

## POSITION PAPER

Brussels, 12 July 2019

# Orgalim feedback on the evaluation roadmap of Regulation 347/2013 on Guidelines for Trans-European Energy Infrastructures (“TEN-E”)

Europe’s Technology Industries represented by Orgalim are fuelling the ‘3-D’ transformation of our energy system driven by digitalisation, decarbonisation and decentralisation. And technology will also hold the key to successfully implementing the Paris Climate Agreement and achieving the UN Sustainable Development Goals (SDGs) across industries, through products and systems that can accelerate the transition to a cleaner, greener future for Europe’s citizens.

The industries represented by Orgalim provide innovative technologies for the generation, transmission, distribution and end use of energy and at the same time rely on continuous energy supply for its manufacturing activities in the EU, which provide innovative jobs to more than 11 million Europeans. Orgalim is particularly committed to contribute to evolving, upgrading, interconnecting and overall modernising Europe’s energy infrastructure to ensure reliable access to affordable, secure, safe and sustainable energy for all Europeans and to set a global energy technology leadership standard. We share the Commission’s view that a net-zero greenhouse gas emissions economy will be achieved only with an adequate and smart infrastructure<sup>1</sup> and emphasise that innovative electricity infrastructure is needed at both, transmission and distribution level. We welcome the evaluation of the Trans-European Energy Infrastructures Regulation (TEN-E) as an opportunity to screen this existing energy infrastructure framework set in 2013 against the ongoing fundamental clean energy, climate neutrality and digital transformations. It is a welcome opportunity to assess whether the Regulation is fit for tapping into innovative, sustainable technology opportunities and whether it is compatible with the new legislation passed under the Clean Energy package and the proposed Clean Planet For All long-term climate vision.

Today, the TEN-E Regulation mostly focuses on high and medium voltage transmission projects, which are necessary but do not sufficiently depict the entirety of the future energy system. Europe is heading fast towards an energy system that is significantly more complex, decentralised, digitalised and decarbonised.

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<sup>1</sup> A Clean Planet for all – A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy (COM (2018) 773 final);

[Orgalim recommendations on the Clean Planet for all Communication](#), 6 March 2019

*Orgalim represents Europe’s technology industries: companies that innovate at the crossroads of digital and physical technology. Our industries develop and manufacture the products, systems and services that enable a prosperous and sustainable future. Ranging from large globally active corporations to regionally anchored small and medium-sized enterprises, the companies we represent directly employ 11 million people across Europe and generate an annual turnover of around €2,000 billion. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.*

The energy transition is mainly taking place at the distribution level where 90-95% of renewables are being connected. The 4<sup>th</sup> list of candidate PCI projects in the thematic area of smart grids well illustrates this mismatch – there are only six candidate projects out of which only one, the Smart Border Initiative, is a smart grid project at the distribution level. In fact, it is the first project of such kind presented since 2013.

The European Commission should therefore identify the right legislative instrument to further promote the simultaneous deployment of more smart distribution grids, preferably through the adoption of a new distribution grid specific legislative proposal, which addresses today's shortcomings of the TEN-E Regulation in this area and its insufficient focus on the combined deployment of smart grids, renewables and energy efficiency. For a successful clean energy package implementation, we recommend ironing out the following shortcomings of the TEN-E Regulation during the next legislative term:

- Closing the gap in the area of smart grids PCIs: the threshold of 10kV of Annex IV.1(e) of the TEN-E in combination with Article 4.1.c(iii) and Annex II.1.(e) and the current “cross border impact” criterion remain important barriers for more smart grids project at the distribution level.
- Consistently requiring and implementing the criteria of sustainability and energy efficiency throughout Article 4 and Annex IV of the TEN-E Regulation: we recommend making sustainability and energy efficiency measures a priority for the selection of Projects of Common Interest (PCIs) and the implementation of actions.
- Focusing on the modernisation of Europe's energy infrastructure, in particular, the electricity networks at all voltage levels: regarding electricity and gas network planning in relation to PCIs, Orgalim agrees that the Ten-Year Network Development Plan (TYNDP) is a good starting point for planning trans-European infrastructure, however improving the PCI selection process and actions should be envisaged to better align it with investment timing. Also, the TYNDP to date mainly favours the transmission level while most future challenges will occur at the level of the distribution grid. The current investment gap at distribution level should be closed. A Ten-Year Distribution Network Development Plan should be set up to complement the existing TYNDP at transmission level.
- Explicitly including energy efficiency measures, notably waste heat recovery to power generation, among the energy infrastructure categories concerning gas listed in Annex II of the TEN-E Regulation.
- Codifying inclusiveness and transparency of the process: Including the term “technology providers” explicitly in Annex III.5 of the TEN-E Regulation.
- Promoting the need of mutually reinforcing and modernised infrastructures at both – transmission and distribution level, also in the further implementation of the new 15% interconnection target.

Modern, smart, efficient and connected infrastructures are the backbone of the low-carbon, energy and digital transformations – and as such the TEN-E evaluation will be essential for successfully implementing the Clean Energy Package, the Energy Union, the EU's 2030 Energy and Climate Framework, and the Paris Agreement. Europe's technology industries stand ready to play their part.

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