

# Feedback from:

# **ENTSOG**

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## Submitted by

#### User type

Other

## Organisation

**ENTSOG** 

## **Organisation size**

Small (10 to 49 employees)

## Country of origin

**Belgium** 

# Initiative

Trans-European energy infrastructure – evaluation of EU strategy

TEN-E plays an important role in facilitating development of European energy networks.

The application of dedicated regulatory measures foreseen in TEN-E PCI projects proved useful and successful to accelerate projects implementation in the gas sector.

The experience gained so far illustrates that gas PCI projects also positively influence sustainability, bringing several climate and environmental benefits: CO2 emissions reduction

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(through natural gas as low emission source of energy in different sectors and enabling the switch from carbon intensive); support increasing uptake of RES; air pollution mitigation resulting from burning high emission and low-quality fuels; benefits from hybrid energy systems and sector coupling.

Increasing consideration should be put on contribution of gas PCI projects to EU climate and energy commitments in the long run.

The Reg. and, in particular, the PCI process can be improved and adapted to a changing context on the following aspects.

Nowadays there are support and an adequate regulatory framework in place to promote renewable electricity projects. On the other hand, when referring to the TEN-E framework and the PCI process, there is very limited room for projects and technologies enabling renewable and decarbonised gases.

With regards to the gas PCI process there are no clear indications whether those projects could be eligible for PCI label (Annex II). All technologies contributing to the decarbonisation of the energy system, including those enabling renewable and decarbonised gases, should benefit from the same kind of treatment, assuring a level playing field between energy carriers (technology neutrality). This especially in view of the 5th PCI process.

In terms of sustainability, Reg. 347/2013 defines that projects "involving two or more MSs or located on the territory of one MSs but with significant cross-border impact", to be PCI need contributing significantly "through reducing emissions, supporting intermittent renewables generation and enhancing deployments of renewable gas". Renewable and decarbonised gases projects enhance GHG emissions reductions that, by definition, represent cross-border benefits. The same also applies to gas projects as set out in Annex II.2 provided that they contribute to the switch from carbon intensive fuels and RES support. Other cross-border effects are determined by positive externalities generated by technology and innovation diffusion across EU countries via energy transition projects implementation and scaling-up. It would therefore be appropriate to amend TEN-E to ensure that for energy transition projects the requirement to involve two or more MSs would not represent a limitation.

Anticipating those needs and considering that projects that want to apply for the PCI label must be included in the latest available TYNDP, ENTSOG TYNDP 2020 for the first time opened to Energy Transition Projects submission, like P2G, biomethane plants, other technologies producing hydrogen from natural gas, CCS/CCU, LNG/CNG filling stations. ENTSOG believes that the PCI assessment should consider these activities too. The new regulation should define differentiation of projects with or without European relevance. For projects successful implementation not only permitting but also funding is a key accelerator. For projects with deeper innovative dimension grants could have even a more decisive impact. Funds should be more accessible to PCIs, for example easing the current

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strict limitations in terms of CBA, CBCA and commercial viability checks.

Another important improvement would be represented by the introduction of a "fast-track" procedure for projects already PCI. In case no major context changes arise from one selection to the following one, projects could only be monitored and not fully re-assessed. This solution would provide stability of the list and credibility of the process while guaranteeing organisational costs savings both for promoters and EC

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