# RGI Statement on the Action Plan for Grids

November 2023

The Renewables Grid Initiative (RGI) welcomes the announcement of the Action Plan for Grids. To enhance the plan's effectiveness, we propose a holistic approach and key considerations to be taken into account by the European Commission.

RGI is pleased to see that the need for electricity grid infrastructure is gaining momentum at both, the EU and global level. There is a broad consensus on the need to scale up the deployment of electricity grids at all voltage levels, to sustain and enable the pace and magnitude of investments in generation and storage assets for renewables across the EU. Electricity grids enable electrification as well as renewables and market integration, thus putting Europe on track towards a timely and cost-efficient energy transition and allowing societies and industries to leverage its multifold benefits.

### *A holistic system approach for planning and investment*

Energy system planning is crucial to guiding future investments in infrastructure, especially since energy systems and infrastructural needs are not homogenous across the EU, but strongly depend on geographies, resources and available flexibility options. Furthermore, the increasing impacts of climate change necessitate increasing resilience and adaptive capacities of electricity grids and the energy system at large. Such considerations should be assessed and properly addressed in the planning, design and operation of the electricity grid and energy system.

In light of the current geopolitical situation, it becomes increasingly evident that scarcity, including within supply chains, is becoming a lasting reality. This underscores the imperative for energy system planning to be exercised with an optimisation mindset. In fact, embedding system-level energy efficiency in scenario-building exercises and energy system planning at large, is not just an option but a necessity for the EU. It is a prerequisite to ensure energy independence, reduce costs, and address scarcity and affordability questions, while upholding climate objectives.

Against this background, renewables-based, direct electrification should be prioritised as the most cost- and resource-efficient way to decarbonise demand and empower citizens. This prioritisation can and should materialise through robust commitments and direct electrification strategies at both, the EU and Member State levels, accompanied by clear and binding progress indicators. As such, RGI urges the European Commission to enshrine this objective into the upcoming Action Plan for Grids and introduce a target of at least 35% direct electrification of final energy use across the EU by 2030, alongside a reporting mechanism and an intermediate direct electrification target for 2040. This will not only support optimisation, but will also reflect local possibilities, needs and resources. Moreover, it would complement and foster the implementation of the EU climate target for 2040.

Robust mid- and long-term energy system planning as well as spatial planning at national and EU levels, with enhanced coordination between all voltage levels, would also enable a more decentralised approach and will allow to capture needs of and

opportunities for flexibility, storage, demand response, sector coupling, and energy savings. Importantly, it will provide predictability and certainty to scale up manufacturing capacities and sustainable supply chains for grid components and critical raw materials. Progress in digitalisation would be a key enabler of such a coordination/approach.

Due to the expected increase in RES penetration, a lack of sufficient grid capacity is quickly becoming a relevant bottleneck of the energy transition in many areas. It holds true that, the integration of the additional renewable capacity to meet EU targets requires an adequate and timely development of the electricity network at all voltage levels and an increase of electricity grid transfer capacity. In view of this, we call on the European Commission, Member States, and energy regulators, to consider and enable anticipatory investments in electricity grids. Given the volume of energy infrastructure required, the long lead times in planning, permitting and construction as well as shortages in supply chains, anticipatory investments will allow for the necessary electricity grid, within and between countries, to be in place and integrate the increasing shares of variable renewables into the energy system. At the same time, anticipatory investments would maximise social welfare, and avoid costly and polluting remedial actions. Consequently, they are a major building bloc in enabling direct electrification of end-users and system integration as well as to ensure energy security, and foster market integration and solidarity among EU countries.

For this to happen in a holistic manner, the mandate of energy regulators should mirror the multifaced challenges linked to decarbonisation. The mandate should be aligned with the overarching objectives of decarbonisation, energy security and security of supply, the biodiversity targets and the need to involve and support local communities. Achieving system optimisation requires prioritising the 'best value' approach at the right moment, over the 'least cost' one. Otherwise, limited ambition with regard to electricity grid development will, with certainty, prolong reliance on fossil fuels, including fossil gas, leading to lock-ins and/or stranded assets and increased GHG emissions.

Moreover, investments in enhancing operations and service quality should be incentivised, and enabled through a more balanced approach on capital and operational expenditures (CAPEX and OPEX). With increasing flexibility needs and operational costs, this change would encourage a shift away from capital bias and move towards improving overall efficiency. At the same time, the EU should increase the budget of, and access to EU and national funding mechanisms for electricity grid operators to support electricity grids and related technologies. Namely, mechanisms such as the Connecting Europe Facility (CEF), in the context of the revision of the Multiannual Financing Framework (MFF), and the Innovation Fund should be adapted and aligned with the urgency and ambition of the EU to reach net-zero well before 2050[1] as well as support the uptake of innovative grid technologies.

