

RGI response to the European Commission 'Collection of Feedback' on the revised TEN-E Regulation

The Renewables Grid Initiative (RGI) welcomes the proposal for the revision of the TEN-E Regulation. We appreciate the overall intention to align the network infrastructure with climate targets. However, we would like to underline some overarching principles which we believe should be taken into consideration in the development of the energy infrastructure.

- Direct electrification is the most efficient way to fuel our economies and meet our needs. Electrification based on renewable energy sources will bring technological innovation, resilience in the system and incredible gains in terms of system and cost efficiency. With the support of the EU industrial strategy towards climate neutrality and digital leadership, new business models and European jobs will be created.
- Electricity grids are needed. They are the backbone and enabler of a renewables-based energy system with the highest level of security of supply in the consumers' interest. Highly distributed and efficient systems still need grids.
- Flexibility is the most important element, and it comes in many different shapes and technologies. These are not interchangeable, and we must understand when and for which purpose they are needed. Learning and innovation here are essential as well as supporting market mechanisms.
- No single technology is the answer to decarbonisation. A whole 'energy system approach' is the most effective way to reduce emissions and identify optimisation opportunities through a variety of options and technologies among different sectors and for the existing energy infrastructure. The best solutions from a socio-economic welfare and environmental perspective should be selected to address the identified system needs. A clear assessment of carbon content of different energy carriers in different policies and scenarios needs to be conducted.
- If Europe is to reap the full potential of its renewable energy sources while ensuring security of supply and competitiveness, the achievement of the 2030 electricity interconnection target of at least 15% set in the Governance Regulation remains an essential building block to make the best use of variable renewable energy sources such as wind and solar, as long as the corresponding welfare benefits outweigh the costs incurred.
- In consideration of the new governance provisions envisaged by the proposal, the European Commission (EC) should ensure that efficiency in both planning and implementation processes are applied in order to reduce additional burdens, delays and unnecessary costs.

- Nature and environment are the basis for human livelihood and economic activities. We are in a strong symbiosis with the environment in which we live. Avoiding and minimising impacts on biodiversity and embedding nature conservation and restoration measures in all infrastructure projects is key.
- The energy transition is first and foremost a deep societal transformation and therefore benefits for communities impacted need to be systematically created when deploying infrastructure projects. Local benefits can and should be designed in close collaboration with impacted communities.

Specifically, in relation to the new provisions envisaged by the EC's proposal:

- We welcome the proposal to **exclude oil and natural gas infrastructure projects** in line with climate targets. We strongly reject investments in new fossil infrastructure as we consider that existing fossil infrastructure is fully sufficient to guarantee security of supply during the transition phase. New investments would create lock-ins and increase the energy bills of European citizens, thereby further fuelling discontent and opposition. In addition, always in consideration of the transitional phase, it must be ensured that hydrogen network and smart gas grids will be sustainable, increasingly based on variable renewable energy and contribute to a reduction of greenhouse gases.

Making the **assessment of sustainability** as a must-have selection criterion for PCIs and PMIs is an important step in this direction. However, it must be ensured that the definition of sustainability is coherent both with energy and climate objectives (e.g. integration of renewable energy sources into the grid or the reduction of greenhouse gas emissions), but also with those related to nature conservation and social criteria. In addition, full transparency must be guaranteed on how this criterion will be operationalised.

In order to further improve **certainty and stability of the Project of Common Interest (PCI) label**, PCI electricity projects, which have reached sufficient maturity and are demonstrating steady and concrete progress, as per their implementation plan, and are in compliance with the sustainability criterion, should be automatically re-confirmed in the future PCI lists until their commissioning without imposing re-application on project promoters.

- **Offshore developments** such as hybrid projects, offshore grids and offshore wind parks must take into account the ecological carrying capacity and the competing uses of the seas. Taking this into consideration, we recommend reassessing the eligibility criteria for the PCI label for offshore connection projects with regards to the 500 MW capacity increase between two Member States (MSs).

In terms of planning, we recommend guaranteeing the existing connection between onshore and offshore in order to ensure a safe and efficient operation of the future grid. The timeline of the proposed integrated offshore development plan envisaged every 3 years for each sea basin must be aligned with the one for the Ten-Year Network Development Plan (TYNDP) process, as they must be developed hand in hand in order to avoid inconsistencies, delays and bottlenecks

onshore. In addition, those two timelines should also be aligned with the Marine Spatial Plans in order to achieve the targets of the Marine Strategy Framework Directive and a good environmental status.

- With regards to the **governance of the TYNDP**, in order to improve trust in the process, we recommend simplifying the new Cost Benefit Analysis (CBA) approval process and making the criteria assumed in the assessment of the policy compliance of scenarios transparent, visible and science-based. In particular, with reference to the approval of the CBA methodology, a clarification should be made as to the condition under which the changes made to the CBA methodology are of "incremental nature" and ensure the agility needed in relation to the TYNDP, the PCI processes, and consequently, the definition of National Development Plans. With respect to the definition of scenarios, it is necessary to clarify the content of the framework guidelines for the development of scenarios. We would expect that they should contain reference to climate, National Energy and Climate Plans (NECPs) by 2030, but also to national targets by 2050. The more concrete targets we set, the more robust scenarios we can build, and the better grid infrastructure can be planned. In addition, it is important that scenarios show a welfare optimum also from the point of view of society and environment. Environment and sustainability should be interpreted in the broad sense and not exclusively in relation to emissions reduction. In particular, in view of the considerable infrastructure development envisaged, we would recommend that for each scenario an assessment of the space needed is conducted and optimisation opportunities prioritised.

