

# Trans-European energy infrastructure

2020/0360(COD) - 30/09/2021 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Zdzisaw KRASNODBSKI (ECR, PL) on the proposal for a regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Regulation (EU) No 347/2013.

The proposed regulation aims to revise the EU rules on Trans-European Energy Networks (TEN-E) to align them with the upgraded 2030 targets and the 2050 climate neutrality objective under the European Green Deal.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

## *EU list of projects of common interest and projects of mutual interest*

Projects of common interest are infrastructure projects considered essential for delivering on EU objectives in the energy field, including improved interconnection between national markets, greater competitiveness, security of supply and promotion of renewables.

The decision-making body of each Group should adopt a regional list of proposed projects of common interest. Where a Group draws up its regional list: it should prepare and publish a report containing at least a description of each individual project, the promoter's Presentations and the methodology adopted by the Group.

Members stressed that the projects should be in line with the 'energy efficiency first' principle and contributes to sustainability.

**Projects of mutual interest** should be assimilated with projects of common interest and be eligible for cross-border cost allocation decisions for the part of the investment costs located on the territory of the EU or in countries applying the Union *acquis* and which have concluded an agreement with the EU.

## *New infrastructure categories*

Members suggested that the following specific criteria should apply to projects of common interest falling within specific energy infrastructure categories. For district heating and cooling systems falling under the energy infrastructure category, the project is to contribute significantly to sustainability by enabling and facilitating the integration of renewable and waste heat and cold to reduce greenhouse gas emissions, as well as a better integration and interlinking of the sectors.

## *Phasing-out of natural gas*

Members supported funding the development of hydrogen infrastructure, such as electrolysers, as well as carbon capture and storage. They also insisted on the need to support public participation in the selection process. Projects based on natural gas will no longer be eligible for EU funding. However, a temporary derogation will allow, under strict conditions, natural gas projects from the fourth or fifth list of projects of common interest to be eligible for a streamlined authorisation procedure.

## *Repurposing natural gas*

The selected projects should help Member States to move away from solid fossil fuels such as coal, lignite, peat and oil shale, according to Members. The report also proposed funding projects that repurpose existing natural gas infrastructure for hydrogen transport or storage.

### *Offshore grids*

While commending the inclusion of offshore grids into the scope of the regulation, the report highlighted that Member States are currently in different phases of development of their offshore infrastructure. More investment is needed in offshore renewable energy and new radial links connecting new offshore wind capacities, as well as hybrid integrated projects, are needed.

### *Scenarios for the ten-year network development plans*

By 31 July 2022, the Agency, after having conducted an extensive consultation process involving all relevant stakeholders, should publish the framework guidelines for the joint scenarios to be developed by ENTSO for Electricity and ENTSO for Gas.

Members proposed that the guidelines should establish standards for a transparent, non-discriminatory and robust development of scenarios taking into account best practices in the field of network development planning. The joint scenarios should also include a long-term perspective until 2050 and include intermediary steps as appropriate.

The report noted that while being eligible for inclusion in regional groups' project lists as soon as this Regulation enters into force, smart electricity grids, smart gas grids, hydrogen, electrolyzers and heating and cooling networks are not currently included in the Union-wide ten-year network development plan. The requirement for those projects should only apply as of 1 January 2024 for the purposes of the second Union list drawn pursuant to this Regulation.

### *Integrated energy market and network model*

The needs of an integrated energy market go beyond a physical cross-border footprint of infrastructure projects in order to contribute to the TEN-E pillars, such as sustainability or security of supply. There is a need for cross-border projects that have a positive effect on the Union's power grid, such as smart electricity grids or electrolyzers, without involving a physical common border.

The integrated model should be updated to include heating infrastructure not later than 31 December 2024. Where relevant, the model should also take into consideration the distribution infrastructure. As part of the integrated model the ENTSO for Electricity and the ENTSO for Gas shall develop a common cost benefit methodology to be used for the cross-sectorial assessment.

### *Cost allocation and cross-border allocation*

The costs for the development, construction, operation and maintenance of projects of common interest should in general be **fully borne by the users of the infrastructure**. The cost allocation should ensure that end-users are **not disproportionately burdened**, especially if that could lead to energy poverty.