



Union Française de l'Électricité

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## UFE's opinion on ENTSO-E's proposal for a European Resource Adequacy Assessment methodology

UFE welcomes the proposed methodology as a tool to improve the quality and the coordination of resource adequacy evaluations at EU level, which is a key objective.

**UFE supports the introduction of an economic viability assessment to ensure that the chosen scenarios are realistic, especially to evaluate the potential decommissioning or mothballing of existing assets. The addition of new capacities, however, should not be part of the same assessment, as it could lead to a circular modelling where new capacities are added up to the level required to fulfill the reliability standard.**

UFE would also like to underline that, by definition, the ERAA methodology will rely on scenarios and forecasts, which are themselves based on various and (at least partly) uncertain entry data assumptions. The necessary precautions which should be taken when dealing with the ERAA results (as with any adequacy assessment or complex study in general) should thus be clearly outlined. Furthermore, UFE stresses that the European methodology should not be detrimental to the detailed modelling of specific aspects which might not apply to all countries but are nonetheless key when it comes to adequacy assessments, such as for example the modelling of hydropower plants.

On more detailed aspects, UFE would like to stress the following points:

- **Regarding network modelling, the capacities used in ERAA should reflect to the best possible extent the *real* capabilities of the network**, and not take into account artificial increases such as the ones deriving from the 70% threshold pursuant to article 16 of Regulation 2019/943. Similarly, UFE does not consider that the bidding zone configuration has per se an impact on the physical adequacy, all other things being equal.
- UFE considers that ERAA should not take into account balancing reserves, including the Restoration Reserve, as such reserves are dimensioned and used to face short-term events, and no to solve adequacy issues. **On the contrary, strategic reserves – which are capacity mechanisms – should be included in the relevant scenario.**



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In terms of transparency and governance, **UFE would welcome a precise mapping of the ERAA input data and sources.** Stakeholders should also be consulted all along the ERAA process and be able to comment on the assumptions and choices made.