

Orgalim comments on a proposal for revising the TEN-E Regulation

Orgalim, representing Europe's technology industries, welcomes a new proposal for revising the Trans-European Networks for Energy (TEN-E) Regulation ([2020/0360](#)), published by the European Commission on 15 December 2020.

Ensuring that the TEN-E framework is fit for purpose in a wider policy context of reaching climate neutrality by 2050, as enshrined in the European Green Deal, has already been welcomed by Orgalim in our October 2020 position paper "[Orgalim recommendations on aligning the TEN-E regulation with the European Green Deal](#)". We also welcome that some of our recommendations are reflected in the Commission's proposal, such as the suggested removal of the 10kV requirement for smart grid projects.

By focusing on sustainability and clean technologies, the proposed new TEN-E rules represent an important step in future-proofing the energy infrastructure. With a view to further aligning the revised TEN-E Regulation with the European Green Deal's objective of electrification and decarbonisation of the energy system and the overall economy, we call upon the European Parliament and the EU Council to:

- **Boost the necessary upscale of smart grid projects at distribution level by redesigning qualification criteria.** We welcome that the new proposal endorses sustainability and removes the 10 kV threshold criterion for infrastructure projects to qualify as a Project of Common European Interest (PCI). To enable a better uptake of projects at distribution level, the selection criteria for smart grid projects should be used in a more flexible way, while avoiding the cumulative approach to fulfilling the conditions. The proposal should also further clarify the cross-border impact criterion, while taking into account its regional benefits. In point 1 (c) of Annex IV the following alternative interpretations of such an impact should be considered (1) implementing shared concepts in different Member States with or without a direct and physical connection between the TSOs/DSOs involved or (2) the transfer of post-project know-how in innovative fields. In addition, cross-border benefits in terms of decarbonisation and efficiency in neighbouring countries need to be recognised.
- **Explicitly reflect energy flexibility in the category for non-regulated infrastructure.** Orgalim welcomes that a specific category for market-based tools – especially demand-side solutions – to harness the storage power of car batteries and homes as well as industrial processes is reflected in the proposal in Annex II 1(d). We would also welcome a direct reference to the flexibility potential of networks in order for the proposal to reflect the flexibility needs of the energy system.
- **Introduce a clear reference for offshore hybrid projects in Annex II 1 (e).** The current proposal introduces a new infrastructure category of offshore projects under Annex II 1(e), which is a very positive development. However, the Commission should include an explicit reference to offshore hybrid projects, which would further improve the interconnection of wind farms to the shore. The benefits of an offshore meshed grid,

or at least some hybrid grid, are of a financial, technical and environmental nature. For example, such a grid would allow for better interconnection of decentralised renewables generation with electricity grids across longer distances, while having the possibility to feed electricity to different markets.

- **Facilitate coastal onshore reinforcement in offshore grid plans.** According to Article 14 in the proposal, Member States shall jointly agree by July 2022 on the amount of offshore renewables to be deployed in each of the EU's sea basins by 2030, 2040 and 2050. We believe that these regional offshore network development plans, accompanied by network investment plans, should strengthen the Ten Year Network Development Plan (TYNDP). In article 14 (3), both regional and TYND plans should identify clear landing points for offshore and offshore hybrid connections as well as necessary onshore grid upgrades, as the lack of necessary coastal onshore reinforcements could quickly become a bottleneck. The timely deployment of necessary infrastructure is of the essence.
- **Set up a Union-wide distribution network development plan.** For the timely deployment of necessary infrastructure at both transmission and distribution level it is important to set up a Union-wide distribution network development plan to complement the existing TYNDP for transmission level. Such a plan should provide a clear map of both the infrastructure and investment needs required to make Europe's electricity distribution grids fit to achieve the EU's decarbonisation objectives.
- **Involve all relevant stakeholders, including industry, in project planning and infrastructure development.** Orgalim welcomes that the proposal for the revised TEN-E Regulation is a step towards better engagement with local communities and stakeholders affected by the construction of a project of common interest. This positive collaborative approach should also involve civil society and local communities alongside industry representatives to ensure the best possible result in all phases of the planning process in Annex VI 3 (a). Further, industry representatives should be included together with listed stakeholders in the consultation process foreseen for infrastructure planning in Article 11, Article 12 and Article 13.
- **Explore synergies with other sectors.** Revising the TEN-E Regulation offers a unique opportunity to break the current policy silos and establish policy synergies between energy networks and other sectors, such as transport, industrial processes and buildings. Cross-sectoral synergies and projects would lead to a well-integrated, cost-effective approach to energy generation, transmission, distribution, storage and energy use across different sectors. To ensure such a holistic approach, we would welcome a more explicit reference to policy synergies with other relevant pieces of EU legislation such as the Alternative Fuels Infrastructure Directive, the Trans-European Transport Network Regulation, the Energy Performance of Buildings Directive, the Renovation Wave Strategy and the System Integration Strategy.

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of €2,298 billion, manufacturing one-third of all European exports and providing 11.55 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.