In order to allow the most diverse participation of stakeholders in the scenario exercise, we ask for the EC to consider the allocation of funds for the capacity building of stakeholders, such as those from civil society, among others, to enable their needed contribution to the scenario building process. This would increase legitimacy of processes, provide more comprehensive assumptions and contribute to improving acceptance. Moreover, for the stability of the whole TYNDP definition process, clear deadlines should be set for each of the main stages, the dependencies and actors involved.

- We welcome the introduction of **Projects of Mutual Interest (PMIs)** which highlight the need for enhanced future energy cooperation between the EU and third countries for the achievement of the EU's climate and energy objectives. However, we believe that the creation of socio-economic benefits for at least two MSs would prevent the participation of some of them and lead to a discriminatory selection.

We find this category particularly significant for two cases: isolated island systems with temporarily non-existent, or geographically determined limited interconnection to other EU Internal Energy Market (IEM) countries, but also for interconnections with neighbouring third countries outside the EEA or Energy Community (e.g. EU Southern and Eastern neighbourhood). In the first case, we believe that the PMI status, being exclusively applied to energy networks, should also consider the important future role for energy storage, in maintaining system security in isolated island systems with very high and rising volumes of

intermittent renewables integration and comparatively limited interconnection. In the second case, we invite the EC to recognise the strategic role of PMIs with some neighbouring third countries such as the EU Southern and Eastern neighbourhood, in line with existing climate and development assistance policies. Their eligibility and access to financial assistance, under CEF – for both EU and non-EU countries – and the opportunity to create in the future Multiannual Financial Framework (MFF) synergies in connection with EU development assistance and cooperation funding, should be considered.

In addition, the EC's proposal requires that in order for PMIs to be eligible for CEF funding, a Cross-border Cost Allocation (CBCA) decision allocates costs across borders for at least two MSs, in a significant proportion in each MS. This implies that another EU MS would have to contribute significantly to the project, even though the project would not be located on its territory and it would not be part of the overall project. So far, no CBCA decision has been made for electricity transmission projects which actually allocated costs to “non-hosting” MSs. Adding this criterion would constitute a very high barrier to realising PMIs and thus to reaching the overall goal of creating this new label.

- We agree that shortening **permitting procedures** for PCIs to avoid delays in projects that facilitate the energy transition is key. Making the comprehensive decision the final proof for the ‘ready-to-built’ status of the PCI implies that there shall be no other requirements for any additional permits or authorisation in that respect. The revised TEN-E should take into consideration that in some MSs, permits can grant the right to start construction works of a project, even though some aspects of the project are to be defined at a later stage. This includes, for example, mitigation measures in the construction phase, which are better designed once more relevant information is available in the course of the construction works, providing benefit to the concerned communities as well.

As already expressed in the previous consultation, we believe that the optimal way to support faster permitting procedures for PCI projects should be discussed with authorities and project developers at national level with the aim of removing the duplication of administrative requests, where they appear to be redundant. Implementing fast-track procedures should not add unnecessary additional layers of complexity and should not be done at the expense of nature protection and stakeholder engagement. It is RGI's view that reducing the efforts on these two elements would result in lengthier processes, legal cases and eventually lead to massive delays. On a more practical side, speeding up permitting requires systematic collection of missing environmental impact data and for their access to be made available to all stakeholders. In order to have better chances to reduce public opposition, financial instruments should be allocated to create local benefits. We suggest considering the creation of an EU facilitation hub directly connected to local actors to promote distributed resources: social compensations and investments in a sustainable decentralised system could ease the burden carried by impacted communities.

- The provisions on **CBCA** should be a pragmatic, fair and clear process. The default approach for projects involving multiple countries should be a voluntary

cost allocation based on a negotiated approach between the hosting countries. If a project is commercially not viable for the hosting countries, but economically viable from a European perspective (i.e. benefits are spread to non-hosting countries), the financial shortfall should be covered through European funds (i.e. Connecting Europe Facility - CEF - or InvestEU funds). Allocating costs to non-hosting countries should remain a last resort option applicable only under certain pre-defined conditions. RGI recommends a simplified access to a financial support instrument which must be fully aligned with a science-based EU taxonomy for sustainable finance.

In addition:

- The electricity **interconnection target** and the implementation of PCIs have led to increasing interconnection levels over the last years, giving political momentum to the advancement of key cross-border projects. Despite the significant progress in the interconnection of EU energy networks, the market still remains fragmented. The achievement of the electricity interconnection target of at least 15% for 2030, a main pillar of the TEN-E Regulation, is essential to efficiently integrate the renewable energy produced in regions with high potential, like wind and solar, into the European system. This contribution is essential to the EU achievement of the rest of the 2030 energy and climate targets, and to the fulfilment of the commitments undertaken in the Paris Agreement. Therefore, the TEN-E regulation must include explicit references to the EU minimum 15% interconnection target as defined in the Governance of the Energy Union Regulation and the RES Directive, while acknowledging that MSs might also include more ambitious interconnection targets in their NECPs. Including the target into the scope and objectives of the TEN-E Regulation would be consistent with the EU energy and climate framework and reinforce the importance of its achievement.

This document represents the effort of RGI Members, of TSOs and NGOs, to provide a European common perspective for the revision of TEN-E Regulation. RGI Members may also submit their individual positions.

About the Renewables Grid Initiative (RGI):

The Renewables Grid Initiative is a unique collaboration of NGOs and TSOs 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), Switzerland (Swissgrid) and Spain (REE); and the NGOs BirdLife Europe, Climate Action Network (CAN) Europe, 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. RGI was launched in July 2009.

More information: www.renewables-grid.eu