

Shaping the revision of the TEN-E Regulation

smartEn contribution to the European Commission's consultation

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smartEn welcomes the initiative by the European Commission to revise the TEN-E Regulation and keep this effort among the priorities of the Commission's Work Programme for 2020.

The revision of this legislation has the potential to significantly contribute to the European Green Deal and the Green Recovery for Europe.

Traditionally, TEN-E projects have been largely focussed on transmission-level infrastructure for electricity and gas, with only limited budget going into smart grids development and smart sector integration so far. This focus no longer appears timely in the context of the European energy transition, where the role of smart, decentralised and integrated solutions becomes increasingly important.

smartEn would like to contribute to the consultation on the Roadmap/Inception Impact Assessment with the following recommendations:

• Revise the TEN-E Regulation in line with the Clean Energy Package

The energy system of the past relies on large, centralised power plants that generate energy and send it across long distances over power grids that were built as a one-way street, sending energy from the producer to passive households, commercial and industrial consumers.

Significant changes are under way, boosted by the EU regulatory framework, notably the Electricity Market Design, which supports the development of decentralised energy resources, eliminates barriers to demand-side flexibility and stimulates the active participation of energy consumers of all sizes to the clean energy transition.

While the interconnection of the European system remains important, the revised TEN-E should be consistent and aligned with this evolution to reflect and support the move towards a smart, decentralised energy system made of internet-connected and smart devices in buildings, demand-management programmes in industry and electric vehicles that can flexibly adapt their energy consumption.

• Put demand and supply side on an equal footing for proper infrastructure planning

Smart energy and demand-side solutions challenge the old supply-side focussed energy paradigm. The changes in supply and demand raise the need for more flexibility to manage variability of supply and demand and provide electricity consistently and reliably.

In this light, a shift in focus is necessary to put demand and supply on an equal footing to increase system efficiency.

• Apply the "Energy Efficiency First principle" at system level to assess the possibility of non-wire alternatives

Energy infrastructure decisions often have an impact of several decades, making today's decisions crucial to achieving a climate neutral energy system by 2050.

The rise of digitalisation, electrification, sector integration and active demand management offer a broader spectrum of solutions which can make grid reinforcements unnecessary. To avoid investments in stranded assets, the TEN-E Regulation should define a methodology to determine whether it would be beneficial for the system that project promoters invest in grid extensions and reinforcements or in flexibility options.

As calculated by the European Commission in 2016, increased demand-side flexibility could lead to savings of €5.6bn/year from reduced back-up capacity, network and fuel costs in Europe. In the UK alone, the UK National Infrastructure Commission calculated that the application of flexible technologies to electricity grids could reach £8 billion/year savings in 2030 in operating and investment costs.



• Support the roll-out and a common approach of flexibility markets for local system services across Europe

In line with the previous recommendation, the TEN-E Regulation should support and leverage market-based solutions to procure flexibility services at distribution level and facilitate greater integration of variable renewables across borders.

• Include "Distributed infrastructures" among the new and updated infrastructure categories

The centralised, large infrastructure logic of the TEN-E Regulation should be fundamentally revised to valorise grid-edge assets as flexibility options integrated in the energy system.

• Include in the eligibility criteria the aggregation of small, decentralised projects

In line with the above, bundling small-scale, individual projects on the demand side into aggregated ones should be allowed to integrate them on a cross-border level to increase system efficiency and improve financing.

For example, the renovation of buildings and the deployment of normal-power, smart charging infrastructure for electric vehicles should be pooled to form new Projects of Common Interest.

• Develop synergies among different sectors

The revised TEN-E Regulation should be aligned with the Smart Sector Integration Strategy and promote sector integration projects, including those fostering the renewable-based electrification of buildings, transports and industry for a smart and efficient energy system.

• Align the identification of PCIs with the TYNDP

Consistency between PCIs and the TYNDP is another example of alignment between European initiatives which should value demand-side flexibility and allow System Operators to reduce network investments by procuring flexibility services offered by the different decentralised energy resources where these offer a more efficient and cost-effective solution.



Open public consultation on the revision of Regulation (EU) 347/2013 on guidelines for trans-European energy infrastructure (TEN-E Regulation)

Fields marked with * are mandatory.

