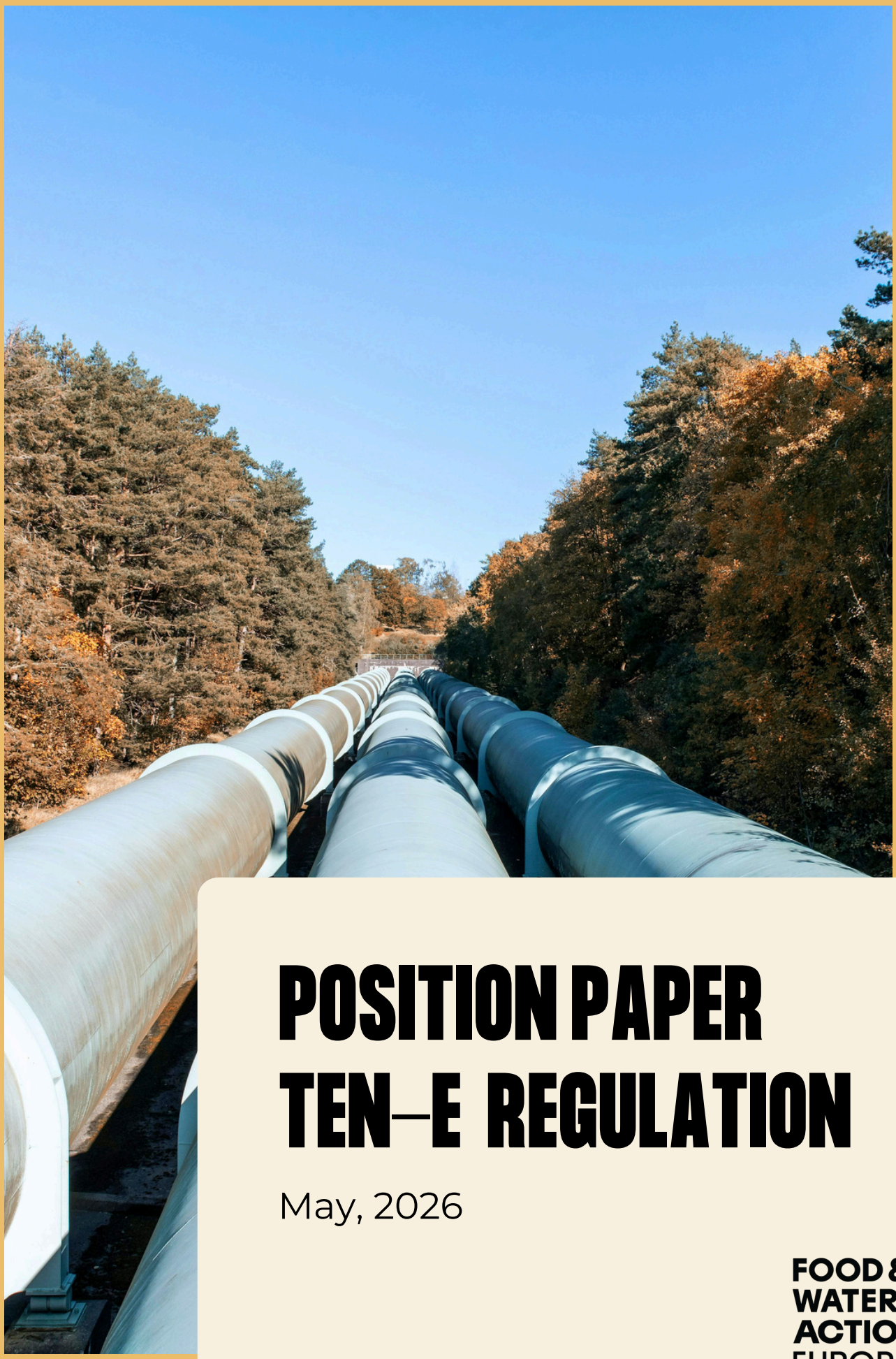

POSITION PAPER TEN–E REGULATION

May, 2026

FOOD & WATER ACTION EUROPE

INTRODUCTION

In December 2025, the European Commission introduced the European Grids Package - a strategic initiative aimed at modernizing the continent's energy infrastructure. This package rests on three pillars: a non-legislative focus on "energy highways", a comprehensive review of the **Trans-European Networks for Energy (TEN-E) Regulation**, and a specific directive designed to fast-track permitting processes.

While the current political debate focuses almost exclusively on electricity projects, infrastructure for fossil gas and hydrogen remains largely sidelined in the discussion; despite being framed as central to European energy sovereignty by many institutional actors.

The TEN-E Regulation was last revised in 2022. While the exclusion of most fossil gas projects was a significant victory welcomed by civil society, that revision left critical issues unaddressed. Significant gaps remain regarding governance, fossil-based hydrogen, infrastructure financing, and, most importantly, the selection process for Projects of Common Interest and Projects of Mutual Interest (PCI/PMI).

Recent institutional assessments from the EU Agency for the Cooperation of Energy Regulators (**ACER**) and the European Scientific Advisory Board on Climate Change (**ESABCC**) are clear: the TEN-E Regulation requires a fundamental overhaul.

Our own research, detailed in the report "**Hallucinating Hydrogen: Why the PCI/PMI process must be overhauled**", has gained significant traction by highlighting a critical conclusion: the current TEN-E framework and the PCI/PMI process actively promote fossil fuel lock-in and result in the waste of public subsidies.

The current draft remains largely unchanged from the 2022 version regarding gas and hydrogen. As the co-decision process begins, it is imperative that key sections of the regulation must be revised to align with climate reality and energy sovereignty. You will find below our primary concerns and policy proposals.

