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Reply to the impact assessment/ roadmap on TEN-E

A Eurelectric response paper

[June 2020]

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:
- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

Distribution and Market Facilitation Committee Generation & Environment Committee Markets & Investments Committee WG Institutional Frameworks WG Business Models & Network Customers WG RES & Storage WG Hydro WG Wholesale Market Design & Investment Frameworks WG Power & Gas interactions	Contact: Martin SCHÖENBERG, Advisor HydroPower – mschoenberg@eurelectric.org Pierre BRAUN, Advisor Distribution & Market Facilitation – pbraun@eurelectric.org

https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12382-Revision-of-the-guidelines-for-trans-European-Energy-infrastructure

Eurelectric welcomes the publication of the evaluation roadmap and inception impact assessment. A revision of the TEN-E regulation is necessary, going hand in hand with a broader access to EU funding (such as the CEF) as well as new investments, being fully in line with strengthened sustainability criteria.

We would like to invite the Commission to read the enclosed paper and consider the following points:

1. Context

The impact assessment roadmap and analysis of the challenges point towards the right direction. Eurelectric highly appreciates the outlined facts

- The TEN-E is not fit for purpose to drive decarbonisation and to contribute to reach the energy targets
- There is a gap as regards a cross-sectoral approach towards network planning.
- The increasing role of distribution grids has to be recognised
- More attention should be paid to expansion offshore grids, for instance in the North and in the Baltic Sea
- The interoperability of regional networks has to be ensured, taking into account islands.
- The PCI process has to be simplified
  Current investment levels are not sufficient to decarbonize the energy system. At power grids level, investments need at least to double from 30 bn /year in 2018 to at least 60 bn/year during the next decade.

2. Objectives and Policy Options

- **A key focus should be on projects fostering electrification and direct use of electricity supplied from renewable and low carbon sources**, i.e. on the key means of decarbonisation. The transition of the entire energy system will rely notably on the wide-spread use of decarbonised electricity, mainly driven by direct electrification
- **A successful sector integration should prioritise the decarbonisation of other sectors via electrification,** shall support the development of e-mobility and the electrification of heating & cooling.

Eurelectric agrees with the majority of the issues addressed in the impact assessment (IA). We would like to add the following points:

- **Infrastructure categories:**
  - The IA should investigate a possible introduction of a **specific PCI category for market-based tools**, i.e. non-network related PCI flexibility & storage
  - **The smart grid category** should envision less restrictive criteria (remove TSO participation, cumulative criteria, include low and medium voltage, decrease the amount of users and consumption) and include new ones related to the penetration of decarbonized transport and heating
  - **Priority corridors** should include cybersecurity, resilience, EV charging networks, electrification of heating, flexibility approaches, digital technologies deployment

- **Selection criteria:** An assessment of flexibility options should be investigated as an alternative to system expansion to facilitate the most cost efficient solution
- **Eligibility and criteria for CEF:** Sustainability indicator needs to be included in the CBA for all infrastructures projects receiving EU's financial assistance for works and studies
- **Selection procedure for PCIs:** A methodology could be introduced to determine whether it would be beneficial to invest in new network infrastructure or flexibility options within a geographical zone. This should be reflected into the CBA and TYNDP
- **New definition of cross-border criteria is needed** and could be based on the replicability potential, synergies expected for more than one member state without necessarily involving a common border
- **Potential synergies with other planning instruments such as TEN-T should be reflected**
- **The most frequent reasons for delays**, such as the duration of permit granting, should be a key focus in the evaluation

3. Preliminary Assessment

Non-grid-project promoters have been forgotten in the section "likely economic impacts". The project promoters are utilities (mainly for storage PCIs) that are competing on the free market.

See also **our position on Smart Sector Integration Strategy**

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability

Union of the Electricity Industry - Eurelectric aisbl
Boulevard de l'Impératrice, 66 – bte 2 - 1000 Brussels, Belgium
Tel: + 32 2 515 10 00 - VAT: BE 0462 679 112 • www.eurelectric.org
EU Transparency Register number: 4271427696-87