Introduction

EU rules on the Trans-European Networks for Energy - the TEN-E Regulation

The **European Green Deal** confirms the EU's ambition to be climate neutral by 2050 and outlines a wide range of measures in different policy areas which need to be revised or newly introduced in order to meet this objective. In the energy sector, one of the key aims is to ensure that our energy infrastructure is fit for the purpose of achieving climate neutrality. In this sense, the Green Deal highlights the importance of smart infrastructure in this transition and specifically identifies the need to review and update the EU regulatory framework for energy infrastructure, including the Regulation (EU) No <u>347/2013</u> on guidelines for trans-European energy infrastructure (the "**TEN-E Regulation**"), to ensure consistency with the 2050 climate neutrality objective. As part of the political agreement between the European Parliament and the Council on the **Connecting Europe Facility** for the period 2021-2027 – the part of the EU budget which funds cross-border infrastructure projects for energy, transport and digital services – it was already agreed that the Commission should evaluate the effectiveness and policy coherence of the TEN-E Regulation. This revision of the TEN-E Regulation will also address the new policy ambition of the European Green Deal inter alia by integrating a significant increase in renewable energy in the European Green Deal is available on the <u>Europa website</u>.

The TEN-E Regulation lays down rules for the timely development and interoperability of cross-border energy infrastructure [TEN-E] networks in order to achieve the EU's energy policy objectives. Its key objective is the timely implementation of the projects of common interest (known as "PCIs") which interconnect the energy markets across Europe. Interconnected energy markets allow for better integration of renewable energy sources, better security of supply and higher competition within markets that keeps prices in check. The TEN-E Regulation sets out criteria for establishing the PCIs necessary to implement priority corridors and areas in the categories of electricity, gas, oil, smart grids, and carbon dioxide networks.

More information on the TEN-E network is available on the Europa website.

WHAT IS THIS QUESTIONNAIRE ABOUT?

This public consultation is part of a wider consultation strategy which feeds into the evaluation and impact assessment process. In line with EU rules on better regulation, the aim of the consultation is to gather the views of EU citizens and stakeholders on the TEN-E Regulation. This public consultation aims to collect input on what should be viewed as the priority corridors and priority thematic areas. In addition, the TEN-E Regulation was designed to help overcome some of the key barriers to the development of European wide energy infrastructure such as permit granting, at the same time ensuring better public consultations in this process. The key questions asked therefore concern the extent to which it has achieved these objectives. The result would help to set up the policy objectives of the Regulation and options on how to improve the current shortcomings.

This questionnaire is addressed to citizens and organisations (e.g. NGOs, local government, local

communities, companies and industry associations) that have no specialist knowledge of the TEN-E Regulation.

If you have specialist knowledge of the TEN-E Regulation (e.g. as a professional for a national competent / regulatory authority, TSO, DSO, company project promoter, energy producer, NGO with specific knowledge on the subject) and you are aware of issues like the energy infrastructure priority corridors and thematic areas, criteria for selection of PCIs, regulatory regimes and incentives, you are invited to fill in the targeted survey - <u>available here</u> - which is taking place in parallel to this one. [NB. There is no problem for professionals to answer both questionnaires.]

INFORMATION ON THE QUESTIONNAIRE

This Online Public Consultation questionnaire is structured as follows:

- Introduction: This part will ask you to provide information about yourself.
- Part I: Relevance and EU added value (your view on Europe's energy infrastructure needs and objectives)
- Part II: Public participation and transparency (your view on how information on energy infrastructure projects should be shared by project promoters).

The questionnaire should take you no more than 15 – 20 minutes to complete.

Fields marked with * are mandatory.

THE RESULTS

The consultation period will last eight weeks. Once the evaluation of the TEN-E Regulation is completed, a synopsis report of all consultation activities will be published.

YOUR OPINION REALLY MATTERS

Thank you in advance for taking the time to contribute to this consultation.

About you

- Language of my contribution
 English
- * I am giving my contribution as
 - Business association

First name

Michael

∗Surname <mark>Villa</mark>

*Email (this won't be published) Michael.villa@smarten.eu

Scope

International

Organisation name

Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

<mark>#569379418624-07</mark>

* Country of origin

Belgium

* Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

I agree with the personal data protection provisions

Part I: Relevance and EU added value

In this section, we would like to ask you some questions regarding your perceptions on the current and emerging needs of trans-European energy infrastructure networks.

