



**European Committee
of the Regions**

ENVE-VII/016

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OPINION

Revised Trans-European Energy Infrastructure Regulation fit for the Green and Digital Transition

THE EUROPEAN COMMITTEE OF THE REGIONS

- is pleased to see that the future framework will preserve the key role of the regional groups in the projects of common interest (PCI) identification and selection process, where it is of paramount importance to guarantee a relevant regional and local representation;
- welcomes the obligation for all projects to meet mandatory sustainability criteria and to follow the "do no harm" principle as set out in the European Green Deal as a big step forward towards meeting the EU's collective green goals;
- calls for the priority status of PCIs to be carefully considered and for priority not to be given to any projects that would have a negative impact on climate or protected habitats or species; stresses the need for a robust permit granting framework. Currently, permit granting procedures are still very lengthy; the setting up of one-stop shops with sufficient competences, power of decision and bound by clear deadlines is essential in this regard;
- welcomes the growing attention being given in the EU to the role of clean hydrogen; recalls that renewable hydrogen should be the priority and low-carbon hydrogen should be used for decarbonisation purposes until renewable hydrogen can play this role alone; calls therefore on the EU institutions, Member States and industry to ramp up renewable electricity and hydrogen capacity; calls on the Commission for a clear taxonomy of "renewable" gases;
- believes that a more open-minded approach to the definition of cross-border projects should be adopted, in order to consider not only large transmission projects but also local, decentralised and often participative smart grid projects without physical borders;
- calls on the Commission to provide a framework for the aggregation of several smaller projects, in order to allow local and regional authorities to be able to set up certain aggregated projects and to potentially obtain financing for these efforts;
- underlines the need to create synergies between TEN-T, TEN-E and alternative fuel strategies.

Rapporteur

Robert Sorin Negoită (RO/PES), Mayor of District 3, Municipality of Bucharest

Reference document

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
COM(2020) 824 final

Opinion of the European Committee of the Regions – Revised Trans-European Energy Infrastructure Regulation fit for the Green and Digital Transition

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Recital 1

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| <p>(1) The Commission has set out, in its Communication of 11 December 2019 entitled "The European Green Deal", a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. The Commission's communication on the Climate Target Plan proposing to increase the greenhouse gas emissions' reduction level to at least 55% by 2030 - an ambition that was endorsed by the European Council on 11 December 2020 - and its underlying impact assessment confirms that the energy mix of the future will be very different from the one of today and underpins the necessity to review and if necessary to revise the energy legislation. The current energy infrastructure investments are clearly insufficient to transform and build the energy infrastructure of the future. That also means infrastructure needs to be in place to support the European energy transition, including rapid electrification, scaling up of renewable electricity generation, the increased use of renewable and low-carbon gases, energy system integration and a higher uptake of innovative solutions.</p> | <p>(1) The Commission has set out, in its Communication of 11 December 2019 entitled "The European Green Deal", a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. The Commission's communication on the Climate Target Plan proposing to increase the greenhouse gas emissions' reduction level to at least 55% by 2030 - an ambition that was endorsed by the European Council on 11 December 2020 - and its underlying impact assessment confirms that the energy mix of the future will be very different from the one of today and underpins the necessity to review and if necessary to revise the <i>primary and secondary</i> energy legislation <i>at European, national and regional levels</i>. The current energy infrastructure investments are clearly insufficient to transform and build the energy infrastructure of the future, <i>while at the same time securing energy supply that caters for the specific needs and potential of different regions</i>. That also means infrastructure needs to be in place to support the European energy transition, including rapid electrification, scaling up of renewable electricity generation, the increased use of renewable and low-carbon gases, <i>development of district heating and cooling systems</i>, energy system integration and a higher uptake of innovative solutions, <i>to make our society green, sustainable and affordable and to improve living conditions</i>.</p> |

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| Reason |
| Self-explanatory |

