



Webinar: The revised TEN-E Regulation

#TENERegulation

#EUGreenDeal

Dedicated to the Regional Groups and
thematic areas under the TEN-E
10 May 10:00 -12:30



Webinars on the revised TEN-E Regulation

Ahead of its formal entry into force, expected in June, the Commission is organising a series of dedicated webinars to present its key provisions:

[Series of webinars on the revised TEN-E Regulation | European Commission \(europa.eu\)](#)

10 May at 10.00 – 12.30 (CET) The revised TEN-E Regulation
Restricted to the members of the Regional Groups and thematic areas under the TEN-E

10 May at 14.00 – 17.00 (CET) Infrastructure categories and selection process under the revised TEN-E Regulation

Open to stakeholders

11 May at 10.00 – 17.00 (CET) Accelerating PCI implementation under the revised TEN-E Regulation

Open to stakeholders

19 May at AM (CET) Regulatory aspects under the revised TEN-E
Restricted to representatives of national regulatory authorities

Agenda

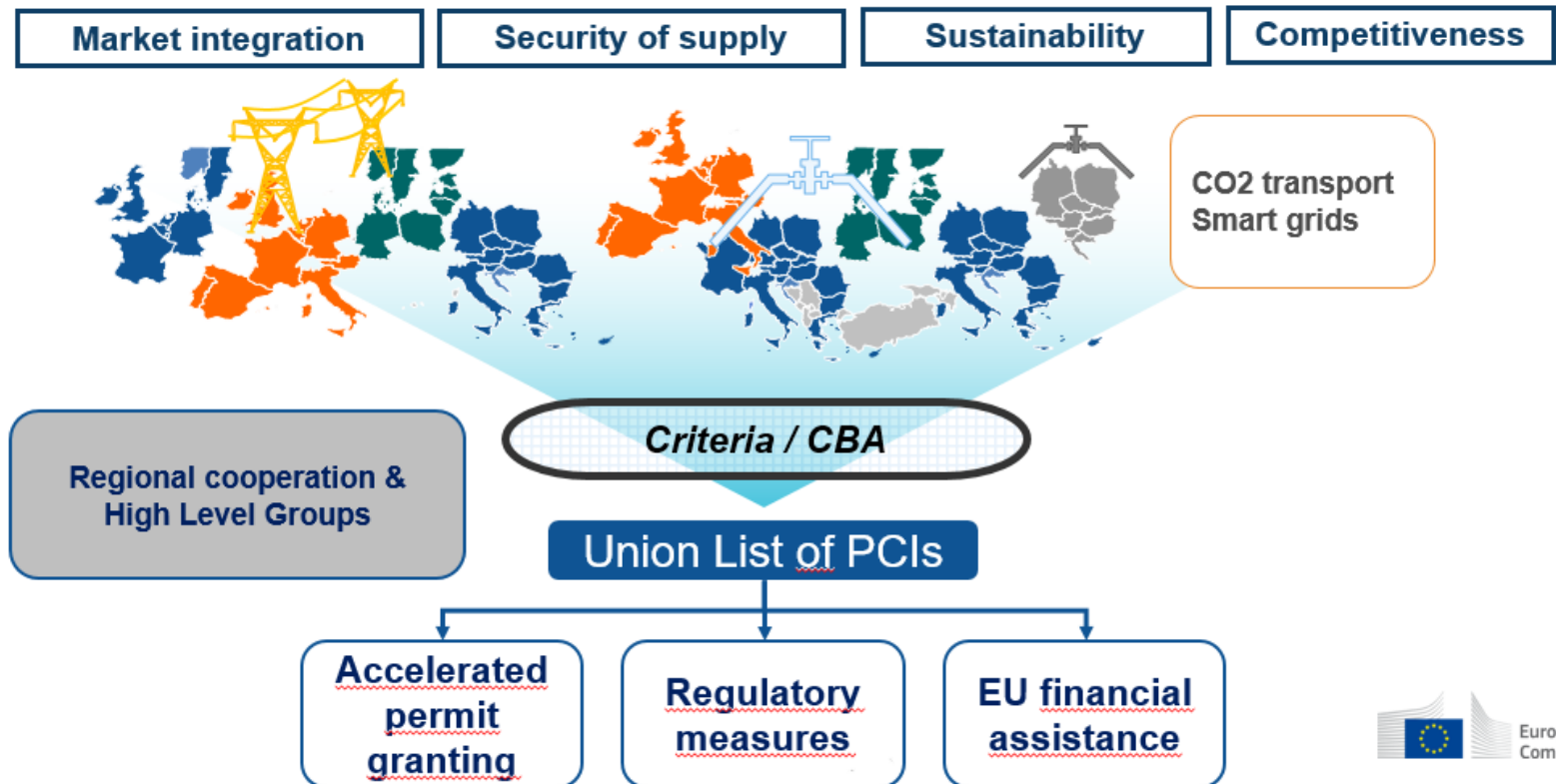
10:00 - 10:10 Welcome remarks and policy context of the revision of the TEN-E Regulation

