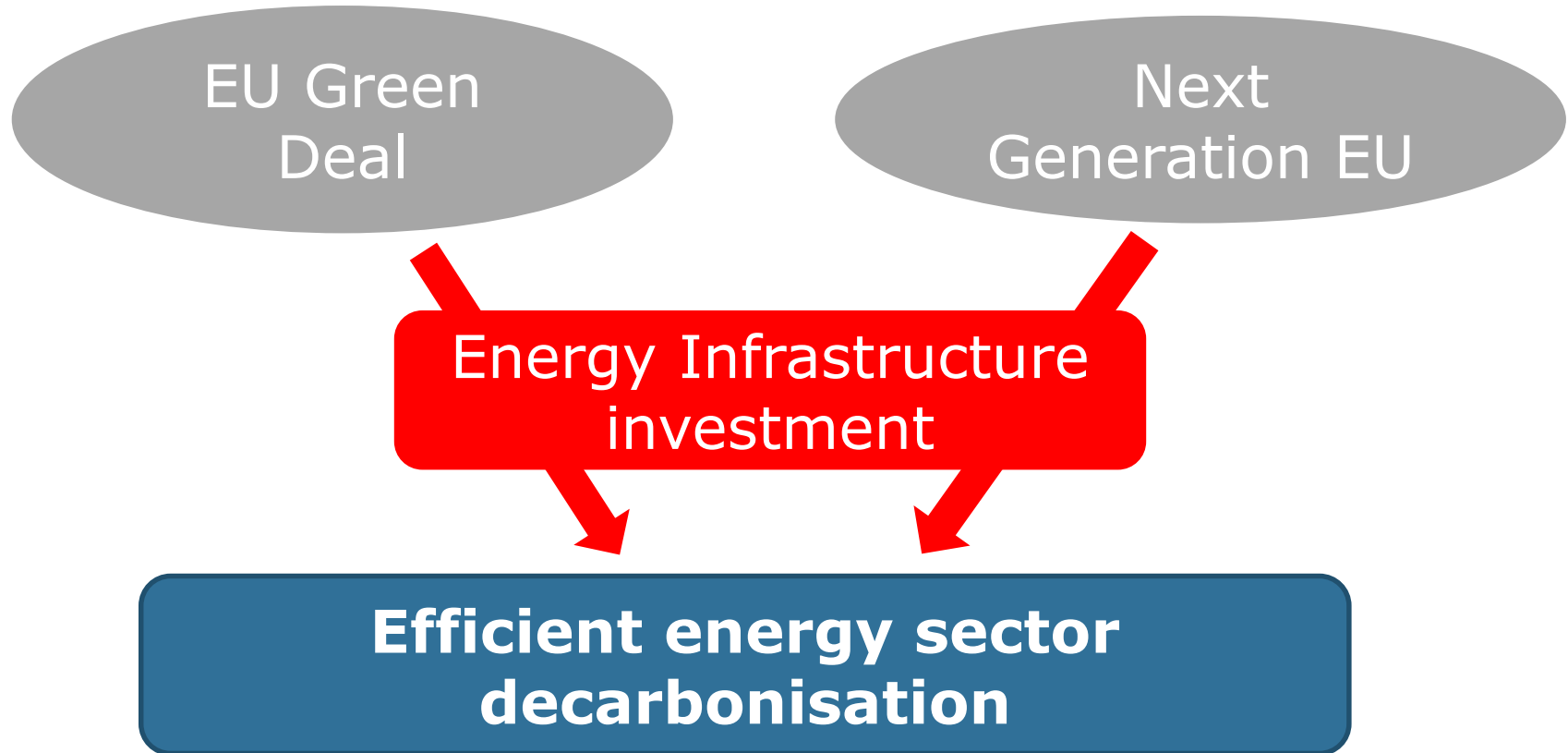


# Webinar on Improvements to the TEN-E Regulation

# Welcome by *Christian Zinglensen, ACER Director*

## Agenda

- Key messages
- Recommendations and reactions
- Q&A session
- Conclusion



*"... Without robust policy action, the energy system of 2030 will be more akin to that of 2020 than a reflection of what is needed to achieve climate neutrality by 2050."*

