

**OPINION OF THE AGENCY FOR THE COOPERATION OF ENERGY  
REGULATORS No 01/2018**

**of 30 January 2018**

**ON THE ENTSO-E WINTER OUTLOOK REPORT 2017/2018  
AND SUMMER REVIEW 2017**

THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators<sup>1</sup>, and, in particular, Articles 6(3)(b) and 17(3) thereof,

HAVING REGARD to Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003<sup>2</sup>, and, in particular, Article 9(2) thereof,

HAVING REGARD to the favourable opinion of the Board of Regulators of 24 January 2018, delivered pursuant to Article 15(1) of Regulation (EC) No 713/2009,

WHEREAS:

- (1) On 29 November 2017, the European Network of Transmission System Operators for Electricity (“ENTSO-E”), pursuant to Articles 8(3)(f) and 9(2) of Regulation (EC) No 714/2009, published its annual winter generation adequacy outlook report for 2017/2018 together with the review of the main events which occurred during summer 2017. The report is entitled “Winter Outlook Report 2017/2018 and Summer Review 2017” (the “WOR 2017/2018 & SR 2017”)<sup>3</sup>.
- (2) Pursuant to Article 6(3)(b) of Regulation (EC) No 713/2009, the Agency for the Cooperation of Energy Regulators (“the Agency”) shall provide an opinion to ENTSO-E in accordance with the first subparagraph of Article 9(2) of Regulation (EC) No 714/2009 on relevant documents referred to in Article 8(3) of Regulation (EC) No 714/2009. Point (f) of Article 8(3) of Regulation (EC) No 714/2009 refers to annual summer and winter generation adequacy outlooks to be adopted by ENTSO-E. It does not explicitly refer to the summer and winter reviews. However, such reviews are of utmost relevance for the preparation of

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<sup>1</sup> OJ L 211, 14.8.2009, p. 1.

<sup>2</sup> OJ L 211, 14.8.2009, p. 15.

<sup>3</sup> ENTSO-E, “Winter Outlook Report 2017/18 and Summer Review 2017”, November 2017.  
[https://www.entsoe.eu/Documents/Publications/SDC/Winter\\_Outlook\\_2017-18.pdf](https://www.entsoe.eu/Documents/Publications/SDC/Winter_Outlook_2017-18.pdf)

future outlooks and, equally, constitute a long-standing practice of ENTSO-E. In light of the above, it is appropriate to consider in this Opinion not only the Winter Outlook Report 2017/2018 (the “WOR 2017/18”), but also the Summer Review 2017 (the “SR 2017”),

## **HAS ADOPTED THIS OPINION:**

### **1. Winter Outlook Report 2017/2018**

The WOR 2017/18 covers the winter period from 29 November 2017 to 1 April 2018. It is based on data provided by the TSOs through a questionnaire and historical weather data from the Pan-European Climate Database (PECD), and presents TSOs’ views both on risks to security of supply and on the planned countermeasures. The objective of the WOR 2017/18 is twofold: firstly, to share TSOs’ adequacy assessments, allowing for a better planning of remedial actions; and, secondly, to inform stakeholders so that they can adapt their actions according to potential threats and reduce the risks incurred by them.

The Agency welcomes the improvements in the WOR 2017/18, in particular the additional chapter on stress tests and risk assessments<sup>4</sup>, and the chapter on multiple outages<sup>5</sup>. Both chapters provide valuable insight into how specific events - such as generation outages, transmission infrastructure outages, cyber-attacks, human error and extreme weather events - can have a high and often unforeseen impact on adequacy and security of supply in general. The Agency thus encourages ENTSO-E further to investigate these issues and incorporate them in future seasonal outlooks, improving the following:

- the assessment of the connection between stress tests, risk assessments and multiple outages and the foreseen adequacy in general;
- the analysis of the probability of such extreme events and of its link with the state of adequacy as identified in the chapter on upward or downward adequacy;
- the extension of the analysis to all countries and not only to a couple of study cases;
- the analysis and quantification of how gas outages could influence electricity adequacy and vice-versa.

The WOR 2017/18 concludes that Europe has sufficient generation to meet demand at any time during normal weather conditions of winter 2017/18. A couple of countries might be relying on imports to cover their demand, especially during severe weather

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<sup>4</sup> WOR 2017/18, chapter 5, p.28.

<sup>5</sup> WOR 2017/18, chapter 6, p.36.

conditions, but the probability of adequacy crisis is rather limited. As for downward adequacy, only two countries might need to curtail production of renewable generation due to over-generation.

The Agency reiterates its request to ENTSO-E to:


- start assessing voltage-related issues and the effect of the decreasing trend of flexible generation capacity on it; and,
- perform market simulations to understand how both upward and downward adequacy crises affect electricity prices and market behaviour.

## **2. Summer Review 2017**

The SR 2017 covers the period from 31 May to 1 October 2017. None of the reported incidents seemed to have affected adequacy and the SR 2017 states that electricity demand was close to the one predicted in the Summer Outlook Report 2017<sup>6</sup>. Beyond this point, there is no additional comparison between the forecast of the Summer Outlook Report 2017 and the SR 2017, which would transparently indicate potential improvements in future forecasts and help improve the overall quality of the seasonal adequacy outlooks.

Done at Ljubljana on 30 January 2018.

For the Agency:

  
Alberto Pototschnig  
Director

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<sup>6</sup> [https://www.entsoe.eu/Documents/Publications/SDC/Summer\\_Outlook\\_2017.pdf](https://www.entsoe.eu/Documents/Publications/SDC/Summer_Outlook_2017.pdf)