10:10 - 11:30 Presentation of key provisions of the revised TEN-E Regulation

11:30 - 12:30 Questions and discussion with Members of the Regional Groups and thematic areas

12:30 End of the webinar

The trans-European energy networks policy



The TEN-E Regulation

... Increased interconnections and effectively improved the integration of Member States' networks, which in turn made the EU energy market more integrated and competitive than it was before the application of the TEN-E Regulation;

... is essential for EU's energy security by

- boosting further electrification
- transitioning to renewable gases

and thus accelerating the European Green Deal.

Revised EU cross-border planning rules

Co-legislators reached a political agreement on a revised TEN-E Regulation on 15 December covering:

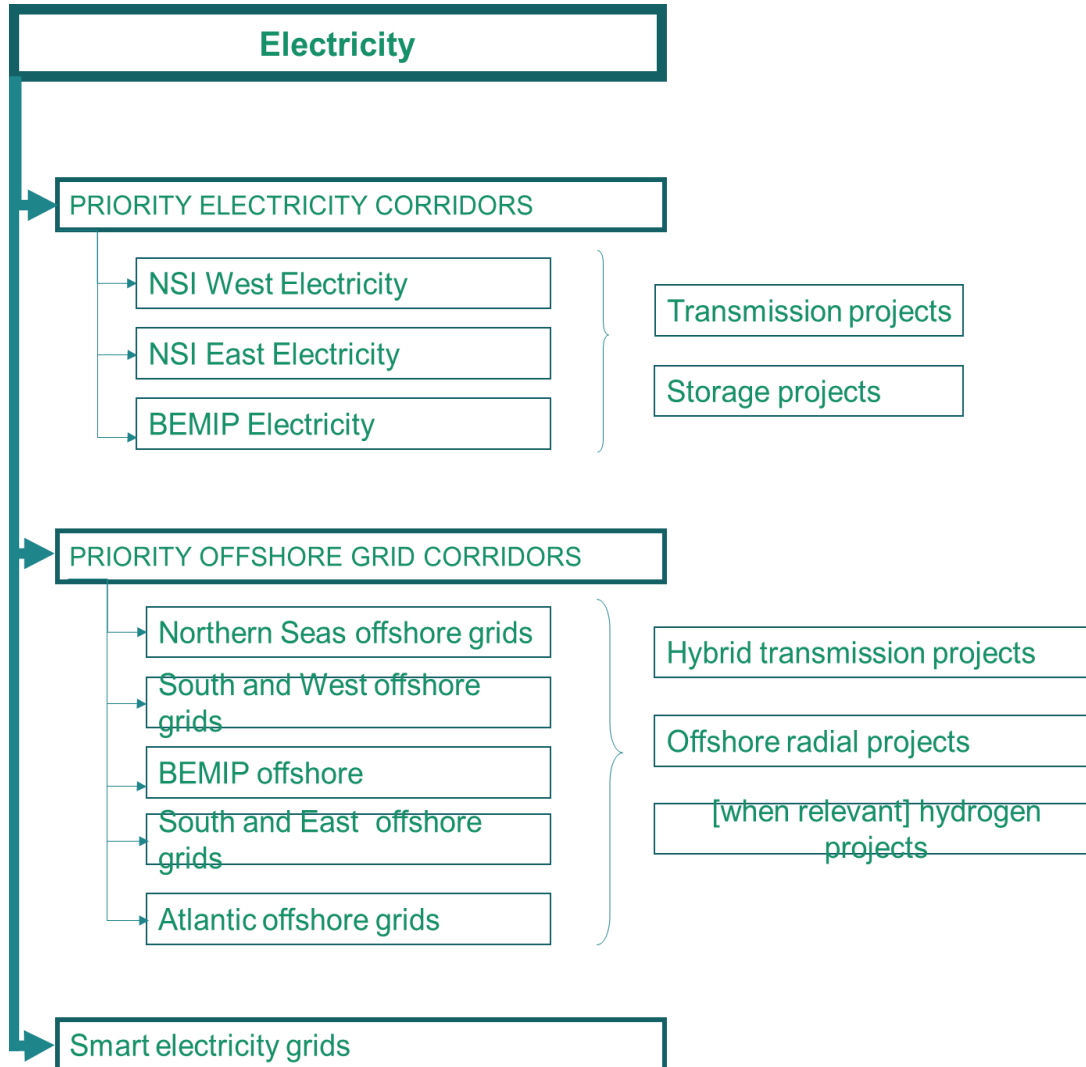
- New and updated infrastructure categories and a reconfiguration of priority corridors and areas;
- Dedicated offshore planning provisions;
- No natural gas under TEN-E*, but support for hydrogen, electrolysers and local low-carbon and renewable gases;
- Enhanced regulatory and permitting provisions to accelerate PCI implementation;
- Strengthened cross-sectoral energy infrastructure planning;
- Projects of Mutual Interest with third countries