*EU Energy System Integration Strategy, page 2*

# Key Messages I: Annegret Groebel, President, CEER

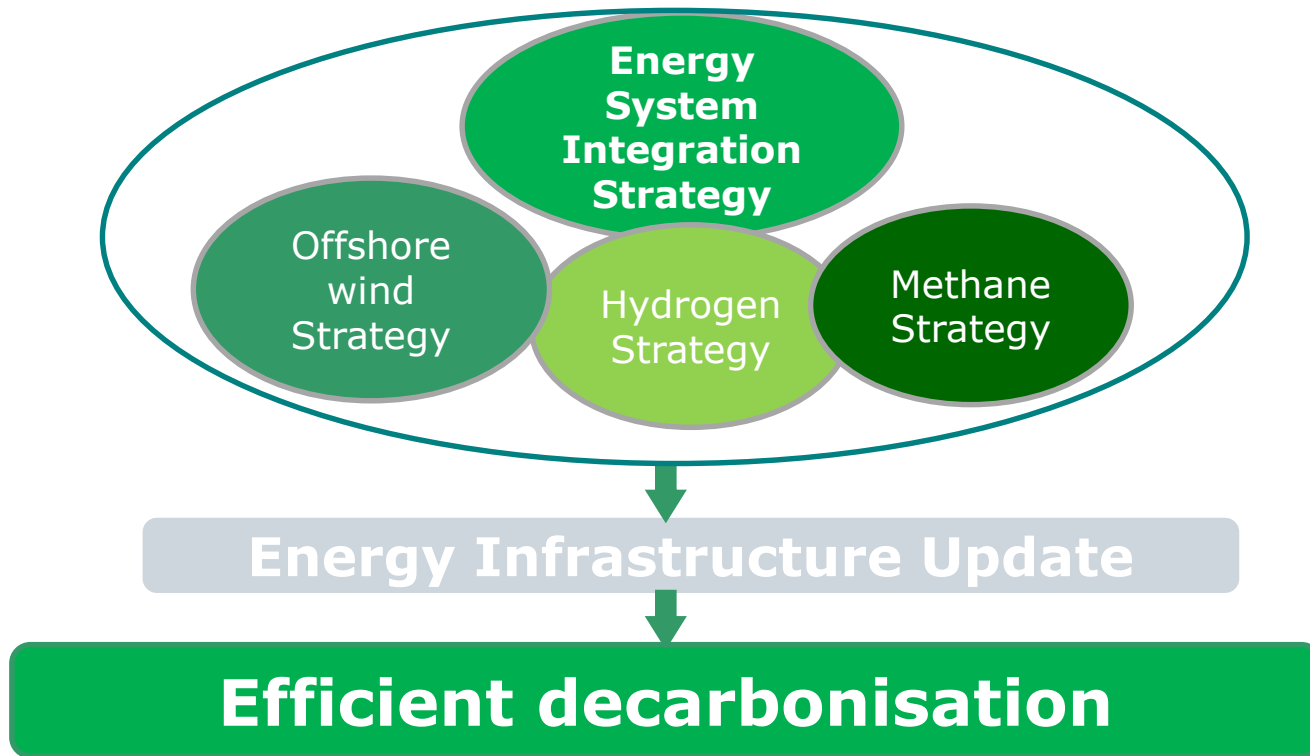
Infrastructure is key for CEER...and ACER

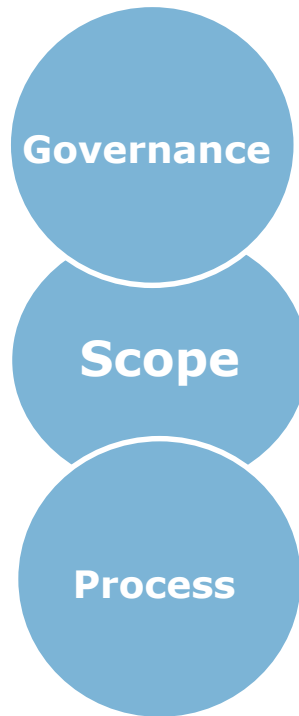
CEER involved in CEP process (2017) with unchanged Priorities:

- Develop interconnection based on costs and benefits
- Facilitate improvements in planning
- Coherent cost allocation between CEF and CBCA

CEER advocacy looking ahead at EU Strategies (Hybrid Offshore Grid; sustainability criteria; PCI status of Hydrogen infrastructure...etc.)