Amendment 2

Recital 5

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| <p>(5) The evaluation of Regulation (EU) No 347/2013 has clearly shown that the framework has effectively improved the integration of Member States' networks, stimulated energy trade and hence contributed to the competitiveness of the Union. Projects of common interest in electricity and gas have strongly contributed to security of supply. For gas, the infrastructure is now well connected and supply resilience has improved substantially since 2013. Regional cooperation in Regional Groups and through cross-border cost allocation is an important enabler for project implementation. However, in many cases the cross-border cost allocation did not result in reducing the financing gap of the project, as intended. While the majority of permitting procedures have been shortened, in some cases the process is still long. The financial assistance from the Connecting Europe Facility (CEF) has been an important factor as grants for studies have helped projects to reduce risks in the early stages of development, while grants for works have supported projects addressing key bottlenecks that market finance could not sufficiently address.</p> | <p>(5) The evaluation of Regulation (EU) No 347/2013 has clearly shown that the framework has effectively improved the integration of <i>most of the</i> Member States' networks, stimulated energy trade and hence contributed to the competitiveness of the Union. Projects of common interest in electricity and gas have strongly contributed to security of supply. For gas, the infrastructure is now well connected <i>in most regions</i> and supply resilience has improved substantially since 2013. <i>However, to this day there are entire regions that have not been able to improve sufficiently their gas networks, energy security and resilience capacity. There are still projects for gas distribution which are in different phases of implementation and which have yet to be completed.</i> Regional cooperation in Regional Groups and through cross-border cost allocation is an important enabler for project implementation. However, in many cases the cross-border cost allocation did not result in reducing the financing gap of the project, as intended. While the majority of permitting procedures have been shortened, in some cases the process is still long. The financial assistance from the Connecting Europe Facility (CEF) has been an important factor as grants for studies have helped projects to reduce risks in the early stages of development, while grants for works have supported projects addressing key bottlenecks that market finance could not sufficiently address <i>and which are extremely important to ensure a safe and just energy transition.</i></p> |

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| Reason |
| Self-explanatory |

Amendment 3

Recital 11

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| (11) Security of supply, as one main driver behind Regulation (EU) No 347/2013, has been significantly improved through projects of common interest. Moreover, the Commission's climate target impact assessment 27 expects the consumption of natural gas to be reduced significantly because its non-abated use is not compatible with carbon-neutrality. On the other hand, the consumption of biogas, renewable and low-carbon hydrogen and synthetic gaseous fuels will increase significantly towards 2050. Therefore, the natural gas infrastructure no longer needs support through the TEN-E policy. The planning of energy infrastructure should reflect this changing gas landscape. | (11) Security of supply, as one main driver behind Regulation (EU) No 347/2013, has been significantly improved through projects of common interest. Moreover, the Commission's climate target impact assessment 27 expects the consumption of natural gas to be reduced significantly because its non-abated use is not compatible with carbon-neutrality. On the other hand, the consumption of biogas, renewable and low-carbon hydrogen and synthetic gaseous fuels will increase significantly towards 2050. Therefore, the new natural gas infrastructure no longer needs support through the TEN-E policy. The planning of energy infrastructure should reflect this changing gas landscape. <i>At the same time in many EU countries natural gas projects help to reduce CO2 emissions by facilitating transition from solid fossil fuels. The revision of EU regulation in question must not negatively affect not yet completed projects.</i> |

| <i>Reason</i> |
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| Self-explanatory |

Amendment 4

Recital 15

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| (15) Moreover, a new infrastructure category should be created for smart gas grids to support investments which integrate renewable and low carbon gases such as biogas, biomethane, and hydrogen, in the network and help manage a resulting more complex system, building on innovative digital technologies. | (15) Moreover, a new infrastructure category should be created for smart gas grids to support investments which integrate renewable and low carbon gases such as biogas, biomethane and clean hydrogen into the network and help manage a resulting more complex system, building on innovative digital technologies as well as technology and engineering solutions for gas quality and Supervisory Control and Data Acquisition (SCADA) grid management. |

| <i>Reason</i> |
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| Self-explanatory |

Amendment 5

Recital 25

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| (25) Regional groups should be established for the purpose of proposing and reviewing projects of common interest, leading to the establishment of regional lists of projects of common interest. In order to ensure broad consensus, those regional groups should ensure close cooperation between Member States, national regulatory authorities, project promoters and relevant stakeholders. In the context of that cooperation, national regulatory authorities should, where necessary, advise the regional groups, inter alia on the feasibility of the regulatory aspects of proposed projects and on the feasibility of the proposed timetable for regulatory approval. | (25) Regional groups should be established for the purpose of proposing and reviewing projects of common interest, leading to the establishment of regional lists of projects of common interest. In order to ensure broad consensus, those regional groups should ensure close cooperation between Member States, national regulatory authorities, local and regional authorities , project promoters and relevant stakeholders. In the context of that cooperation, national regulatory authorities should, where necessary, advise the regional groups, inter alia on the feasibility of the regulatory aspects of proposed projects and on the feasibility of the proposed timetable for regulatory approval. |

| <i>Reason</i> |
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| Self-explanatory |

