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We need a fossil free TEN-E regulation

Response to the public consultation on the revision of the TEN-E regulation

In 2020, the EU is at an important crossroad concerning the future energy system to be built for European citizens. The current TEN-E regulation, setting the rules for the selection of EU priority transmission infrastructure, is outdated for numerous reasons.

When it entered into force in 2013, the TEN-E regulation had a big focus on security and diversification of supply. Not only has the political framework changed drastically since then, but so have the needs of a future-proof energy system.

The next TEN-E will be crucial to support the build-out of the energy networks for the next decades, including for 2050 and beyond. This means that we need to consider radically different infrastructure requirements than those identified through the rules of the current TEN-E. The EU cannot afford to waste more time or money on any pathway other than one leading straight towards a 100% renewable energy system.

The existing TEN-E regulation gives Transmission System Operators a significant amount of power and influence in the process to define priority infrastructure. This is problematic in many ways, particularly in the case of ENTSO-G, the body representing the gas transmission operators of all EU member states.

In addition to ENTSO-G's role in advising the European Commission throughout the "Projects of Common Interest" (PCIs) process, the current TEN-E regulation stipulates that ENTSO-G should have a defining role in two crucial steps in the selection of priority projects:

- It drafts a network plan (the TYNDP) which contains all the gas infrastructure the EU will allegedly need in the coming years and therefore defines those projects from which the EU Commission can choose priority infrastructure. Projects not included in the TYNDP may not become PCI projects.
- It also drafts the methodology for the cost-benefit analysis of candidate projects which apply for the "priority" PCI list.

There is a multitude of reasons why the influence of ENTSO-G (and that of its individual members) under the TEN-E Regulation is inappropriate and should be removed:

- ENTSO-G is caught in an insolvable, massive **conflict of interest**. Its business model and those of its members clearly depend on the build-out and continued use of gas infrastructure. In the past, the PCI process as stipulated by the current TEN-E regulation has greatly benefitted ENTSO-G members: a big majority of projects which finally end up on the PCI list are promoted by ENTSO-G itself, and three quarters of the EU public¹ money handed out to gas infrastructure through the PCI process directly went to ENTSO-G members.
- Projects currently operated by ENTSO-G members are already often significantly underutilized, and a study shows that **ENTSO-G still backs gas projects clearly unnecessary** for EU's security of supply. The study by Artelys analyses all gas projects currently on the 4th PCI list and finds that none of these gas projects, together worth €29 billion, are needed to secure the EU's gas supply.²
- ENTSO-G is, by default, not the body we need to define a clean, just transition. The totality of gas PCIs so far has been dedicated purely to the transport of fossil gas (no zero-carbon gas) and projects supported by the body are by definition only large transmission infrastructures. A future-proof TEN-E regulation will need to **move away from a centralized energy transport system** to a flexible, decentralized one.
- While a future TEN-E will need to **include a number of solutions** - including non-infrastructure ones- such as energy efficiency, demand side measures, energy saving and renewable energy generation, neither a body like ENTSO-G nor national TSOs are in any way appropriate actors to be tasked to define priority projects in these fields.
- ENTSO-G has, at several opportunities in the past, shown that it has no problem with using the power it is given by the current TEN-E regulation to build in a **bias for fossil gas in the PCI process**. This includes a completely insufficient "climate assessment" finding that all fossil gas projects benefit the climate, as well as repeatedly exaggerated demand and peak demand assumptions.³
- Despite mounting pressure to phase out fossil gas in the future TEN-E regulation, **ENTSO-G still pushes for this climate-wrecking fuel in the future legislation**.⁴

¹ <https://www.globalwitness.org/en/campaigns/oil-gas-and-mining/pipe-down/>

² <https://www.artelys.com/wp-content/uploads/2020/01/Artelys-GasSecurityOfSupply-UpdatedAnalysis.pdf>

³ <https://globalwitness.org/pipedown>

⁴ During one of the stakeholder webinars on the TEN-E revision organised by the Commission, ENTSO-G's Director for System Development suggested three categories of projects to be included in a future TEN-E: a) "Just Transition Projects", i.e. fossil gas projects particularly for coal regions, b) refurbishment and upgrading of the fossil gas

Almost all of ENTSO-G proposed projects are either dependent on or risk locking the EU into fossil gas use which shows that (partially greenwashed) business as usual is still high on its agenda.

- Despite public **claims by ENTSO-G that they are a neutral body**, it has been lobbying the Commission for a position wedded to fossil gas.⁵

Fossil gas - and fossil gas hidden behind false solutions like CCS and fossil-based hydrogen - must not have a space in our future energy system. The case of ENTSO-G and the TEN-E Regulation is a clear example of how conflict of interests results in decisions that delay and even contravene climate action.

In a revised regulation, ENTSO-G should be fully replaced by an independent, transparent body with a holistic view on the transformation of our energy networks. The preferential role given in the current TEN-E regulation to ENTSO-G must end, in line with the demands of the Fossil Free Politics campaign⁶.

In order to get there, a first condition is to protect policy making from the undue influence of the fossil fuel industry. Until now the fossil fuel lobby, including ENTSO-G and its national members, have successfully steered the EU to give fossil gas too big a role in the energy system.

To ensure that the TEN-E Regulation is revised without the undue fossil fuel industry interests, we must end fossil fuel industry access to decision-making. This means no lobby meetings with the fossil fuel industry, no seats in expert groups or advisory bodies. Meetings with the fossil fuel industry, including ENTSO-G and its members, should only take place if their expertise is needed on technical issues around implementing new measures that the new TEN-E regulation establishes, once the political decisions have been taken. Their inputs will need to happen with full transparency in a public setting, and only when absolutely necessary.

This is not an exhaustive list of the ways in which the fossil fuel industry (which includes ENTSO-G) can influence policy. For more information see our demands⁷.

infrastructure, and c) Power-to-Gas, CCUS, SMR, CO2 transport and pyrolysis.

<https://ecorys.webex.com/recordingservice/sites/ecorys/recording/play/9a3a5ac39ae74a208b89dfd3c8e0529c>

⁵ ENTSO-G signed, for example a number of joint industry letters to the EU Commission i.e. the recently co-signed "Wide industry coalition call for a Hydrogen Strategy inclusive of all clean hydrogen pathways", which clearly pushes for an inclusion of fossil-based hydrogen, banking on unproven carbon management technologies:

<https://www.entsog.eu/sites/default/files/2020-04/Joint-letter-Covid-19-Recovery-plan.pdf>

⁶ <https://www.fossilfreepolitics.org/#Demands>

⁷ <https://www.fossilfreepolitics.org/#Demands>

Public awareness about ENTSO-G's undue influence on the current TEN-E regulation is growing, and so is awareness about the uncompromising urgency of the climate crisis. A revised TEN-E regulation will only get us on track to build a future-proof energy system if it does not give space to fossil fuel industry actors like ENTSO-G.

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On behalf of the other founding members of the Fossil Free Politics campaign, **Corporate Europe Observatory, Friends of the Earth Europe, Greenpeace European Unit.**