Expected entry into force in June 2022.



European
Commission

Increased focus on electricity infrastructure



Support for offshore renewable grid development



- The TEN-E operationalizes the ambitions in the EU Strategy for Offshore RES by including:
 - New infrastructure categories for hybrid offshore grid projects and offshore radial lines to implement five offshore priority corridors across the EU; where appropriate, hydrogen projects can also be included;
 - Offshore grid planning provisions;
 - Enhanced regulatory tools;
 - Permitting provisions to accelerate implementation to facilitate scale-up of offshore grids to the target 300 GW in 2050;

Hybrid offshore grid projects and offshore radial lines under its scope

*any equipment or installation falling under category referred to in point (a) enabling transmission of offshore renewable electricity from the offshore generation sites, (**energy infrastructure for offshore renewable electricity**);*

*any equipment or installation falling under category referred to in point (a) having dual functionality: interconnection and offshore grid connection system from the offshore renewable generation sites to two or more Member States and third countries participating in projects of common interest and projects of mutual interest, including the onshore prolongation of this equipment up to the first substation in the onshore transmission system as well as any offshore adjacent equipment or installation essential to operate safely, securely and efficiently, including protection, monitoring and control systems, and necessary substations if they also ensure technology interoperability inter alia interface compatibility between different technologies, (**offshore grids for renewable energy**).*

Five offshore priority corridors across the EU

Building on regional cooperation strengths, the revised TEN-E identifies **5 priority offshore grid corridors**:

- (4) Northern Seas offshore grid ('NSOG')
- (5) Baltic Energy Market Interconnection Plan offshore grid ('BEMIP offshore')
- (6) South and West offshore grid
- (7) South and East offshore grid
- (8) Atlantic offshore grid

Offshore grid planning provisions (1/2)

By end of 2022:

For the first time, Member States, with the support of the Commission, will cooperate **on regional goals for offshore renewable generation to be deployed within each sea basin** by 2050, with intermediate steps in 2030 and 2040:

- in line with their national energy and climate plans and the offshore renewable potential of each sea basin;
- in the form of non-binding agreements in as regards each sea basin linked to the territory of the Member States.

Guidance from the Commission in the Regional Groups.

Offshore grid planning provisions (2/2)

By end of 2023:

Based on MS non-binding agreements, **high-level strategic integrated offshore network development plans** will be developed for each sea basin:

- Providing a high-level outlook on offshore generation capacities potential and resulting offshore grid needs, including the potential needs for interconnectors, hybrid projects, radial connections, reinforcements, and hydrogen infrastructure;
- Developed by the ENTSO for Electricity with the involvement of the relevant TSOs, the national regulatory authorities, Member States, of the Commission;
- In line with the non-binding agreements taking into account environmental protection and other uses of the sea;
- Updated every two years.

Dedicated regulatory tools and approach

By mid 2024: the Commission shall, together with the Member States and relevant TSO's, ACER and NRA's shall publish a guidance for a specific CBA and cost sharing;

By mid 2025: Presentation of the results of the application of the cost sharing to the priority offshore grid corridors by the ENTSO for Electricity, with the involvement of the relevant TSOs, ACER, the national regulatory authorities and the Commission.