Amendment 6

Article 1, paragraph 1

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| Article 1 Subject matter 1. This Regulation lays down guidelines for the timely development and interoperability of the priority corridors and areas of trans-European energy infrastructure set out in Annex I ('energy infrastructure priority corridors and areas') that contribute to the Union's 2030 climate and energy targets and the climate neutrality objective by 2050. | Article 1 Subject matter 1. This Regulation lays down guidelines for the timely development and interoperability of the priority corridors and areas of trans-European energy infrastructure set out in Annex I ('energy infrastructure priority corridors and areas') that contribute to the Union's 2030 climate and energy targets, the climate neutrality objective by 2050, the biodiversity goals for 2030, and to ensure and stimulate energy security, market integration, fair competition, diversification of energy supply and affordable energy for all. |

| <i>Reason</i> |
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| The revision of the TEN-E (including infrastructure planning) should be consistent with the Green Deal objectives, 2050 climate neutrality and the objective "leaving no one behind" implying affordable energy for all. |

Amendment 7

Article 2

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| <p>(4) "project of common interest" means a project necessary to implement the energy infrastructure priority corridors and areas set out in Annex I and which is part of the Union list of projects of common interest referred to in Article 3;</p> <p>(...)</p> <p>(16) "climate adaptation" is a process that ensures that the resilience to the potential adverse impacts of climate change of energy infrastructure is ensured through a climate vulnerability and risk assessment, including through relevant adaptation measures.</p> | <p>(4) "project of common interest" means a project necessary to implement the energy infrastructure priority corridors and areas set out in Annex I and which is part of the Union list of projects of common interest referred to in Article 3. <i>When assessing projects, national development strategies and the local and regional potential of where the project will be implemented shall be taken into account to ensure optimal beneficial impact;</i></p> <p>(...)</p> <p>(16) "climate adaptation" is a process that ensures that the resilience to the potential adverse impacts of climate change of energy infrastructure is ensured through a climate vulnerability and risk assessment, including through relevant adaptation measures.</p> <p><i>(17) "sustainability" means the potential for any type of project to contribute to the achievement of the climate neutrality objective. It is assessed in terms of the integration of renewable energy sources into the grid or the reduction of greenhouse gas emissions the project will emit over its expected lifespan;</i></p> |

| <i>Reason</i> |
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| <p>"Sustainability" is missing among the definitions. Considering the long lifetime, the potentiality for a project of becoming a stranded asset should be carefully assessed as the system progresses towards carbon neutrality.</p> |

Amendment 8

Article 3(3)(a)

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| <p>(a) each individual proposal for a project of common interest shall require the approval of the states, to whose territory the project relates; where a state does not to give its approval, it shall present its substantiated reasons for doing so to the Group concerned;</p> | <p>(a) each individual proposal for a project of common interest shall require the approval of the states, to whose territory the project relates; where a state does not to give its approval, it shall present its substantiated reasons for doing so to the Group concerned. <i>In order to avoid conflict at</i></p> |

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| | <i>regional and Member State level and to provide an intermediary to ensure proper transposition of and compliance with the provisions of this Regulation, the European Union shall establish a single authority designated for this purpose;</i> |
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| Reason | |
| Self-explanatory | |

Amendment 9

Article 4(2)(a)

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| the project contributes significantly to the decarbonisation objectives of the Union and those of the third country and to sustainability, including through the integration of renewable energy into the grid and the transmission of renewable generation to major consumption centres and storage sites, and; | the project contributes significantly to the decarbonisation objectives of the Union and those of the third country and to sustainability, including through the integration of renewable and low-carbon energy into the grid and the transmission of renewable and low-carbon generation to major consumption centres and storage sites, and; |

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| Reason | |
| Self-explanatory | |

Amendment 10

Article 5(5)

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| 5. By 31 January, each year, the competent authorities <i>referred to in</i> Article 8 shall submit to the Agency and to the respective Group the report referred to in paragraph 4 of this Article supplemented with information on the progress and, where relevant, on delays in the implementation of projects of common interest located on their respective territory with regard to the permit granting processes, and on the reasons for such delays. The contribution of the competent authorities to the report shall be clearly marked as such and drafted without modifying the text introduced by the project promoters. | 5. By 31 January, each year, the competent authorities, established at European level and within the Member States in accordance with Article 8 of the present Regulation , shall submit to the Agency and to the respective Group the report referred to in paragraph 4 of this Article supplemented with information on the progress and, where relevant, on delays in the implementation of projects of common interest located on their respective territory with regard to the permit granting processes, and on the reasons for such delays. The contribution of the competent authorities to the report shall be clearly marked as such and drafted without modifying the text introduced by the project promoters. |

