CONSULTATION RESPONSE

energy traders europe

The Whole Picture Matters: Rethinking Efficiency Assessments

Energy Traders Europe's response to ACM's Concept Jaarplan Procestoetsing 2027

Brussels, 13 July 2026 – Energy Traders Europe welcomes the opportunity to comment on ACM's 2027 Process Assessment Plan. While we support the ACM's objective of strengthening oversight of network operator processes and recognise the value of understanding how network operators organise and govern key processes, the proposed approach appears too limited for drawing meaningful conclusions regarding cost efficiency.

Key messages

1. **The process assessment needs to be more robust to provide stronger conclusions on cost efficiency.**
   Having selected entities assessed based on a single process in isolation is insufficient, as any process will be linked to strategic planning, risk management, investment governance, asset management and resource allocation decisions.
2. **The proposed approach – comparing GTS tendering procedure with just two DSOs – is too narrow, GTS requires a tailored assessment.**
   ACM proposes to compare processes across operators; for 2027 that means that GTS' tender procedure will be compared with Rendo and Liander. That is a limited assessment. We would propose to select the same process for all network operators, and ideally all three processes for all operators. In addition, we propose to collect insights from TSOs in other countries or insights from other industries, as GTS operates under fundamentally different conditions from DSOs and TenneT.

Detailed comments

We begin by noting that assessing a single process per operator provides only a partial view of organisational performance and risks placing excessive weight on a narrow aspect of the business. While such approach could be sufficient for a local distribution network operator (DSO), we cannot see how this could suffice for a transmission network operator (TSO).

The proposed assessment of procurement at GTS illustrates this concern. Procurement performance is heavily influenced by decisions taken elsewhere in the organisation, including strategic planning, risk management, investment governance and asset management. Reviewing procurement in isolation may therefore provide only a limited understanding of whether resources are allocated efficiently and whether long-term decisions are well founded. Instead, when assessing GTS's procurement procedures, we recommend taking a broader perspective rather than focusing solely on new investments in natural gas infrastructure. Moreover, for GTS, decisions regarding divestments/asset repurposing –

particularly the conversion of existing natural gas assets for hydrogen or CCS applications versus investing in new hydrogen or CCS infrastructure – are equally important and should be considered as part of the assessment.

Furthermore, we note that the consultation document places considerable emphasis on process maturity assessments. While maturity and governance arrangements are relevant indicators, they do not in themselves demonstrate that expenditures, investments and operational costs are efficient. Greater clarity is needed on how findings from process assessments will be translated into conclusions regarding cost efficiency and the reasonableness of costs ultimately borne by network users.

In addition, we stress that **GTS represents a unique case within the Dutch energy sector**. Unlike electricity network operators, which are primarily managing expansion and electrification challenges, GTS operates a mature gas transmission system facing questions around optimisation of existing assets, utilisation levels and investment in a potentially declining asset base. These differences should be reflected in the assessment methodology and in the interpretation of results. In our view GTS should primarily be assessed against the objectives, risks and decision-making challenges associated with operating a gas transmission system, rather than against reference points derived from organisations operating in a fundamentally different context.

We therefore recommend that ACM:

1. Provide **greater transparency** on how process-level findings will be translated into **conclusions regarding cost efficiency.**
2. Consider a **broader and more holistic assessment approach** that takes into account the interaction between procurement, strategic planning, risk management, investment governance and asset management.
3. Apply a **tailored assessment framework for GTS** that reflects the specific characteristics and challenges of operating a gas transmission system.

Overall, the proposed framework is a useful starting point, but further refinement is needed to ensure that the assessments provide meaningful assurance regarding the efficiency of regulated costs and the effectiveness of network operator decision-making.

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