Reaching sea-basin goals: role of HLGs

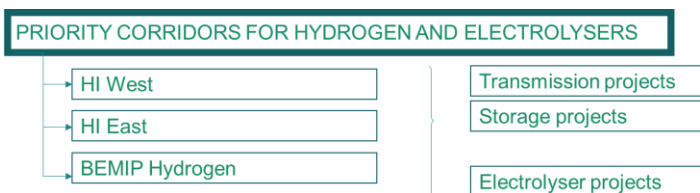
1. Reach a common understanding on the starting point: **action** - collection of all commitments on offshore renewables already made by parties (e.g. NECPs, national strategies and plans, RRP, recent political announcements or auctions announced/launched) with the **goal** to create an overview table of existing individual political commitments on offshore RES, if any;
2. Reach a common view of the offshore potential: **action** - review offshore renewable dedicated areas specified in MSPs of the regions; review Natura2000 offshore protected areas; review studies on offshore potentials with the **goal** to determine if existing information is enough to clearly determine the offshore economic potential of each sea basin; if not enough, determine gaps and how to solve them (e.g. new studies or others);
3. Agree on a process for establishing the coordinated offshore renewable goals: determine if any other info in addition to tasks (i) and (ii) is needed, set process, document, timeframe, etc.
4. Identify already, as much as possible, existing projects or potential projects to be put forward anticipating the work on the high-level strategic integrated offshore network development plans.

Smart electricity grids

Updated provisions in the revised TEN-E aiming at supporting scale-up of smart electricity grids through:

- Simplified selection criteria to reflect technological development, digitalisation and cybersecurity in transmission and distribution network;
- Streamlined cross-border impact;
- Clarification of the categories of eligible promoters:
 - TSOs from two or more Member States
 - TSOs and DSOs from two or more Member States
 - DSOs from two or more Member State, as long as interoperability is ensured.

New gases under the TEN-E Regulation



Smart gas grids

Cross-border carbon dioxide network

- Exclusion of natural gas infrastructure* and oil pipelines;
- Support for new and repurposed dedicated hydrogen networks and electrolysers above 50 MW;
- Tapping into locally produced renewable and low-carbon gases (biogas, biomethane) through IT-focused smart gas grids installations allowing for reverse flows.

**with the exception of i) a transitional period allowing for blending in dedicated hydrogen assets converted from natural gas assets and ii) a derogation for Malta and Cyprus limited in scope and time*

Hydrogen and electrolysers

Eligible types of H2 infrastructure:

- dedicated H2 pipelines, as well as repurposed natural gas infrastructure assets;
- Storage;
- Reception, storage and regasification or decompression for liquefied hydrogen;
- Installations allowing for H2 or H2-derived fuels use in transport.

Eligible types of electrolysers:

- Capacity of 50MW met by a single or a set of coordinated projects;
- Life cycle GHG emissions savings of 70%;
- Network related function.

Blending

Possible for transport and storage only during a transitional period until 31 December 2029 (eligibility under CEF ending on 31 December 2027) if:

- Project promoter demonstrates, including through commercial contracts, that before the end of the transitional period assets become dedicated H2 assets;
- Proof of increased H2 enabled, including an assessment of the supply and demand of renewable and low-carbon h2 and GHG reduction;
- Interoperability with neighbouring networks is ensured.

ACER to verify the timely transition of projects to becoming dedicated H2 assets.

Smart gas grids

- IT-focused equipment aiming at integrating renewable and low-carbon gases such as ICT, control systems, sensor technologies;
- Equipment to enable reverse flows, which may include physical upgrades if indispensable to integration of such gases.

CO2 networks

Updated provisions in the revised TEN-E to support the development of cross-border CO2 infrastructure through:

- Inclusion of permanent storage alongside dedicated CO2 pipelines;
- Inclusion of facilities for liquefaction, buffer storage and converters in view of transportation by other modes;
- Enforced sustainability assessment.

Project of Mutual Interest (PMIs) with third countries

On the basis of:

- High level of convergence of the third country's policy framework with that of the EU
 - Provision presumed for Energy Community Contracting Parties or EEA;
- Contribution to the Union's and the third countries' overall energy and climate objectives in terms of security of supply and decarbonisation;
- Significant net socio-economic benefits at Union level.

Eligibility: electricity transmission, offshore grids, hydrogen transmission and CO2 transmission and storage.