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| Reason |
| Self-explanatory |

Amendment 11

Article 8

| Text proposed by the European Commission | CoR amendment |
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| <p>Article 8</p> <p>Organisation of the permit granting process</p> <p>3. Without prejudice to relevant requirements under <i>international and</i> Union law, the competent authority shall facilitate the issuing of the comprehensive decision. The comprehensive decision shall be the final proof that the project of common interest has achieved ready-to-build status and there shall be no other requirements for any additional permits or authorisations in that respect. The comprehensive decision shall be issued within the time limit referred to in Article 10(1) and (2) and in accordance with one of the following schemes:</p> | <p>Article 8</p> <p>Organisation of the permit granting process</p> <p>3. Without prejudice to relevant requirements under <i>regional, national, Union and international</i> law, the competent authority shall facilitate the issuing of the comprehensive decision. The comprehensive decision shall be the final proof that the project of common interest has achieved ready-to-build status and there shall be no other requirements for any additional permits or authorisations in that respect. The comprehensive decision shall be issued within the time limit referred to in Article 10(1) and (2) and in accordance with one of the following schemes:</p> |

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| Self-explanatory |

Amendment 12

Article 9

| Text proposed by the European Commission | CoR amendment |
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| <p>Article 9</p> <p>Transparency and public participation</p> <p>1. By [1 May 2023], the Member State or competent authority shall, where applicable in collaboration with other authorities concerned, publish an updated manual of procedures for the permit granting process applicable to projects of common interest to include at least the information specified in point (1) of Annex VI. The manual shall not be legally binding, but it <i>may</i> refer to or quote relevant legal provisions. The national competent authorities shall <i>coordinate and find synergies</i> with neighbouring countries <i>in developing their manual of procedures</i>. (...)</p> | <p>Article 9</p> <p>Transparency and public participation</p> <p>1. By [1 May 2023], the Member State or competent authority shall, where applicable in collaboration with other authorities concerned, publish an updated manual of procedures for the permit granting process applicable to projects of common interest to include at least the information specified in point (1) of Annex VI. The manual shall not be legally binding, but it <i>shall</i> refer to or quote relevant legal provisions. The national <i>and regional</i> competent authorities shall <i>cooperate</i> with <i>the authorities of</i> neighbouring countries <i>with a view to exchanging good practices and facilitating the permit granting process</i>. (...)</p> |

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| <p>4. Where it is not already required under national law at the same or higher standards, at least one public consultation shall be carried out by the project promoter, or, where required by national law, by the competent authority, before submission of the final and complete application file to the competent authority pursuant to Article 10(1)(a). That public consultation shall be without prejudice to any public consultation to be carried out after submission of the request for development consent pursuant to Article 6(2) of Directive 2011/92/EU. The public consultation shall inform the stakeholders referred to in point (3)(a) of Annex VI about the project at an early stage and shall help to identify the most suitable location or trajectory, also in view of adequate climate adaptation considerations for the project, and the relevant issues to be addressed in the application file. (...)</p> | <p>(...)</p> <p>4. Where it is not already required under national law at the same or higher standards, at least one public consultation shall be carried out by the project promoter, or, where required by national law, by the competent authority, before submission of the final and complete application file to the competent authority pursuant to Article 10(1)(a). That public consultation shall be without prejudice to any public consultation to be carried out after submission of the request for development consent pursuant to Article 6(2) of Directive 2011/92/EU. The public consultation shall inform the stakeholders referred to in point (3)(a) of Annex VI about the project at an early stage and shall help to identify the most suitable location or trajectory, including an alternative one, where appropriate, also in view of adequate climate adaptation considerations for the project, and the relevant issues to be addressed in the application file. (...)</p> |
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| Reason |
| Self-explanatory |