Carrying out the needed investments requires coordination with European suppliers, in order for them to meet the needs of electricity grid operators in terms of volume and time. The European legislative framework should evolve to strengthen the EU industry that produces strategic grid components, as well as short and European supply chains,

[1] https://www.pac-scenarios.eu/

while adopting a holistic and efficiency-driven mindset for the use of resources. The recently introduced Net-Zero Industry Act (NZIA) is a policy tool that, if well-designed and coherent with existing legislation, can support sustainable supply chains and public procurement processes, including for example by extending the duration of framework purchase contracts, or facilitating the revision of contracts during execution. Furthermore, the NZIA can help meet EU needs on a skilled workforce for the energy transition. This will not only enable direct electrification but also stimulate local growth and career opportunities.

Lastly, an anticipatory, 'best value' and timely approach also applies to permitting procedures, which require acceleration to enable and unlock electricity grid developments. With long permitting processes remaining a key consideration, the root causes should be effectively addressed. One of the primary barriers to faster permitting is the insufficient capacity within national permitting authorities. Consequently, RGI strongly believes that the upcoming Action Plan should envisage increasing capacities, quantitatively and qualitatively, within national permitting authorities. This approach will provide the time and expertise for the authorities to assess the projects at hand in an expedite, thorough and effective way, without compromising on the quality, including of the necessary environmental assessments and public consultations.

**Key asks on a holistic system approach for planning and investment:**

- Embed system-level efficiency in energy system planning and optimise by prioritising direct electrification of end-users as the most cost- and resource-efficient way to decarbonise the EU economy and societies.
- Introduce a target of at least 35% direct electrification of final energy use across the EU by 2030 and an intermediate direct electrification target for 2040.
- Anticipate investments in electricity grids to enable the accelerated development of renewable energy sources.
- Adapt mandates, policy frameworks, funding mechanisms and expenditures to reflect the urgency and the need for a holistic approach to decarbonisation.
- Increase the capacities of national permitting authorities.

***Electricity grid deployment for and with citizens***

For Europe to deploy the needed energy transition infrastructure in a timely manner, the EU and Member States need to adopt a proactive approach and build it well. It holds true that the benefits and impacts of infrastructure are unevenly distributed among societies, with those living in the vicinity of a project or in already infrastructure-dense areas, facing most of the negative externalities. This leads to opposition and delays, and gives rise to sentiments of uncertainty and political unrest.

Instead, the energy transition should be designed for and with citizens. The EU should step up action, and through a strong and holistic societal agenda, should acknowledge and leverage the transformative effect of the energy transition, alongside the benefits that infrastructure could bring to societies, if designed appropriately. The focus should go beyond merely employment aspects, towards inclusive decision-making and empowerment of citizens as well as adding value for affected communities. Experience has shown that good projects and fair procedures are key ingredients in gaining public support, accelerating electricity grid deployment and decreasing total costs.

To begin with, creating supporting and convincing narratives at the national level has the potential to enhance trust, public acceptance and ownership of the energy transition by citizens. On that front, we call on the European Commission and Member States to reaffirm the pivotal role of direct electrification and accompanying electricity grids for the energy transition and elevate communication about their importance to the same level as RES generation assets, such as wind and solar. Creating a broad, long-term understanding on this across society should also be reflected in school curriculums, in which climate and energy education should assume a much more prominent role. Overall, citizens have to be educated about a world of inflation, higher energy prices and endemic shortages for the foreseeable future.

National narratives alone will not suffice. Granular, early, meaningful and continuous communication and stakeholder engagement processes, including with citizens and NGOs, should be in place and recognised by energy regulators. They should expand throughout the phases of electricity grid development, from scenario-building, to planning, construction and operation, and effectively consider the demand-side perspective. Additionally, these processes should apply to all projects and all voltage levels, including Projects of Common Interest (PCIs) and national investments.

At the local/project level, plans and actions aimed at minimising and compensating for impacts on communities as well as providing additional local benefits, should be enabled and deployed consistently. RGI believes that stakeholder engagement processes should be purpose-oriented and generate tangible and apparent benefits for affected communities, that go beyond existing legislation for damage compensation and instead reflect local specificities and needs. Local benefits should be the result of a co-creation process between grid developers and affected communities, and thus, require dedicated efforts and financial mechanisms. The latter should also be anticipatory in nature – in the sense that they should be considered early in the planning process and incentivised by energy regulators.

**Key asks on grid deployment for and with citizens:**

- Develop convincing narratives at the Member State level to enhance trust, public acceptance and ownership of the energy transition by citizens.
- Engage with stakeholders, including citizens and NGOs, throughout the phases of electricity grid development in a regular, timely and meaningful manner.
- Improve measures to mitigate the impacts of electricity grid deployment on local communities and provide tangible benefits that reflect their needs.

