



Brussels, 1 October 2020

## Open Letter on the Revision of the TEN-E Regulation

### Introduction

EASE believes that the [TEN-E Regulation](#) should be significantly revised to better address the challenges and seize the opportunities in light of the European Union's decarbonisation strategy. Following on from the European Commission's proposed revision of the Regulation in the latter half of 2020, EASE would like to put forward a set of recommendations.

### 1. High-level recommendations on TEN-E Regulation

EASE believes that, at present, the Regulation can be improved to better promote the most cost-efficient route to decarbonisation supported by clean and smart solutions:

- ✓ The TEN-E regulation should better recognise and support the shift away from a fossil fuel-based system toward a smart, flexible, renewables-based one.
  - The current priority corridors focus on a.o. fossil fuel solutions: they should be in line with the European Union's decarbonisation objectives and they should include e.g. EV charging networks, electrification of heating, renovation of buildings.
  - Support should be given to increasing the deployment of smart grids and smart sector integration.
  - The Regulation touches upon the gas and electricity systems; but without considering them as interlinked through e.g. Power-to-Gas solutions. In this context, it is key to adopt a joint planning approach to ensure the cheapest, safest, most rapid way towards a decarbonised energy system.
- ✓ The role of flexibility solutions in the energy system, especially energy storage ones, should be more recognised in the whole TEN-E process as well as in the Ten-Year Network Development Plan (TYNDP).
  - Eliminate barriers to flexibility and stimulating the active participation of energy consumers and communities.
- ✓ Potential synergies with other planning instruments such as TEN-T shall be looked into.

## 2. Recommendations on Improving Infrastructure Development Governance

It is EASE's view that the Scenario Development, the Cost-Benefit Analysis (CBA) Methodology, and the TYNDP do not fully consider the value of renewable-based solutions and decarbonisation-focused strategies. The expertise of supply-side stakeholders in electricity and gas is valuable, but new expertise/insights to triage infrastructure is needed across all sectors and solutions. The definition of future needs of the energy system should be a science-based and transparent process with a clear climate mandate where equivalent energy solutions are explored at equivalent depth. As part of an efficient governance, **ACER – The Agency for the Cooperation of Energy Regulators – could be empowered. Importantly, stakeholders should play a bigger role in the decision-making process.** Key recommendations include:

- ✓ Increase manpower and resources allocated to ACER.
  - ENTSO's technical expertise makes it a valuable actor that needs to be consulted and involved in the decision-making process, as explained in the following points.
- ✓ Scenarios for network development planning should be developed jointly for electricity and gas, in a neutral way.
- ✓ The ENTSOs' proposal on the CBA methodology needs to be revised by stakeholders in a transparent process with a clear climate mandate in mind. Stakeholders ought to be able to request amendments by the ENTSOs; or ACER could be given the power to directly amend it after consulting the ENTSOs.
  - Stakeholders should be consulted and requested to provide inputs on ENTSO's CBA Methodology.
- ✓ ACER could be conferred the powers to issue binding guidelines on the major infrastructure-related deliverables: the Scenario Development Report, the CBA Methodology and the TYNDP.
  - For such guidelines, stakeholders should be invited to participate in the decision-making process through e.g. public consultations.

## 3. Projects of Common Interest scope, selection

The major instrument of project prioritisation (the CBA methodology) is not fully able to assess the value of different energy solutions. Besides, it is applied to some extent in the electricity sector; but oftentimes disregarded in the gas sector. Stakeholders' and ACER's inputs to the CBA methodologies, the TYNDP-based assessment of specific projects, and the process of selecting Projects of Common Interest (PCI) are not sufficiently taken into account. Important solutions include:

- ✓ It is paramount to better identify and unlock projects with a clear value for society:
  - Renewables-based solutions should play a bigger role in the PCI. Fossil fuels-based projects should not be included under this mechanism.

- A review of the PCI selection criteria, which should evaluate energy infrastructure based on its contribution to the objective of climate-neutrality, is required; and so is a dedicated impact assessment to look into the most cost-effective investments.
- Carrying out an impact assessment to investigate the possible introduction of a specific PCI category for market-based tools (i.e. non-network related PCI flexibility and storage).
- Future-proof sustainability criteria should require gas projects to demonstrate positive sustainability benefits for the energy system before granting them the label of PCI.
- Technology neutrality shall be ensured in the PCI. In other words, different technologies, bringing different benefits to the grid, shall be funded. For example, in the case of energy storage, PCI should focus on a wide array of different solutions.
- ✓ The energy infrastructure categories should be updated and be flexible enough to adapt over time based on fast-paced technology developments.
- ✓ The TEN-E Regulation is able to deal with energy networks at the trans-European level. Consequently, the PCI process is not fit to address small-scale projects that still have a key role in the energy system and potential in delivering cross-border infrastructure impacts.
  - All projects, no matter their size, should receive permitting support e.g. in the context of the one-stop-shop for permit granting procedures.
- ✓ Interoperability of regional networks has to be ensured, taking into account islands.

#### 4. Recommendations on Improving TEN-E processes

In the TEN-E process, there is room for improvement regarding effectiveness and priority selection:

- ✓ Sustainability criteria have to be given the priority focus in the selection of PCI.
  - The sustainability dimension should be explicitly added in the list of positive externalities considered for CEF grants (and in the context of [Article 14\(2\)\(a\)](#)).
- ✓ ACER could be given the powers to obtain information on all TYNDP aspects.
- ✓ Key project information (e.g. commissioning date, capacity increase, project status and cost) should be made public.