## 50 shades of GREEN...DEAL





## 18 proposed improvements in 3 areas

- **Infrastructure governance (4)**
- **Scope of PCIs (4)**
- **TEN-E processes (10)**

- Identify and unlock projects with a clear value = CBA at core
- Simplify processes and improve/clarify governance
- Integrate Green Deal principles



# Key Messages II: Clara Poletti, Chair, ACER Board of Regulators

## TEN-E an important step towards better coordination but still room for improvement

### 7 years of implementation

Repeated delays and concerns raised over scenario development

Limited applications of cost benefit analyses

ACER and NRAs inputs not sufficiently taken into account

Limited developments with smart grids PCIs (no methodology)

Few proposal and decisions on risk-related incentives



- The way in which TYNDP scenarios are designed must improve
- The distribution of responsibilities and prerogatives must evolve to **give greater weight the regulators** (ACER/NRAs)
- The **PCI selection process** should be improved by expanding the sustainability dimension, particularly in the gas CBA methodology

# Recommendations and reactions

## Area 1: Improving infrastructure development governance

*Christine Materazzi-Wagner,  
ACER-CEER Electricity Working Group Chair*

## Legislation

### Scope

	<b>3<sup>rd</sup> Package and CEP in general</b>	<b>Infrastr. related, e.g. TEN-E Reg.</b>
<b>National</b>	<ul style="list-style-type: none"> <li>• Ordinances</li> <li>• Decisions</li> <li>• Approvals</li> </ul>	<ul style="list-style-type: none"> <li>• Depends on unbundling status</li> <li>• Depends on national implementation</li> </ul>
<b>EU</b>	<ul style="list-style-type: none"> <li>• Binding guidelines</li> <li>• Approvals</li> <li>• Amendments</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Non-binding opinions</b></li> <li>• <b>Recommendations</b></li> </ul>

**Strengthening the role of ACER and NRAs concerning infrastructure development would ensure neutral, consistent, robust and efficient decision making.**

## STATUS QUO

Sole basis for the process

Developed by ENTSOs

ACER non-binding guidance

## PROBLEM

Conflict of interest

No regulatory approval

Lack of transparency and stakeholder engagement

## PROPOSAL

Scenarios, developed in a neutral way

Joint and balanced scenarios

Binding guidelines

## Area 1: Infrastructure Scenario Development

## STATUS QUO

Cornerstone for

- Project evaluation
- PCI selection
- CBCA decision

ACER non-binding opinion

## PROBLEM

Non-monetised /  
non-quantified  
benefits

Methodological  
robustness

Lack of  
consistency

## PROPOSAL

ACER binding  
guideline

ACER approval  
and amendments

**Area 2: Cost Benefit Analysis (CBA)**

## STATUS QUO

Basis for  
European  
infrastructure  
planning

ACER non-  
binding opinion  
on TYNDP

## PROBLEM

Recommen-  
dations often not  
taken into  
account

Inconsistencies

Lack of  
transparency

## PROPOSAL

ACER binding  
guideline

ACER approval  
and amendment  
requests

**Area 3: Ten Year Network Development Plan (TYNDP)**



## STATUS QUO

NRA obligation to consult, monitor and scrutinise NDPs

ACER non-binding opinion on NDP/TYNDP consistency

## PROBLEM

NRA scrutiny depends on unbundling status of TSO

Different national implementation

Lack of consistency

## PROPOSAL

Mandatory NDP in each MS

Single NDP per sector

NRA approval and amendments

Automatic project inclusions

## Area 4: National Development Plans (NDPs)

# Recommendations and reactions

## Area 2: Principles for PCI scope

*Benoît Esnault,  
CEER Gas Working Group Vice Chair*

## STATUS QUO

TYNDP process structured around TSOs

PCIs mainly on regulated investments

Cross-sectoral projects not envisaged explicitly

## PROBLEM

Can lead to discrimination and distortions

Elec. storage projects have received limited attention

Energy System Decarbonisation not being well addressed

## PROPOSAL

Treat PCIs equally

Envisage “cross-sectoral projects” category

Separate energy storage projects from the assessment of elec. transmission investments

