

EUROCHAMBRES position on the TEN-E Regulation

EUROCHAMBRES welcome the Commission's approach to review the TEN-E Regulation to make it fit for the transformation of the energy system and to focus on technologies needed for the transformation like sector integration, grids for hydrogen or other low-carbon gases, storage solutions and CCU.

Given the long-term investment cycles of relevant energy infrastructure and production projects for the energy transition and short timeframe to achieve climate targets it is of utmost importance to ensure fast and easy implementation of those projects. This will be a decisive step in making sufficient renewable energy available and enabling energy system integration. Businesses are ready and want to implement the relevant projects but we must ensure that necessary enabling conditions are in place and still existing barriers are removed.

Therefore, EUROCHAMBRES would like to highlight four key issues relevant for the business environment:

- 1. Broadening the scope of the PCI status:** To further develop and increase the effectiveness of the TEN-E Regulation, its scope should be extended to large scale renewable generation projects (eg solar, wind). Low carbon electricity will play an expanded role in the future and its demand will rise significantly, also because of the phase-out of other energy sources like coal-fired power plants and the increasing electricity use in energy-intensive industries. To meet this rising demand these projects should be boosted and accelerated wherever possible. An accelerated permitting process must be applied to the whole project for example to the electrolyser (irrespective of its capacity) and the associated grid infrastructure, or the electricity network and the associated transformer station. Only in that way the realization of huge infrastructure projects necessary for the energy transition is secured. It should also be applicable to heating and cooling projects (eg district heating projects, use of waste heat from industry, data center, etc). The application of PCI should furthermore be broadened to include full pumped-storage hydropower facilities (in addition to solely the electricity storage part). In the case of hydrogen and CO2 infrastructures, the reference to a certain geographical corridor is not necessary, since the emissions must be separated or reduced where they occur.
- 2. Allowing for a gradual shift:** The further (re)use and upgrade of existing gas infrastructure is essential to decrease the overall costs of energy transformation, to avoid building completely new parallel infrastructure and to ensure security of supply and grid stability at every step of the transformation towards climate-neutrality. Considering that the gas infrastructure itself can be technology-neutral, its proposed withdrawal from the list of eligible assets should be reconsidered, especially as there are still regions within the EU in need of diversifying imports and reducing capacity constraints. The partial conversion of the European gas infrastructure to hydrogen eligibility is an important step towards cost-efficient

decarbonization. To enable a fast scale-up of hydrogen while bringing down costs and increasing competitiveness, the focus should not only be on renewable hydrogen and electrolyzers, but also allow for low-carbon hydrogen and other production technologies like pyrolysis (also possibly used with biomethane) in the short to medium-term.

- 3. Streamlining the permitting procedure:** While we support the overall approach of the Commission to shorten the permitting procedure of important infrastructure projects, these are still too long in practice. Businesses must clearly see the advantage of being listed in comparison to the necessary effort (time and cost spent), which in many cases is not yet the case. Optimising procedures and enabling faster decisions (so far, Art 10 durations unfortunately remain unchanged) is necessary and the Commission should monitor the permitting process more closely. In case of any delay the Commission shall be notified immediately by the competent authority, whereas the latter shall duly justify the delay. We highly welcome the consideration, that smaller scale projects might not require the pre-application phase. Expanding this further by making it optional for projects, which already fulfil the existing standards of public participation on a voluntary base, would help to reduce overall permitting procedure duration. Chambers can play an important role in this regard via establishing regional dialogues to increase acceptance. Digitalisation (eg of the justice system) could represent a further accelerator.

- 4. Maintaining once obtained PCI status:** Obtaining the PCI status already involves high efforts. Having to repeat the procedure every two years and thus at least once during the permitting process generates major uncertainties and high administrative burden for project promoters. Projects risk to lose their priority status and further financial support during permitting or even construction. Allowing for a stability of the PCI status for once selected projects as long as they do not deviate from plans should be considered. Nevertheless, the possibility to extend the list every two years in order to support new innovative projects should be maintained.

EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 98% of which are SMEs – through 45 members and a European network of 1700 regional and local Chambers.

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