Amendment 13

Article 16

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| <p>Article 16</p> <p>Enabling investments with cross-border impacts</p> <p>1. The efficiently incurred investment costs, which excludes maintenance costs, related to a project of common interest falling under the categories set out in points (1)(a), (b), (c) and (e) of Annex II and projects of common interest falling under the category set out in point (3) of Annex II, where they fall under the competency of national regulatory authorities, shall be borne by the relevant TSO or the project promoters of the transmission infrastructure of the Member States which the project provides a net positive impact, and, to the extent not covered by congestion rents or other charges, be paid for by network users through tariffs for network access</p> | <p>Article 16</p> <p>Enabling investments with cross-border impacts</p> <p>1. The efficiently incurred investment costs, which excludes maintenance costs, related to a project of common interest falling under the categories set out in points (1)(a), (b), (c), (d), (e) and (2)(a) of Annex II and projects of common interest falling under the category set out in point (3) of Annex II and point 1(c) of Annex IV, where they fall under the competency of national regulatory authorities, shall be borne by the relevant grid operator or the project promoters of the transmission and/or distribution infrastructure of the Member States which the project provides a net positive impact, and, to the extent not covered by congestion rents or other charges, be paid for</p> |

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| <p>in that or those Member States.</p> <p>2. The provisions of this Article shall apply to a project of common interest falling under the categories set out in points (1)(a), (b), (c) and (e) of Annex II where at least one project promoter requests the relevant national authorities their application for the costs of the project. They shall apply to a project of common interest falling under the category set out in point (3) of Annex II, as relevant, only where an assessment of market demand has already been carried out and indicated that the efficiently incurred investment costs cannot be expected to be covered by the tariffs.</p> <p>4. (...) In allocating costs across borders, the relevant national regulatory authorities, in consultation with the <i>TSOs</i> concerned, shall seek a mutual agreement based on, but not limited to, the information specified in paragraphs 3(a) and (b). Their assessment shall be based on the same scenario as used in the selection process for the elaboration of the Union list where the project of common interests is listed.</p> <p>Where a project of common interest mitigates negative externalities, such as loop flows, and that project of common interest is implemented in the Member State at the origin of the negative externality, such mitigation shall not be regarded as a cross-border benefit and shall therefore not constitute a basis for allocating costs to the <i>TSO</i> of the Member States affected by those negative externalities.</p> | <p>by network users through tariffs for network access in that or those Member States.</p> <p>2. The provisions of this Article shall apply to a project of common interest falling under the categories set out in points (1)(a), (b), (c), (<i>d</i>), (e) and (2)(a) of Annex II and point 1(c) of Annex IV where at least one project promoter requests the relevant national authorities their application for the costs of the project. They shall apply to a project of common interest falling under the category set out in point (3) of Annex II, as relevant, only where an assessment of market demand has already been carried out and indicated that the efficiently incurred investment costs cannot be expected to be covered by the tariffs.</p> <p>4. (...) In allocating costs across borders, the relevant national regulatory authorities, in consultation with the <i>grid operators</i> concerned, shall seek a mutual agreement based on, but not limited to, the information specified in paragraphs 3(a) and (b). Their assessment shall be based on the same scenario as used in the selection process for the elaboration of the Union list where the project of common interests is listed. Where a project of common interest mitigates negative externalities, such as loop flows, and that project of common interest is implemented in the Member State at the origin of the negative externality, such mitigation shall not be regarded as a cross-border benefit and shall therefore not constitute a basis for allocating costs to the <i>grid operator</i> of the Member States affected by those negative externalities.</p> |
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| <i>Reason</i> |
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| <p>Smart low-voltage grids and smart gas grids empower citizens to become prosumers and help the energy transition. Smart grid projects are currently under-represented in the PCI list because of the restrictive definition of smart grids in the current TEN-E Regulation. The amendment aims at widening it.</p> |

Amendment 14

Article 18(4)

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| 4. Projects of common interest falling under the categories set out in points (1)(d), (2) and (5) of Annex II shall also be eligible for Union financial assistance in the form of grants for works, where the concerned project promoters can clearly demonstrate significant positive externalities, such as security of supply, system flexibility, solidarity or innovation, generated by the projects and provide clear evidence of their lack of commercial viability, in accordance with the cost-benefit analysis, the business plan and assessments carried out, in particular by potential investors or creditors or, where applicable, a national regulatory authority. | 4. Projects of common interest falling under the categories set out in points (1)(d), (2), (4) and (5) of Annex II shall also be eligible for Union financial assistance in the form of grants for works, where the concerned project promoters can clearly demonstrate significant positive externalities, such as security of supply, system flexibility, solidarity or innovation, generated by the projects and provide clear evidence of their lack of commercial viability, in accordance with the cost-benefit analysis, the business plan and assessments carried out, in particular by potential investors or creditors or, where applicable, a national regulatory authority. |

| <i>Reason</i> |
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| Electrolysers should be eligible for CEF funding. Especially in early stages, network investments depend on production capacity and must therefore be viewed together. Electrolysers have a cross-border impact, particularly if they connect H2 generation with demand in cross-border regions. |

