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CONTRIBUTION

From:	General Secretariat of the Council
To:	Delegations
Subject:	AT comments on the TEN-E Regulation

Delegations will find in the annex the AT comments on the TEN-E Regulation.

Art 1 Abs 2 lit c:

Concerning risk-related incentives, AT would like to question the added value of incentives and envisages to further comment on the related article 17.

Annex II:**1. electricity transmission and storage:**

AT welcomes that projects for smart electricity grids shall be encouraged through the updated definition.

Moreover, AT welcomes that the term storage “facilities” takes into account functional units of hydropower storage and pumped hydro storage (as also in the current TEN-E Regulation).

2. smart gas grids:

We welcome the creation of the new category “smart gas grids” which we are still scrutinizing. From an AT perspective, it is important that the category focuses on integrating renewable gases, including hydrogen, even if an innovative digital solution is not necessary to achieve this goal. However, it has to be ensured that investments are just made for already existing gas infrastructure and that are strictly limited to projects, which indeed promote the uptake of renewable gases and contribute to decarbonisation of the energy system.

In addition, as we understand, in the current proposal, projects in the smart gas grids category do not have to be a mandatory part of the TYNDPs and thus the assessment of projects is made on a case-by-case basis by the Commission. From an AT point of view, it needs to be ensured that all project categories, including smart gas grids, are subject to a thorough cost-benefit analysis (CBA). The CBA methodology needs to be developed in a timely and effective manner and transparency, plausibility and objectivity need to be ensured.

3. hydrogen

We welcome the creation of a hydrogen category and correspondent sustainability evaluation criteria. However, currently, there is no EU regulatory framework for hydrogen in place and at national level, the regulatory framework is just developing. Therefore, the provisions on hydrogen networks in the TEN-E Regulation should – in our view - give enough flexibility and not anticipate the ongoing discussions where many questions are still open. For example, this concerns inter alia the question of inclusion of hydrogen projects in the TYNDP of ENTSO-G from 01/01/2024 onwards (as stated in Annex III), or the wording “transmission” hydrogen pipelines, as it is still unclear if there will be the same differentiation and rules for transmission / distribution levels (as in the gas sector).

Regarding 3 (b) storage facilities, AT would like to know why this provision is limited to underground storage?

4. electrolyzers:

We are still scrutinizing this category, but in our view the current proposal for production to comply with the GHG emissions saving requirement as set out in RED II, would – in our understanding – mean that in most MS a connection to the grid network of these electrolyzers would most likely not be possible. This is due to the fact that most electricity mixes of MS will probably not meet the GHG emissions saving requirements. However, to evaluate this further, we would need further information on the exact methodology and calculations of the Commission in the respective delegated acts. Similarly, we are still scrutinizing the threshold of 100 MW capacity for this category.

5. carbon dioxide:

For the moment, AT takes note of the category carbon dioxide which already exists in the current TEN-E Regulation. AT envisages to further comment on the specific criteria for carbon dioxide when discussing Art 4 (Abs 3 lit c).