How would you rate the importance of the following objectives for trans-European energy infrastructure networks:

	Important	Important to a large extent	Important to a small extent	Not important	l don't know
* A competitive and properly functioning integrated energy market	×				
* Increased resilience of energy infrastructure against technical failures, natural or man-made disasters, and the adverse effects of climate change and threats to its security		×			
 Consumer empowerment - making sure consumers' interests are considered in decisions related to energy infrastructure 	×				
 Secure and diversified EU energy supplies, sources, and routes 		×			
 Integration of renewable energy sources into the grid 	×				
 Increase cross-border interconnections and deepen regional cooperation to transport energy from renewable sources where it is most needed 		×			
 Giving priority to energy efficiency (putting the 'Energy efficiency first' principle in practice) 	×				
 Achieving the EU's decarbonisation objectives for 2030 and 2050, including climate neutrality under the European Green Deal 	X				
 Increased digitalisation of the energy infrastructure (e.g. Smart Grids) 		×			
 Energy system integration and sector coupling (integration of the different energy sectors and beyond) 	×				

Which of the following infrastructure categories do you consider relevant for the regulatory framework on trans-European energy networks:

	Relevant	Relevant to a large extent	Relevant to a small extent	Not relevant	l don't know
* Electricity infrastructure (transmission lines and storage)	×				

* Grids for offshore renewable energy	×				
* Smart electricity grids	×				
* Smart gas grids		×			
 * Natural gas infrastructure (pipelines and storage) 				X	
* Liquefied Natural Gas (LNG) terminals				X	
* Dedicated hydrogen (H2) networks					X
 Infrastructure for the integration of renewable and carbon neutral gases 			×		
* Power-to-gas installations			×		
* CO2 networks (for transporting CO2)					X
* Geological storage of CO2				X	

In case you are aware of other emerging energy infrastructure categories, which you consider relevant for the regulatory framework on trans-European energy networks, please, describe them below:

Include "Distributed infrastructures" as the centralised, large infrastructure logic of the TEN-E Regulation should be fundamentally revised to valorise grid-edge assets as market-based flexibility options integrated in the energy system.

Which features do you consider the most important for a project of common interest (PCI) as part of trans-European energy network?

	Important	Important to a large extent	Important to a small extent	Not important	l don't know
* Integration of renewable energy sources into the grid	×				
* Contribution to greenhouse gas emissions reduction	×				
* Security of supply	×				
 Market integration (e.g. to improve infrastructure and increase system flexibility) 	x				
* Increase competition in the market	×				
* Innovation	×				
* Contribution to increase the energy efficiency of the energy system	×				

* Environmentally sound implementation, i.e. compliance with the relevant regulations especially in the area of environmental impact assessment, water protection, nature conservation and air quality	×		
* Generation of direct benefits to the local communities	×		

To what extent do you agree with the following statement: The development of trans-European energy networks cannot be sufficiently achieved by the Member States alone and can therefore be better achieved through coordination at EU level?

- Fully agree
- Agree to a large extent
- Agree to a small extent
- Disagree
- I don't know

In case you agree only to a small extent, or you disagree with the above statement, please, provide more details to your response:

Do you agree that the revised TEN-E Regulation can make an important contribution to the economic recovery in Europe through a green transition in response to the COVID-19 crisis?

- Yes
- No
- I don't know

Please explain your response (optional)

The Clean Energy package already attributed an increasingly role to smart, decentralised and integrated solutions for a green transition. The TEN-E Regulation should be consistent and aligned with this evolution to value an energy system made of connected and smart devices in buildings, demand-management programmes in industry, and electric vehicles that can flexibly adapt their energy consumption. In this light, the revised Regulation should assess the possibility of market-based non-wire alternatives, support the roll-out and a common approach of flexibility markets for local system services across Europe, and support a pool of small-scale, decentralised projects on the demand side, i.e. building renovations and normal-power smart charging for EVs.

Part II: Public participation and transparency

Below we ask you questions regarding the participation of the public and local communities in the permit granting process for Projects of Common Interest (PCIs) and the transparency of the PCIs.

