

Press Release (ACER PR-03-20) (CEER PR 20-06)

## **Regulators welcome the Commission’s Trans-European Networks for Energy (TEN-E) proposals but see scope for further improvement for energy network development**

16 December 2020

- **Regulators welcome the new focus on sustainability and the Green Deal**
- **Room to further improve the TEN-E process and regulatory oversight**

Delivering on the objectives of the Energy Union and of the Green Deal requires major investments in energy networks<sup>1</sup>. Tackling the infrastructure needs in an increasingly integrated European energy system is complex and requires proper regulatory scrutiny to safeguard the public interest. ACER<sup>2</sup> and CEER<sup>3</sup> welcome the Commission’s efforts to modernise the current framework (called “TEN-E”) with a new focus on sustainability in the [European Commission’s revised TEN-E Regulation proposals](#)<sup>4</sup>, but the process needs to be robust and proper regulatory scrutiny assured.

### **Regulators welcome the new focus on sustainability and the Green Deal**

ACER-CEER welcome the new focus on sustainability and offshore renewables including extending the scope of the Projects of Common Interest (PCIs) to include hydrogen and electrolysers. This is a big step towards the Green Deal.

### **Room to further improve the TEN-E process and ensure regulatory oversight**

Welcoming the proposals, **ACER Director, Christian Zinglensen** stated:

*“Massive energy infrastructure investment is needed to deliver on Europe’s climate and energy priorities. Tackling infrastructure needs in an increasingly integrated European energy system is bound to be more complex, and requires a range of assets to achieve the decarbonisation targets. Regulators welcome the European Commission’s efforts to make the current framework for trans-European energy infrastructure (“TEN-E”) fit for purpose for the energy transition. We welcome that infrastructure “scenario planning” will become more neutral with the introduction of ACER guidelines. To reach sector integration, the scenario planning should be developed jointly for electricity and gas in a neutral way.*

*The new process for Cost-Benefit Analysis (CBA<sup>5</sup>) methodologies is overly complicated, and may not fit well with the agility needed for the Ten-Year Network Development Plan (TYNDP) and PCI processes which have a 2-year cycle. To ensure proper regulatory scrutiny over the ENTSO’s proposals and for simple and timely processes, ACER should be given the powers to approve the methodologies for the CBA and be able to issue binding guidelines. These CBAs are critical to the reliable and consistent assessment of the TYNDP projects and the selection of the European Projects of Common Interest (PCIs). Europe’s legislators should not miss this opportunity to streamline the process and improve the regulatory oversight so that the best projects are delivered.”*

On the national and European network development plans, **CEER President, Annegret Groebel**, added:

*“The European regulatory framework needs to be robust for the identification of the cross-border projects and investments needed for the energy transition, and for projects funding and cost allocation to be subject to regulatory oversight by NRAs in line with the principles of the Internal Energy Market /Clean Energy Package frameworks. To ensure coherence of the TYNDP and the national level plans, national regulators should have the power to approve/amend the National Development Plans and oversight over*

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*ENTSOs on the TYNDP process needs to be strengthened. Regulators, who are closest to the projects, are best placed to decide on how to allocate the costs of cross-border energy projects in a coordinated way within ACER to support informed and consistent cross-border cost allocation (CBCA<sup>6</sup>) decisions across Europe.*

Regulators' recommendations on how to improve the TEN-E Regulation are set out in the [ACER-CEER position paper on revision of the Trans-European Energy Networks Regulation \(TEN-E\) and Infrastructure Governance](#).

**Ends** (see notes for editors below)

**Notes for editors**

1. According to the Commission's proposal for a regulation on guidelines for trans-European energy infrastructure and repealing Regulation (EU) No 347/2013, an estimated investment of EUR 50.5 billion in the electricity (transmission and distribution) is needed each year to reach the 2030 targets.
2. The Agency for the Cooperation of Energy Regulators (ACER) is a European Union Agency. ACER plays a central role in the development of EU-wide network and market rules with a view to enhancing competition. The Agency coordinates regional and cross regional initiatives, which favour market integration. It monitors the work of the European networks of transmission system operators (ENTSOs), and notably, their EU-wide ten-year network development plans (TYNDPs). ACER also monitors the functioning of gas and electricity markets in general, and of wholesale energy trading in particular. Visit [www.acer.europa.eu](http://www.acer.europa.eu).
3. The Council of European Energy Regulatory (CEER) is the association of Europe's national regulatory authorities (NRAs), serving as their voice at EU and global level. CEER's members and observers, from 39 European countries, are the independent statutory bodies responsible for energy regulation at national level. CEER, based in Brussels, deals with a broad range of energy issues including retail markets and consumers; distribution networks; smart grids; flexibility; sustainability; and international cooperation. Visit [www.ceer.eu](http://www.ceer.eu).
4. Europe's strategy for trans-European energy infrastructure is set out in the form of guidelines in the "TEN-E Regulation" (Regulation (EU) No 347/2013). As input to the European Commission's review of the TEN-E Regulation, in July 2019, regulators set out 18 recommendations on how to improve the TEN-E Regulation and energy infrastructure governance in their [ACER-CEER position paper on revision of the Trans-European Energy Networks Regulation \(TEN-E\) and Infrastructure Governance](#). These were focused on 3 areas: infrastructure governance; the scope of the European Projects of Common Interest (PCIs); and the TEN-E processes. A key message of the regulators was that improving the TEN-E Regulation may not suffice to support the realisation of all the different types of assets needed to achieve the decarbonisation targets. The [Commission's revised TEN-E proposals](#), launched today, seek, inter alia, to enable the identification of the cross-border projects and to improve infrastructure planning for energy system integration and offshore grids.
5. The Cost-Benefit Analysis (CBA) is the cornerstone of the European Project of Common Interest (PCI) selection and of the NRAs decisions on Cross-Border Capacity Allocation (CBCA).
6. According to the European Commission's proposals, the European Commission will issue binding guidelines by 31 December 2023 on CBCA. Currently the framework is an ACER recommendation and the national regulators (NRAs) take decisions on how to allocate the cost of cross-border infrastructure projects.

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