

**Briefing Note**

## **The European Commission's Proposal for a Regulation on Guidelines for Trans-European Energy Infrastructures**

### **Summary of recommendations**

Germanwatch welcomes the European Commission's proposal for a regulation on guidelines for trans-European energy infrastructures<sup>1</sup> which aims at providing a stable and supportive framework for selected European infrastructure projects of common interest (PCI). This proposal, together with the Connecting Europe Facility, is an important step forward to speed up the necessary investment in EU electricity infrastructures.

Experiences in Germany and other member states have shown clearly, that speeding up permitting procedures can only go hand in hand with increased public participation as well as full compliance of nature protection legislation. Otherwise, decision-making procedures as well as the implementation of infrastructure projects may be delayed due to missing acceptance and public protest.

Germanwatch asks the Council and the European Parliament to strengthen the Commission's proposal in the following areas:

1. **Increase public participation** and transparency at all levels of the decision-making process, i.e. in long-term grid planning, in the regional groups which select projects of common interest as well as in the permit granting procedure. Increased participation is needed first of all in the early phases of the process.
2. Ensure a **long term perspective** and take long term strategic energy scenarios (e.g. Energy Roadmap 2050) as well as the target of 80-95 % CO<sub>2</sub>-reduction by 2050 into account.
3. Make **sustainability a guiding principle** and take a comprehensive approach which fully assesses all societal costs and benefits when selecting projects of common interest.

### **Background**

Germanwatch has been actively promoting global equity and the preservation of livelihoods since 1991. The politics and economics of the North with their worldwide consequences are a major starting point for the work of Germanwatch. We aim at a transition to 100 % renewable energies in 2050 for electricity and heating, which will only be possible if Europe's electricity grid is adjusted and extended in this respect.

Since 2009, Germanwatch is promoting an energy future in Germany and the EU, which is based on renewable energies ("100 percent future"); energy efficiency and the necessary grid restructuring and extension as well as storage systems are part of this strategy.

2009 Germanwatch was founding member of the Renewables Grid Initiative (RGI) which brings together non-governmental organisations and electricity grid operators to support the effective integration of 100 % renewable electricity into the grid. Since this time RGI activities are in support of national and EU authorities' efforts to realise an efficient, sustainable, clean and socially accepted development of the European network infrastructure for both decentralized and large-scale renewable energies.

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<sup>1</sup>See: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52011PC0658:EN:NOT>

## **1. Increase public participation and transparency at all levels**

Internal discussions within RGI – between grid providers and NGOs – have shown clearly that transparency and public participation are crucial for the acceptance of grid infrastructure projects.<sup>2</sup> Stakeholders need to be better informed about their rights to participate and have the chance to actively contribute to developing common solutions. Experiences have shown that it is useful to cooperate with civil society even before the official planning phase and involve the public at a very early stage. The aim is that the best available arguments are brought into the discussions at an early stage to increase the likelihood of an optimal outcome. Some of these assumptions have already been taken into account by the Commission's draft. However, the proposal needs to be strengthened in order to make full use of the benefits of a transparent and participative process.

The proposed procedure to identify priority projects of common interest (PCI) is very complex and comprises several stages. Projects must correspond to the list of priority corridors (Annex I), must meet specific criteria (Annex II and IV), must have a positive account according to a Cost-Benefit-Analysis (Annex V), be prioritized in the regional groups (Article 3) and must finally be included in the final Europe-wide list set up by the Commission. In the second step, an accelerated and streamlined permitting procedure applies to the selected projects. It will be very difficult for environmental organisations and civil society groups at national or regional level, where grid projects will be implemented, to understand the complete process of project selection. It appears necessary to create a website and/or manual of procedures at the European level in the official EU languages where all relevant information on all stages of the process is put together. Furthermore, it should be ensured that civil society organisations and the broader public are able to participate at all levels, especially the very early stages of the process. Early participation is the key to a successful process.

### **Participation and transparency in the regional groups**

A first important step would be an increased participation of environmental organisations and civil society groups in the regional groups as well as a transparent decision making procedure. Germanwatch calls on the European Parliament and the Council to ensure that these organisations are consulted and informed regularly in the process of identifying projects of common interest by the regional groups. An observer status for these organisations and public access to agendas and minutes of the regional groups could be a solution.