Despite the existence of established standards and procedures for the participation of the public in the environmental decision-making process, the TEN-E Regulation states that additional measures are needed

to ensure the highest possible standards of transparency and public participation for all relevant issues in the permit granting process for projects of common interest. Enhancing public participation is among the key objectives of the Regulation. Under the current rules, the public consultation aims to inform relevant stakeholders (the appropriate national, regional and local authorities, landowners and citizens living in the vicinity of the project, the general public and their associations, organisations or groups) about the project at an early stage in order to help identify the most suitable location or trajectory and address all the relevant issues in the project application.

Are you aware of any Projects of Common Interest (PCI) in Europe?

- Yes, I am aware of one or several PCIs
- Yes, I am aware that there are PCIs, but I do not know any details about them
- No

Please, share which PCIs you are aware of?

Data Bridge (Estonia, Latvia, Lithuania, Denmark, Finland, France)

Cross-border flexibility project (Estonia, Finland)

Are you aware that there is a public participation process with regards to PCIs?

- Yes, I am aware of the procedure and its specifics
- Yes, I am aware that there is a procedure, but I do not how it works in practice
- No

Have you been involved in a public participation process with regards to any PCIs?

	Yes, once	Yes, several times	No, never	l don't know
* Have you visited the website of a PCI?	X			
* Have you seen the information leaflet of a PCI?	X			
* Have you participated in meetings dedicated to a PCI?	×			
* Have you provided feedback on a PCI during any consultation phase?	×			

Do you consider the public participation process useful?

Yes

- To a large extent
- To a small extent

No

I don't know

Please explain your answer

Public participation is useful to allow market players to highlight the relevance of market-based flexibility options as valuable alternatives to grid extensions or reinforcements where they can be more cost-effective.

If you have never participated in the public participation process of a PCI, please indicate why not.

- I was not aware of the notion of PCIs
- I was not aware of the opportunity to take part in the public consultation process
- I was not interested in this topic
- The level of technicalities in the published information (e.g. on the project website, leaflet) was too complicated for me to provide meaningful feedback
- I did not think that my feedback would be considered
- Other reasons

Please explain your answer

How would you assess the usefulness of the following communication channels for providing and exchanging information on PCIs:

	Very useful	Useful to a large extent	Useful to a small extent	Not useful	l don't know
 Project website (with information such as a detailed implementation schedule, a link to the manual of public participation procedures, a non-technical and regularly updated summary, public consultation planning, contact details) 	×				
* Information leaflet (up to 15 pages, giving, in a clear and concise manner, an overview of the purpose and preliminary timetable of the project, the national grid development plan, alternative routes considered, expected impacts, including of cross-border nature, and possible mitigation measures)		X			
* Meetings to discuss the project of common interest		X			
* Providing information in writing (from the project promoter to the public and vice versa)				×	

Do you have any suggestions for other useful communication tools that could be created at local, national, and/or European level?

In line with the requirements of the TEN-E Regulation, the Commission established an infrastructure transparency platform easily accessible to the general public, including via the internet, with the purpose of providing information on current PCIs in an open, transparent and interactive way.

Are you familiar with the PCI interactive map on the Transparency Platform?

- Yes
- Yes, to a large extent
- Yes, to a small extent
- \bigcirc

<mark>No</mark>

How would you assess the <u>PCI interactive map on the Transparency Platform</u>, which includes the geographic information, implementation plan, amount of EU financial support and the benefits that each project brings at national and local level?

	Fully	To a large extent	To a small extent	Not at all	l don't know
* Comprehensive	×				
* Up-to-date					×
* Provided in a simple language		×			
* Easy to navigate	×				

Please explain your answer(s) to the above question on the PCI interactive map

Have you observed any improvement in the transparency of the planning and building process of any PCIs in comparison to other energy infrastructure projects?

- Yes
- To a large extent
- To a small extent
- No
- I don't know

Please share any other recommendations that would contribute to an enhanced/ strengthened participation of the public in TEN-E energy infrastructure planning and building.

Documents upload and final comments

If you have further comments, please feel free to upload a concise document. The maximum file size is 1 MB.

The uploaded document will be published alongside your response to the questionnaire which is the essential input to this public consultation. The document is optional and serves as additional background reading to better understand your position.

Please upload your file

The maximum file size is 1 MB Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

If you wish to add further information — within the scope of this questionnaire —

please feel free to do so here

750 character(s) maximum

Thank you for your time and effort in answering this questionnaire.