



ACER




European Union Agency for the Cooperation
of Energy Regulators


Revising the Trans- European Networks for Energy (TEN-E) Regulation

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- **ACER findings:** Current Projects of Common Interest (PCI) regime contains multiple shortcomings such as perennial **delays**, unclear **sustainability** assessment, insufficient **cross-sectoral** planning; lack of credible regulatory **oversight** etc.



“Without robust policy action, the energy system of 2030 will be more akin to that of 2020 than a reflection of what is needed to achieve climate neutrality by 2050 ...” (The European Commission’s Energy System Integration Strategy, 8 July 2020)



Realising perspectives may well look different



Some of the changing dynamics up ahead:

Centralised vs. decentralised. New, digitally enabled, market entrants. Sector integration bringing about new choices & offerings. The rise of the 'prosumer' etc.

Significant shortcomings of the current proposal

- **Suboptimal governance set-up**
- **Unnecessary lengthy and convoluted processes**
- **Separation of off-shore from on-shore planning**
- **Centralisation of Cross-Border Cost Allocation** (*who determines who pays what*)



Why revise Network Development Governance?

Ensuring consumers do not overpay for uncoordinated, inefficient or unnecessary investments

- CBA methodologies, as purely technical tools for project assessment, should be approved by a technical and neutral entity (ACER) and not a political one (the Commission).

... on the other hand, *policy* based inputs, such as Network Development Scenarios, should be approved by the *policy* body – European Commission

Why improve the process of network development?

Promoting a transparent and credible process that gives confidence to investors and consumers

- The convoluted process of Scenario Development should be streamlined to both increase its transparency to the consumer and enable its timely implementation. Contrary to the technical CBA, scenarios are policy driven and as such should be approved or amended by the Commission.

... the current, less complicated process already struggles to develop scenarios within the 2-year time frame

The risks in separating off-shore planning

Investing in an integrated energy system that includes all energy carriers and technologies

- Electricity does not differentiate between on-and-off-shore. These new infrastructures will become an integral part of the on-shore grid's operation and should be assessed accordingly, within the "on-shore" TYNDP.

... huge off-shore ambitions need to be fully integrated in the on-shore network planning

CBCAs to be determined by those paying

Infrastructure Investment decisions should be in the hands of the consumers

- the methodology on sharing the costs of projects should be in the hands of those who actually pay for the projects - the NRAs, representing the consumers of the affected countries.

... EC's proposal creates new limitations which reduce the freedom of national assessments to adapt cross-border cost sharing to specific circumstances

Position Papers on TEN-E revision

- The latest [ACER-CEER position paper](https://acer.europa.eu/Official_documents/Position_Papers/Position%20papers/ACER_CEER_TEN_E_2021.pdf) (March 2021) sets out and makes recommendations on the main issues. It calls for neutral and independent technical assessment of infrastructure projects and improved regulatory oversight so that the projects bringing most benefits for the European Green Deal are supported and to avoid any risks of unjustified costs to European consumers:

https://acer.europa.eu/Official_documents/Position_Papers/Position%20papers/ACER_CEER_TEN_E_2021.pdf

- In July 2020, ACER and CEER set out their recommendation to the European Commission in a [Position Paper on the Revision of the Trans-European Energy Networks Regulation](https://acer.europa.eu/Official_documents/Position_Papers/Position%20papers/ACER_CEER_paper_on_TEN_E.pdf) (TEN-E) and Infrastructure Governance. The proposals highlight how the legislative changes could improve the planning and implementation of electricity and gas infrastructure. The paper also advises on improving the infrastructure development governance, the principles for PCI scope, and the TEN-E processes:

https://acer.europa.eu/Official_documents/Position_Papers/Position%20papers/ACER_CEER_paper_on_TEN_E.pdf

*Thank you.
Looking forward to the discussion.*



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