***Tackling the climate and energy crises in coordination with the biodiversity crisis***

Space is a finite resource and subject to conflicting interests. Given that infrastructure always has an impact on the environment it is built in, planning, siting and deployment of RES and electricity grid infrastructure should be optimised. Robust and holistic spatial planning should aim at leveraging local knowledge and encompassing technical, environmental and societal considerations. If properly used, it can inform decision-making processes and increase their transparency and legitimacy.

Cross-sectoral synergies and interlinkages with nature legislation and spatial planning at seas and on land, should be achieved. This will ensure that renewable energy generation and electricity grid infrastructure are jointly considered, and go hand in hand with nature protection and restoration. On that front, spatial planning is fundamental to track, define and select suitable areas, as well as increase the understanding of what the final use of space will be. Enhanced coordination and coherence between spatial planning tools and instruments, such as Maritime Spatial Plans (MSPs), the upcoming national nature restoration plans and the renewables acceleration areas[2], are crucial to detect and collect input of interested stakeholders, aiming at integrating it holistically into the final design. Coupled with sensitivity mapping, this approach can avoid and minimise impacts on ecosystems and biodiversity.

Furthermore, well-designed electricity infrastructure can speed up deployment, while yielding a net-positive impact on nature. Holistic and sustainable grid development, including planning, procurement, and deployment, should not only consider the reduction of impacts, but it also implies the inclusion of environmental measures that go beyond the compensation of direct grid project impacts towards ecological management and active restoration. To ensure the optimal effectiveness of these measures, the sharing and testing of nature protection and restoration best

[2] As per the newly adopted Directive (EU) 2023/2413 of the European Parliament and of the Council as regards the promotion of energy from renewable sources (i.e. Renewable Energy Directive or RED)

practices[3] should be inherently embedded in development processes. It is important to note in this context, that these measures do not necessarily need to be confined to the immediate project vicinity; rather, they need to make a net-positive contribution to biodiversity on a broader scale and target areas where such contributions are most needed. To ensure the successful implementation of this delicate task, comprehensive assessment criteria and benchmarks should be incorporated in reporting and monitoring frameworks.

Overall, an effective Action Plan for Grids needs to recognise that achieving net-zero is not possible without considering nature. Therefore, it should be coherent with existing legislation to support implementation and enhance certainty, while at the same time be connected to biodiversity-related policies[4] to maximise benefits for energy and nature. This can encourage the uptake of nature-based solutions and nature-inclusive design of infrastructure, enhancing public acceptance and biodiversity, while increasing adaptive capacities of the energy systems.

**Key asks on coordinating the climate, energy and biodiversity crises:**

- Inform decision-making through robust and holistic spatial planning that leverages local knowledge and encompasses technical, environmental and societal considerations.
- Consider renewable energy generation and electricity grid infrastructure jointly, and in harmony with nature protection and restoration.
- Develop electricity infrastructure in a way that provides net-positive benefits on nature.
- Support effective implementation by promoting best practices and incorporating comprehensive assessment criteria and benchmarks in reporting and monitoring frameworks.

[3] See the RGI Database for good practices of electricity grid & RES projects, which actively reconcile energy and nature, such as integrated vegetation management (IVM), protection of avian species and marine ecosystem restoration: renewables-grid.eu/activities/best-practices/database.html?L=0

[4] Such as the EU Biodiversity Strategy for 2030, the upcoming EU Nature Restoration Law alongside the Kunming-Montreal Global Biodiversity Framework as well as the Corporate Sustainability Reporting Directive.

## About RGI

RGI is a unique collaboration of NGOs and TSOs (Transmission System Operators) from across Europe engaging in an 'energy transition ecosystem-of-actors'. We promote fair, transparent, sustainable grid development to enable the growth of renewables to achieve full decarbonisation in line with the Paris Agreement.

RGI Members originate from a variety of European countries, consisting of TSOs from Belgium (Elia), Croatia (HOPS), France (RTE), Germany (50Hertz, Amprion, TenneT and TransnetBW), Ireland (EirGrid), Italy (Terna), the Netherlands (TenneT), Norway (Statnett), Portugal (REN), Spain (Red Eléctrica) and Switzerland (Swissgrid); and the NGOs Bellona Europa, BIOM, BirdLife Europe, Climate Action Network (CAN) Europe, Ember, France Nature Environnement (FNE), Friends of the Earth Ireland, Fundación Renovables, Germanwatch, Legambiente, NABU, Natuur&Milieu, the Royal Society for the Protection of Birds (RSPB), WWF International and ZERO. Europacable and IUCN are Supporting Members.

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