### **Strengthen permit granting procedure**

Until now, a single consultation is foreseen when the project developer hands in the application file. As this step may only take place two years after the start of the permit granting process, an earlier involvement of civil society seems necessary. Germanwatch recommends a first consultation in the timeframe of three to six months after the start of the permit granting process. In order to increase acceptance, it is important for the project developer or the competent authority to show how the results of the consultation have shaped decisions. That is why Germanwatch suggests that the project developer or the competent authority should set up at least a second consultation before submission of the application file and should provide a written report to be published in the internet which states the results of the consultations and to which extent the comments or concerns of the public have been taken into account.

## **2. Ensure a long term planning perspective**

The European Union is on its way to decarbonise the power sector in order to fulfill its CO<sub>2</sub> reduction target of 80-95 %. The recent Energy Roadmap 2050 by the European Commission has shown clearly that the share of renewable energies will increase considerably in the next decades. This long term perspective as well as current climate and energy targets must be taken into account when planning Europe's future transmission system. Priority has to be given to projects that serve the purpose of decarbonisation and integration of both decentralised renewable energies and large-scale renewable energies into the electricity grid, for example by increasing the flexibility of electricity systems, electricity highways, connection of offshore wind, smart grids, storage and power to gas strategies.

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<sup>2</sup> RGI Best Practice Workshop in Oslo, 19-20 January 2012, [www.renewables-grid.eu](http://www.renewables-grid.eu)

In this context, the relation of the proposed regulation to the grid planning in the framework of the Third Package of the Internal Energy Market has to be clarified. Given the long lifetime of electricity grids and the long planning procedures, the traditional 10-year-planning does not seem to be adequate in the future. Furthermore, the existing framework for the establishment of the Ten-Year-Network-Development plan has not been discussed by the broader public until now. Germanwatch recommends to strengthen national and European grid planning in this respect.

### **3. Make sustainability a guiding principle**

According to the current proposal, PCI must be economically, socially and environmentally viable. However, sustainability is only an optional criterion for electricity and gas infrastructures. Sustainable development should be the guiding principle for the proposed regulation and hence should be part of the criteria for all energy infrastructure projects.

The proposal suggests that Transmission System Operators (TSOs) who cooperate within ENTSO-E<sup>3</sup> develop a Cost-Benefit-Analysis (CBA) which shall apply in the selection procedure of PCIs in the regional groups as well as for the future Ten-Year-Network-Development-Plans of ENTSO-E. Germanwatch recommends that the future CBA fully and consistently incorporates the principle of sustainable development, including environmental and social concerns. As such a CBA is unlikely to be able to assess all costs and benefits, the regional groups should be aware of its limitations and should not base their decisions upon the CBA alone. Furthermore, the CBA should be developed in a transparent and participatory process involving relevant stakeholders, including producers, distribution system operators, suppliers, consumers and environmental organisations.

Experiences have shown that strategic environmental assessment (SEA) is an important tool to speed up permitting procedures. SEA should be applied in strategic special planning, e.g. when drawing up national grid development plans or in the regional groups when deciding which projects should be part of the European list of PCI.

Furthermore, it is crucial that grid extension and nature protection are not played off against each other. The European Grid Declaration on Electricity Network Development and Nature Conservation in Europe (developed by TSOs and NGOs) states the importance of a high level of protection of areas designated for conservation as well as the integrity and coherence of the Natura 2000 network.<sup>4</sup> Therefore, the provisions in the Birds and Habitats Directives 2009/147/EC and 92/43/EC have to be fully implemented when extending the grid. The current proposal should help to settle possible conflicts between grid extension and nature protection by making this point very clear. Any legal uncertainties in this respect should be avoided.

Author: Katja Rottmann, Policy Officer - Power and Grids  
Germanwatch e.V., Schiffbauerdamm 15, 10117 Berlin  
Phone: +49(0)30 / 28 88 356-75, Fax: -1  
E-mail: rottmann@germanwatch.org  
Web: www.germanwatch.org

<sup>3</sup> European Network of Transmission System Operators for Electricity

<sup>4</sup> <http://www.renewables-grid.eu/documents/european-grid-declaration.html>