

# ENTSO-G 2050 ROADMAP

## ACTION PLAN ▶



# ENTSO-G CONSULTATION RESPONSE ON EC TEN-E REVISION PROPOSAL

**The European gas grids have contributed to EU energy security, competitiveness and liquidity of EU markets. While sustainability has become a key objective for EU's energy sector, the objectives related to Internal Market and SoS are still cornerstones in EU energy policy.**

Gas infrastructure will continue to play an important role in the transition by repurposing/retrofitting existing pipeline systems, gas storages and LNG terminals to hydrogen. ENTSOG welcomes recognition of repurposing in the draft revision as well as the addition of priority thematic areas and categories for smart gas grids, hydrogen and electrolyzers in TEN-E Annexes I & II. This should be further expanded to clearly address retrofitting of gas networks for blending of natural gas and hydrogen, as this will play a major role in some sectors and regions. Furthermore, planning for hydrogen transmission networks should start immediately. ENTSOG will include both repurposing and retrofitting of gas grids in the upcoming TYNDP 2022, even though the upcoming Q4 2021 reform of the Gas Directive may not have effect before 2024/2025. Inclusion of hydrogen projects already in the 6<sup>th</sup> PCI list will facilitate timely investments and realisation of EU climate and energy targets for 2030 and 2050. The TEN-E regulation should also consider measures such as construction of infrastructure triggered by development of renewable methane (biomethane and synthetic methane) for PCI status.

ENTSO-G believes that EC's proposal to exclude traditional gas projects will be counter-productive to the trajectory of the Green Deal objectives on CO<sub>2</sub> emission reductions. Natural gas will continue to play a major role in EU for a long period of time – in particular in member states where a switch to gas from coal and oil through use of highly efficient and hydrogen-ready CCGTs and CHPs will provide substantial emission reductions and will facilitate growth in low-carbon and renewable gases. In this context, it is important that current PCI projects stay on the list to realise the expected market and SoS improvements.

ENTSO-G supports maintaining eligibility of CO<sub>2</sub> pipelines in TEN-E and consequently we also find inclusion of CO<sub>2</sub> storage facilities other than buffer storage to be consistent with the need for full-chain CCS technologies.

Regarding offshore grid planning, hydrogen pipelines and gas production facilities can play an important role in development of offshore hydrogen networks. ENTSOG suggests reconsidering this provision to determine how best to ensure effective and integrated planning and investment for offshore grids for both electricity and hydrogen.

It is proposed that Framework Guidelines are developed by ACER for the joint scenarios prior to the start of the process, combined with greater stakeholder involvement and final approval of joint ENTSO-E/ENTSO-G scenarios by EC. ENTSOG suggests a Joint Stakeholder Forum for Scenarios to improve transparency and stakeholder involvement. ENTSOG finds the proposal to mandate ACER to draw up Framework Guidelines for joint scenarios unnecessary as it will reduce effectiveness and risk timeliness of the scenario development process.

ENTSO-G finds positioning of ACER in a policy oversight role to develop Framework Guidelines is questionable and that ACER's role should focus on the implementation and functioning of EU legislation as well as cooperation and alignment amongst NRAs. We suggest that Framework Guidelines are provided directly in an annex to the TEN-E Regulation.

In relation to incremental changes to Cost-Benefit Analysis methodology, the proposal introduces a double process. First, approval of incremental changes by ACER occurs, followed by justification of their incremental nature to EC, which can override assessment of ACER, ENTSO-E and ENTSOG and request application of full procedure. ENTSOG suggests that EC should only be involved in case of disagreement of incremental nature of proposed changes between ACER and ENTSGs