Amendment 15

Annex II

| <i>Text proposed by the European Commission</i> | <i>CoR amendment</i> |
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| (3) concerning hydrogen: (a) transmission pipelines for the transport of hydrogen, giving access to multiple network users on a transparent and non-discriminatory basis, mainly contains high-pressure hydrogen pipelines, excluding pipelines for the local distribution of hydrogen; (b) underground storage facilities connected to the high-pressure hydrogen pipelines referred to in point (a); (c) reception, storage and regasification or decompression facilities for liquefied hydrogen or hydrogen embedded in other chemical substances with the objective of injecting the hydrogen into the grid; (d) any equipment or installation essential for the | (3) concerning hydrogen: (a) transmission pipelines for the transport of hydrogen, giving access to multiple network users on a transparent and non-discriminatory basis, mainly contains high-pressure hydrogen pipelines, excluding pipelines for the local distribution of hydrogen; (b) underground storage facilities connected to the high-pressure hydrogen pipelines referred to in point (a); (c) reception, storage and regasification or decompression facilities for liquefied hydrogen or hydrogen embedded in other chemical substances with the objective of injecting the hydrogen into the grid; (d) any equipment or installation essential for the |

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| <p>hydrogen system to operate safely, securely and efficiently or to enable bi-directional capacity, including compressor stations.</p> <p>Any of the assets listed in points (a), (b), (c), and (d) may be newly constructed assets or assets converted from natural gas dedicated to hydrogen, or a combination of the two.</p> | <p>hydrogen system to operate safely, securely and efficiently or to enable bi-directional capacity, including compressor stations;</p> <p><i>(e) any equipment or installation allowing for clean hydrogen fuel use in the transport sector within the TEN-T core and comprehensive network.</i></p> <p>Any of the assets listed in points (a), (b), (c), and (d) may be newly constructed assets or assets converted from natural gas dedicated to hydrogen, or a combination of the two.</p> |
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| Reason |
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| <p>Inclusion will lead to better interlinkage of transport and energy policy. It is important that both the TEN-T core network and the TEN-T comprehensive network are included since this does better align with current hydrogen valley regions, where large-scale hydrogen investments are planned.</p> |

Amendment 16

Annex IV

| Text proposed by the European Commission | CoR amendment |
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| <p>ANNEX IV</p> <p>RULES AND INDICATORS CONCERNING CRITERIA FOR PROJECTS OF COMMON INTEREST AND FOR PROJECTS OF MUTUAL INTEREST</p> <p>(c) for smart electricity grids, the project is designed for equipment and installations at high-voltage and medium-voltage level. It involves transmission system operators, transmission and distribution system operators or distribution system operators from at least two Member States. Distribution system operators can be involved only with the support of the transmission system operators, of at least two Member States, that are closely associated to the project and ensure interoperability. A project covers at least 50000 users, generators, consumers or prosumers of electricity, in a consumption area of at least 300 Gigawatt hours/year, of which at least 20 % originate from variable renewable resources;</p> | <p>ANNEX IV</p> <p>RULES AND INDICATORS CONCERNING CRITERIA FOR PROJECTS OF COMMON INTEREST AND FOR PROJECTS OF MUTUAL INTEREST</p> <p>(c) for smart electricity grids, the project is designed for equipment and installations mainly at high-voltage, or medium-voltage level. It involves transmission or distribution system operators from at least two Member States covering at least 50 000 users that generate or consume electricity or do both in a consumption area of at least 300 Gigawatt hours/year, of which at least 20 % originate from renewable resources that are variable in nature. The project may also foresee a virtual cross border connection;</p> |

| <i>Reason</i> |
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| Smart low-voltage grids empower citizens to become prosumers and help the energy transition. Smart grid projects are currently under-represented in the PCI list because of the restrictive definition of smart grids in the current TEN-E Regulation. The amendment aims at widening it. |