Eligibility for financing under CEF

- Non-eligible for financing under CEF for works: electrolyzers;
- **New:** hydro-pumped storage;
- Equal treatment for PMIs as regards eligibility under CEF as for PCI, under the conditions set out in Article 5(2) of CEF Regulation (EU) 2011/1153.

The PCI process under the revised TEN-E

Key provisions:

- PCIs and PMIs will be assessed within the same process in line with criteria set in Article 4;
- Sustainability is a mandatory criteria applied to all infrastructure categories under the TEN-E;
- The composition of the priority corridors and thematic area are extended
- ACER will deliver an opinion on the draft list, as in current practice;
- All decisions concerning the functioning and work of the regional groups will be achieved by consensus between the Member States and the Commission.
- Member States keep their veto rights for the projects on their territory.
- If the total number of proposed projects on the Union list would exceed a manageable number, the Commission shall advise each Group concerned, not to include in the regional list projects that were ranked lowest by the Group concerned.

6th PCI process

June 2022

Oct 2022

Nov 2022

Jan 2023

June 2023

RG rules of
internal
organisation

Draft for
your
comments
before
summer

PCIs
submissions
for all the
categories
of projects

Candidate
projects [NRAs
+] public
consultation –
3 months

Draft PCIs
lists

For all
categories

Specific per
categories

electricity

CO2

...

Strengthened cross-sectoral infrastructure planning and selection of PCIs

- Optimised and coordinated cross-sectoral infrastructure planning through the application of the efficiency first principle in all TYNDP and account of the latest Commission scenarios;
- Strengthened consultations with Member States and stakeholders and the Advisory Board during the preparation of scenarios, infrastructure gaps and methodologies for cost-benefit analysis;
- Consistency between ENTSOs developed CBA methodologies and methodologies “outside” TYNDP such as electricity storage, hydrogen, electrolysers, smart gas grids and CO2 networks;
- Commission approval of scenarios and CBA methodology; ACER opinion on scenarios and CBA.

Regulatory provisions enabling cross-border investments

Cross-border
cost-
allocation
(Article 16)

- Agree on cost sharing among Member States according to received benefits

Incentives
(Article 17)

- Ensure a suitable set-up to incentivise innovative investments

Project Implementation



Regulatory provisions enabling cross-border investments: CBCAs

- **Cross-border cost allocation mechanism (CBCA):** essential to ensuring a stable financing framework for the development of PCIs while minimising the need for financial support;
 - Decision: joint coordinated decision of the relevant NRAs; takes into account, the economic, social and environmental costs and benefits of the projects in the Member States concerned;
- Able to request a CBCA: infrastructure categories set out in points (1)(a), (b), (c), (d), (f) and point (3) of Annex II, but also the energy infrastructure categories set out in point (1)(e) and point (2) of Annex II;
- By approx. May 2023, the Agency shall adopt a recommendation for identifying good practices for the treatment of investment requests for projects of common interest.
- CBCA provisions apply mutatis mutandis to PMIs.

Regulatory provisions enabling cross-border investments: incentives

- Several types of PCIs are likely to have externalities that might **not be fully captured in**, and recovered through, **the regular tariff system**;
- NRAs should ensure a stable and predictable regulatory and financial framework with incentives for PCIs, that are commensurate with the level of specific risk of the project, in particular for:

- Innovative** transmission technologies
- Energy technology and **digitalisation**
- Projects with **high operational expenditure**
- Offshore grids**

Higher risks
than
comparable
projects

Enhanced permitting provisions

The revised TEN-E:

- Clarifies permitting regimes allowing for flexibility depending on type of infrastructure;
- Introduces the possibility for accelerated court proceedings where existing in Member States;
- Creates offshore *unique points of contact per PCI* to facilitate exchange of information pertaining to the permitting process, issuing of decisions and act as a repository of studies related to the project.

Whilst increasing transparency and monitoring of compliance with EU public participation and environmental acquis.

Consultation of stakeholders and transparency

Public participation and transparency in PCI implementation: cornerstones of the TEN-E policy;

- Member states and NCAs publish a manual of procedures;
- Project promoters have to:
 - **conduct at least one public consultation** to inform stakeholders and help identify the most suitable location or routing for the project;
 - **establish and regularly update a website** with information on consultations timeline, progress, and outcomes and how it was taken them into account;
- Open access to information such as the economic and social benefits, costs or environmental impact of projects and early consultation of those affected was sought to address concerns and increase acceptance of PCIs.

The C4 team

ener-c4-projects@ec.europa.eu
europa.eu