**Area 5: Sector-coupling projects & simplicity**

## STATUS QUO

PCI selection progressively harmonised across the regional groups and sectors

EU-wide groups:  
+ electricity transmission & storage infrastructure  
+ gas infrastructures  
+ electricity highways  
+ electricity smart grids  
+ carbon dioxide networks + oil

## PROBLEM

There is room to:  
Serve the resource efficiency and transparency, and improve the process results  
&  
Better address Energy System Decarbonisation

## PROPOSAL

Bring the groups to an European dimension

New EU-wide groups:  
+ electricity transmission investments;  
+ electricity smart grids;  
+ gas investments;  
+ carbon dioxide and hydrogen networks;  
+ energy storage investments;  
+ if deemed appropriate, cross sectoral investments

**Area 6: TEN-E groups**

## STATUS QUO

TEN-E  
Regulation as an  
instrument to  
deal with trans-  
European energy  
networks

## PROBLEM

Need for better  
coordinating  
transmission and  
distribution in a  
decentralised &  
decarbonised  
energy system

PCI process is  
not the most  
appropriate tool  
to address small-  
scale projects

## PROPOSAL

Evaluate NDPs  
for gas DSOs  
and an EU DSO  
entity for gas

# PCIs should  
remain  
manageable

Keep current  
concept of  
significant cross-  
border impact of  
PCIs

## Area 7: Small-scale projects

## STATUS QUO

PCIs must either be an interconnector or have a “significant cross-border Impact

## PROBLEM

Different requirements for electricity and gas PCI projects

Some aspects remain subject to interpretation

## PROPOSAL

Replace “cross-border” definition by “cross-zonal” (bidding zones & entry-exit zones)

Improve the current criteria to identify objectively the significant cross-border impact of a project

**Area 8: PCI impact on cross-border**



# Recommendations and reactions

## Area 3: Improving TEN-E processes

*Dennis Hesseling,  
ACER Head of Gas Department*

## STATUS QUO

TEN-E includes sustainability as one of the criteria, both for electricity and gas

CEF grants for works do not include explicit sustainability requirement

## PROBLEM

Gas projects could be selected which are not sustainable

CEF grants for works could be given to projects which are not sustainable

## PROPOSAL

Gas projects need significant contribution to sustainability to be eligible

Explicit sustainability requirement for CEF grants for works

## Area 9: Sustainability

## STATUS QUO

Limited transparency and information requirements

TSOs driving process

CBCA – CEF one-way process

## PROBLEM

Limited public visibility and scrutiny of project fundamentals

No explicit powers for NRAs to reject proposal

CBCA can depend on CEF

## PROPOSAL

Make fundamental project information (e.g. cost) publicly available

Give NRAs explicit powers to reject project

Allow revision of CBCA after CEF

**Area 10: Oversight and transparency**

## STATUS QUO

Annual PCI  
report

One-off Unit  
Investment Cost  
report

## PROBLEM

PCI report in first  
year of PCI list  
adds limited  
value

No explicit legal  
basis to require  
information to  
update UIC  
report

## PROPOSAL

Make PCI report  
obligatory once  
every 2 years

Make UIC report  
obligatory once  
every few years

## Area 11: Reporting

# Q&A session

*Moderator: Annegret Groebel, CEER  
President*



*Webinar on Improvements to the  
TEN-E Regulation,  
14 September 2020*





# Conclusions by *Christian Zinglensen, ACER Director*



***Thanks for joining this webinar!***