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the proposal for a regulation to revise the guidelines for trans-European energy infrastructure (TEN-E). Recognises that while the objectives of the current regulation remain largely valid, the current TEN-E framework does not yet fully reflect the expected changes to the energy system that will be brought about by the new political context and the rapid technological developments aimed at upgrading the 2030 targets, as well as the 2050 climate neutrality objective under the European Green Deal (EGD). Emphasises that climate change that cannot now be prevented will have a significant impact in Europe in spite of the mitigation and adaptation efforts, and therefore calls on the Commission and the Member States to step up their efforts to update energy infrastructure as a key enabler for the energy transition, while ensuring climate action and nature conservation, and compliance with sustainability criteria in line with the SDGs;
2. is pleased to see that the future framework will preserve the key role of the regional groups in the projects of common interest (PCI) identification and selection process, where it is of paramount importance to guarantee a relevant regional and local representation;
3. welcomes the proposal to update the list of PCIs to sufficiently reflect the latest technological developments and cover all the relevant infrastructure categories, with a view to the climate neutrality and security of supply objectives. It specifically welcomes the inclusion of smart grid solutions, smart system integration (power-to-gas system and other sectors), production of hydrogen and synthetic gases from renewable energy sources, electrolysers, offshore grids and distribution systems. Stresses that there is a large potential for district heating and cooling, from renewable energy sources and waste heat, sometimes also on a regional scale and across member state borders. It is pleased to see the exclusion of gas infrastructure for methane and oil pipelines, where this does not have an adverse effect or unwanted side-effects due to the specific local or regional situation;
4. welcomes the obligation for all projects to meet mandatory sustainability criteria and to follow the "do no harm" principle as set out in the EGD (in accordance with art. 17 of the EU taxonomy regulation¹) as a big step forward towards meeting the EU's collective green goals;
5. remarks that assessing projects within the TEN-E framework involves many elements to be taken into account notably the specific local and regional challenges due to energy transition and climate targets, the importance of energy stability, security and supply, the access to energy

¹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

for all European citizens while also keeping energy affordable, the fight against energy poverty, the link with national, regional and local energy strategies and the coherence with already existing programmes and projects;

6. highlights that the energy infrastructure has a crucial role to play in energy transition and can have significant environmental and economic impact. Calls, therefore, on the Commission to establish a permanent mechanism for regional groups to dialogue with local and regional authorities concerned which is consistent with the framework for the Multilevel Climate and Energy Dialogue as established by the governance of the energy union regulation;
7. stresses the need for a robust permit granting framework. Currently, permit granting procedures, even for projects of common interest, are still very lengthy. Conflicting pre-existing procedures, sometimes combined with a specific institutional context, can make progress difficult in certain Member States. In addition to this there can also be public opposition due to insufficient attention to stakeholder buy-in;
8. calls for the priority status of PCIs to be carefully considered and for priority not to be given to any projects that would have a negative impact on climate or protected habitats or species;
9. underlines that permit granting procedures need to be completed with the necessary due diligence. However, the CoR supports steps proposed in article 10 of the regulation proposal to ensure a reasonable completion time of the permitting procedures by the different instances involved. The setting up of one-stop shops with sufficient competences, power of decision and bound by clear deadlines is essential in this regard. This in turn will lead to more security for project participants and a better estimation of their exposure to risk when entering into this process;
10. welcomes the growing attention being given in the European Union to the role of clean hydrogen, preferably obtained from renewable energy sources, and welcomes this proposal from the European Commission, which responds to a call from the CoR for a more supportive EU legal framework for market development and infrastructure to be put in place by revising the relevant EU legislation on trans-European energy networks and especially, appropriately adjusting the requirements for PCIs based on TEN-E² and the EU-wide Ten-Year Network Development Plans (TYNDPs); also supports the introduction of specific categories for hydrogen infrastructure in the TEN-E regulation such as hydrogen transmission networks (incl. converted existing natural gas pipelines for pure hydrogen), distribution and storage as well as electrolysers, which must be able to receive funding from the Connecting Europe Facility (CEF);
11. highlights the need for electrification and the role of clean hydrogen in moving away from fossil fuels and reducing persistent emissions from polluting sectors such as industry and heavy transport, where direct electrification may be limited; recalls that renewable hydrogen should be the priority and low-carbon hydrogen should be used for decarbonisation purposes until

² Opinion Towards a Roadmap for Clean Hydrogen – the contribution of local and regional authorities to a climate-neutral Europe, Birgit Honé (DE/PES), CoR 2020-549.

renewable hydrogen can play this role alone; calls therefore on the EU institutions, Member States and industry to ramp up renewable electricity and hydrogen capacity in order to avoid a counterproductive competition between electrolyzers for the production of hydrogen and other direct uses of renewable electricity³. Furthermore, calls on the Commission for a clear taxonomy of "renewable" gases;

