Council of the European Union
General Secretariat

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CONTRIBUTION

From:	General Secretariat of the Council
To:	Working Party on Energy
Subject:	LU comments on Art. 1, Annex I and Annex II of the TEN-E Regulation (ST 6864/21 REV 1)

Delegations will find in the annex the LU comments on Art. 1, Annex I and Annex II of the TEN-E Regulation (ST 6864/21 REV 1).

Revised proposal regarding article 1, annex I and annex II

Comments from Luxembourg

24 March 2021

We would like to thank the Presidency for the revised compromise proposal. We very much support most of the clarifications put forward and we are grateful for the inclusion of the proposed wording on landlocked countries for example. We preliminary support all elements of the compromise, except those which are subjects to our comments hereunder and on which additional work is needed.

Article 1

Subject matter

1. This Regulation lays down guidelines for the timely development and interoperability of the priority corridors and areas of trans-European energy infrastructure set out in Annex I ('energy infrastructure priority corridors and areas') that contribute to the Union's 2030 climate and energy targets and ~~**to the pathway towards**~~ the climate neutrality objective by 2050 **and to ensure interconnections, energy security, market integration and competition for all Members and energy at a price that is affordable for households and companies.**

Commented [L[redacted]]: We would like to revert back to the original COM proposal. We support all policy objectives but we do not consider that TEN-E contributes to all of them. For example affordability for households depends on the retail energy market and TEN-E has little influence on the energy retail price (depending heavily on national choice such as taxation and network tariffs).

ANNEX I

4. PRIORITY THEMATIC AREAS

(13) Cross-border carbon dioxide network: development of carbon dioxide transport **and storage** infrastructure between Member States **[ ]** in view of the deployment of carbon dioxide capture and storage **and enabling CO2 use including for synthetic fuel gases**.

Commented [[redacted]]: We do not support the extension of the scope of the regulation to CO2 storage. See comment below on annex II.

Member States concerned: all;

(14) Smart gas grids: Adoption of smart gas grid technologies across the Union to efficiently integrate a plurality of renewable and low-carbon gas sources into the gas network, support the uptake of innovative solutions for network management and facilitating smart energy sector integration and demand response.

Commented [[redacted]]: Strong reservations on our side about this category. We would like to see a different wording harmonised between all relevant articles and definitions to ensure that only sustainable projects will be supported and that the shift to 100% non-fossil supply in the supported assets is guaranteed within a reasonable timeframe to avoid a fossil lock-in.

Member States concerned: all.

ANNEX II

ENERGY INFRASTRUCTURE CATEGORIES

The energy infrastructure categories to be developed in order to implement the energy infrastructure priorities listed in Annex I are the following:

(1) concerning electricity:

(b) **energy storage facilities in the electricity system [ ]** on a permanent or temporary basis in above-ground or underground infrastructure or geological sites, provided they are directly connected to high-voltage transmission lines designed for a voltage of 110 kV or more;

Commented [ ]: We would like to replace the reference to 110 kV by ***65 kV***. Luxembourg does not operate a 110 kV network but a 65 kV network. Maintaining 110 kV would de facto exclude our country from the scope of this sub-category.

(2) concerning smart gas grids:

~~(a)~~ any of the following equipment or installation aiming at enabling and facilitating the integration **a plurality** of renewable and low-carbon gases (including biomethane or hydrogen) into the **gas** network: digital systems and components integrating ICT, control systems and sensor technologies to enable the interactive and intelligent monitoring, metering, quality control and management of gas production, transmission, distribution**, storage** and consumption within a gas network. Furthermore, such projects may also include equipment to enable reverse flows from the distribution to the transmission level and related necessary upgrades to the existing network.

Commented [ ]: Same comment as above. Strong reservations. We need to revise the description of this category in coordination with sustainability criteria in article 4 and following and the definition in article 2 to ensure the absence of lock-in.

(3) concerning hydrogen:

During a transitional period, repurposed gas assets could be used for transport or storage of higher blends of hydrogen with natural gas.

Commented [ ]: Hydrogen should be qualified with strong sustainability criteria – see our comments on articles 4 and following.

Commented [ ]: This sentence should be deleted. We do not see TEN-E as the right vehicle to discuss blending. We do not see blending as a solution providing system optimisation. Renewable hydrogen is a high added value product that should not be injected in a fossil gas grid where it is losing its value and poorly contributing to system efficiency compared to direct use. Blending also opens the door to a fossil lock-in.

(4) concerning electrolyser facilities:

(a) electrolysers that: (i) have at least **[ ] 50** MW capacity, (ii) the production complies with the life cycle greenhouse gas emissions savings requirement of 70 % relative to a fossil fuel comparator of 94g CO_2e/MJ **[ ]**. Life cycle greenhouse gas emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067 or ISO 14064-1. **The life-cycle GHG emissions must include indirect emissions**. Quantified life-cycle GHG emission savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party, and (iii) have also a network-related function;

(b) related equipment.

(5) concerning carbon dioxide:

(a) dedicated pipelines, other than upstream pipeline network, used to transport carbon dioxide from more than one source, i.e. industrial installations (including power plants) that produce carbon dioxide gas from combustion or other chemical reactions involving fossil or non-fossil carbon-containing compounds, for the purpose of permanent geological storage of carbon dioxide pursuant to Directive 2009/31/EC of the European Parliament and of the Council[1];

(b) facilities for liquefaction and **[ ]** storage of carbon dioxide in view of its further transportation. This **[ ]** includes infrastructure within a geological formation used for the permanent geological storage of carbon dioxide pursuant to Directive 2009/31/EC and associated surface and injection facilities;

(c) any equipment or installation essential for the system in question to operate properly, securely and efficiently, including protection, monitoring and control systems.

Commented [redacted]: We appreciate the Presidency's effort to lower the threshold. However, we believe that a slight further reduction is needed to support electrolyser projects, at least on the early stage.

Commented [redacted]: We would like to include language in this category that puts emphasis on supply from renewable energy sources, such as the following:
(iv) are accompanied by a credible and concrete implementation plan to be supplied exclusively by electricity from additional renewable sources within ten years following the investment decision, based on inter alia a legally binding set of power purchase agreements

Commented [redacted]: We cannot support the proposal from the presidency to extend the scope of the category to carbon dioxide storage. As there is proven, economically viable and abundant alternatives to fossil fuels in the power generation sector, at least power plants should be excluded from the scope of the CCUS category. The usage of CCUS is a last-resort option that should be strictly limited to industrial application where no alternative is available. It should only be supported where best available technologies ensure a high capture rate that delivers significant climate benefits. We would like to recall that the geological storage of carbon dioxide is forbidden on the territory of Luxembourg.

1 OJ L 140, 5.6.2009, p. 114.