultation on methodologies for resource adequacy assessment and for VoLL, CoNE and RS.

Dear Mr/Mrs,

Energie Nederland thanks ACER for the organization of a consultations on methodologies for ERAA and for VoLL, CONE and RS proposals. In this letter Energie-Nederland would like to express support for the Eurelectric response to these consultations.

In addition, Energie-Nederland would like to draw attention to some points that are most critical from our point of view:

- Energie-Nederland is pleased with the Implementation roadmap which will be published on ENTSO-E website. This should provide more clarity as to which parameters and improvements will be and/or have been included. Transparency on assumptions and modelling is essential for the confidence in this process.
- While Energie-Nederland understands that the determination of the LOLE criteria can be steered by a formula established at European level (LOLE-target = CoNE / VoLL), it should be stressed that Member States should have the freedom to set their own desired level of security of supply.

According to article 25 of Regulation (EU) 2019/943, the reliability standard shall be set by the Member State and be calculated using at least the value of lost load and

the cost of new entry over a given timeframe. The cost for society cannot be merely summarized as Loss of load duration x VoLL as the direct economic impact will be much higher than what could be expected from this theoretical approach. Indeed, the reliability standard is a much more complex issue than how much new capacity cost and how much a customer is willing/accepts to pay.

In essence, the reliability standard is a symbol on what type of country one wishes to have. Does a Member State wish to have a reliable electricity system or is it acceptable not to always have power? Having a high LOLE would lead to large economic loss as the country becomes less attractive to invest/stay in (i.e. for business or industries). This is only one example of large economic impact which is not covered by the VoLL formula.

Therefore, Energie-Nederland is of the opinion that the reliability standard should be the result of a political discussion and conscious decision, not simply the output of a standard formula. Although a confidence interval has been suggested, this does not guarantee adequate decision power of the member state. Energie-Nederland hereby urges that the desired level of security of supply continue to be determined by the Member State.

- Given the importance of all the parameters, LOLE, VoLL, CoNE and RS, market participants should remain involved in the definition process and allowed to react on the final national propositions through a public consultation.
- On a general note, all models should as best as possible objectively reflect the markets they represent. Therefore, only decisions taken or whose implementation is legally imposed with a clear timeline should be included in the ERAA.

Please don't hesitate to contact us for additional information.

Yours sincerely,

on behalf of

A handwritten signature in blue ink, appearing to read "S. Collot d'Escury".

Sam Collot d'Escury

Director Energie-Nederland