12. notes that climate-neutral transport (mobility) and the production of clean hydrogen will require substantial expansion in production capacity for renewable energies and relevant technology in the EU in the near future;
13. underlines the importance for activities under the TEN-E regulation to be fully in line with the relevant planning instruments, particularly the National Energy and Climate Plans (NECP). In this regard, reiterates the importance of local and regional authorities being able to contribute fully to their Member State's NECPs and calls for optimum representation of local and regional authorities throughout this process;
14. recalls that the transport sector is responsible for a quarter of CO₂ emissions in the EU and is the only sector where emissions have not been reduced compared to the 1990 baseline; underlines the potential of hydrogen to be one of the instruments used to reduce CO₂ emissions in transport modes, in particular where full electrification is more difficult or not yet possible; stresses that the deployment of refuelling infrastructure is necessary to boost hydrogen use in the transport sector;
15. believes that the revision of the Trans-European transport network (TEN-T) regulation⁴ should place much greater emphasis on low-carbon propulsion technologies for lorries, coaches, and inland shipping, such as electric motors powered by hydrogen fuel cells or overhead lines together with biogas and other energy forms that meet sustainability and emissions reduction requirements. Building the corresponding infrastructure, initially along core and comprehensive network corridors, is a prerequisite for the deployment of these technologies. The CEF should provide sufficient funding for this purpose;
16. underlines the need to create synergies between TEN-T, TEN-E and alternative fuel strategies; in this regard welcomes the Commission's intention to develop hydrogen refuelling infrastructure under the Sustainable and Smart Mobility Strategy and to review the revision of the Alternative Fuels Infrastructure Directive, which provides the opportunity to set specific requirements and harmonised standards for a phased deployment the density of hydrogen filling stations in Member States, regions and cities;
17. believes that a more open-minded approach to the definition of cross-border projects should be adopted, in order to consider not only large transmission projects but also local, decentralised and often participative smart grid projects without physical borders. Regional and local decentralised projects across national borders could indeed bring positive effects not only to

³ The additionality principle has been put forward by the European Parliament in its report "A European Strategy for Hydrogen" (A9-0116/2021 ITRE Jens Geier).

⁴ https://www.europarl.europa.eu/doceo/document/A-9-2021-0116_EN.html#_ftn20.

regional and national systems, but also across different Members States, e.g. by integrating renewables, solving congestions and avoiding negative externalities;

18. stresses that in order to best serve the achievement of the EU's energy and climate targets as well as empowering customers, the TEN-E framework must be revised to fully encompass and benefit from the contributions of "prosumers", local energy communities and new technologies⁵; highlights the importance of the low and medium-voltage electricity grid, where the required infrastructure for a multitude of new, decentralised producers feeding electricity into the system must be created; underlines that there is also a need to connect new small-scale producers to the low and medium-voltage networks; calls on the Commission to provide a framework for the aggregation of several smaller projects, in order to allow them to meet the criteria under the current legislation. Flexibility in this regard is of high importance for local and regional authorities to be able to set up certain aggregated projects and to potentially obtain financing for these efforts;
19. remarks that the TEN-E regulation, as a central pillar of the European Union energy infrastructure development and, as such, a crucial contributor to achieving climate neutrality broadly respects the principles of active subsidiarity and proportionality; stresses the added value of regional cooperation in implementing cross-border projects, transparency, regulatory certainty and access to financing; calls for the full involvement of local and regional authorities as partners, not just stakeholders, in line with these principles of active subsidiarity and proportionality.

Brussels, 1 July 2021

The President
of the European Committee of the Regions

Apostolos Tzitzikostas

The Secretary-General
of the European Committee of the Regions

Petr Blížkovský

⁵ Such as energy storage, demand side response, micro-grids (possibly cross-border), electric mobility.

III. PROCEDURE

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| Title | 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 |
| Reference(s) | COM(2020) 824 final |
| Legal basis | Article 307(1) |
| Procedural basis | Rule 41(a) of the Rules of Procedure |
| Date of Commission letter or Council/EP referral | |
| Date of President's decision | 13/01/2021 |
| Commission responsible | Commission for the Environment, Climate Change and Energy (ENVE) |
| Rapporteur | Robert Sorin NEGOIȚĂ (RO/EPP) |
| Analysis | 15/03/2021 |
| Discussed in commission | No exchange of views |
| Date adopted by commission | Adopted on 7 June 2021 |
| Result of the vote in commission (majority/unanimity) | Adopted by unanimity |
| Date adopted in plenary | 1 July 2021 |
| Previous Committee opinions | |
| Date of Subsidiarity Monitoring Consultation and/or Territorial Impact Assessment (where appropriate) | |