KEY RECOMMENDATIONS

01 Tackle governance flaws in the TEN-E framework, especially conflicts of interests from fossil-fuel lobbies such as the ENTSO-G and later ENNOH.

ENTSO-G / ENNOH retains control over infrastructure needs identification, scenario development and cost–benefit analyses. The result is a self-reinforcing cycle in which gas incumbents define 'system needs', shape the methodology used to assess candidate projects, and then evaluate projects proposed by their own members. Instead, an independent group of experts should take this responsibility. (**Articles 11, 12, 14, 18, 60**)

02 Delete article 28 to remove specific derogations for the Melita and EastMed fossil gas pipelines.

Continued support for these fossil gas projects contradicts EU climate goals. Ending these exceptions is necessary to ensure the TEN-E framework aligns strictly with the Paris Agreement and the urgent need tonecessity phase-out of gas dependency. **(Article 28)**

03 Separating the electricity and hydrogen PCI/PMIs into 2 different delegated acts is essential.

Bundling them into a single act stifles democratic debate, preventing MEPs from scrutinizing controversial hydrogen projects without risking critical electricity infrastructure. Distinct acts are vital for a transparent and effective TEN-E implementation. (**Articles 3, 11**)

04 Effectively prioritize domestic renewable hydrogen

Over fossil-fuel based hydrogen and CCSU in all TEN-E scenario building and project assessments. The current TEN-E regulation tends to incentivize fossil-fuel-based hydrogen, which is a source of methane emissions and derived from LNG.`Only locally produced, properly scaled and dimensioned 100% renewable-based hydrogen ensures true decarbonization and alignment with the EU's binding 2050 climate neutrality targets. (**Articles 4, 7, 12, 14**)

05 Exclude public subsidies access (CEF) for hydrogen projects

prioritizing funding exclusively for electricity infrastructure. Redirecting these limited resources to the power grid is essential to accelerate the transition to renewables and avoid subsidizing speculative hydrogen projects that could become stranded assets. (**Article 21**).

06 Establish transparency and formal civil society oversight across all TEN-E / PCI / PMI processes

including Regional Groups, scenario building (TYNDPs), infrastructure need identification, and Cost-Benefit Analysis (CBA) methodologies. Integrating independent stakeholders is essential to counter industry bias, ensure democratic accountability, and guarantee that infrastructure planning serves the public interest rather than private commercial gains. (**Articles 3, 5, 11, 12, 14, 18, 30**).

ELIMINATING CORPORATE BIAS

Reforming TEN-E Governance to Exclude Fossil Fuel Interests.

Although the TEN-E regulation has a governance that is mainly a Commission-led process, the TEN-E regulation's governance structure suffers from a democratic deficit, undermining the legitimacy and effectiveness of its PCI/PMI selection process. Currently, ENTSOG and its successor, European Network of Network Operators for Hydrogen (ENNOH), wield disproportionate influence over infrastructure planning, scenario development, and cost-benefit analyses. This dominance by industry incumbents, many of whom are deeply embedded in the fossil fuel sector, creates a self-reinforcing cycle: the same actors define "system needs," shape assessment methodologies, and evaluate projects proposed by their own members. The central scenario proposed by the European Commission in this revised TEN-E is a positive step, but the relevant ENTSOs still retain too much control and power over the PCI/PMI selection. **In other words, the fossil-gas industry remains judge and jury over the future of Europe's gas infrastructure, decarbonization and energy sovereignty.**

Their continued control over hydrogen network planning raises serious concerns about the objectivity and public interest value of the selected projects. This issue was not only raised by civil society, but also by institutions and independent advisors. Already in 2020, ACER and Council of European Energy Regulators (CEER) warned that most of the problems that arose during the past implementation of the TEN-E Regulation could be ascribed to the regulatory role inappropriately attributed to the ENTSOs. **Yet, despite the 2022 revision of the regulation, the same structural flaws persist**.

The ESABCC concluded in 2024 that the TYNDP process, which preceded the second PCI and PMI list, failed to adequately reflect the transformational changes and rapid emission reductions required to meet the EU's 2050 climate neutrality and resilience targets. These shortcomings extended across the entire TYNDP process; from scenario development and the system needs assessment to the cost-benefit analysis and the subsequent selection of PCIs and PMIs. ACER, in its recent opinion from 2025, issued within its remit to assess the consistency and transparency of the PCI and PMI assessment process under the TEN-E Regulation, questions the credibility and robustness of the process, and reiterates its call for stronger transparency in the selection of energy infrastructure projects.

To restore integrity to the process, the EU must remove all conflicts of interest by excluding private entities with vested interests in fossil fuels from decision-making roles. In order to eliminate these conflicts of interest, we propose replacing ESNTSOs and ENNOH with an expert group: **the Platform on Decarbonised and Resilient Energy Networks**.

BRINGING DEMOCRACY TO TEN-E

Enhancing Transparency and Civil Society Oversight.

As previously outlined, the latest lists for PCI/ PMI, particularly hydrogen-related projects, suffer from a flawed project selection methodology. The conflicts of interest inherent in ENTSOG (and subsequently ENNOH) are not the only concern. Transparency regarding both the underlying data and the projects themselves, alongside robust democratic oversight, is essential for a governance model rooted in public consent and independent scientific analysis.

To address these shortcomings, **TEN-E governance must be reformed to incorporate transparent, participatory mechanisms**. Mandatory public consultations and independent expert reviews are necessary to ensure projects align strictly with EU climate objectives. **Furthermore, strengthening the mandate of ACER and empowering civil society to challenge project selections would enhance oversight and restore public trust in the process**.

A key issue remains: the European Commission's power to adopt delegated acts. While we do not seek to challenge this authority in principle, **it should be split into two categories: one for electricity grid projects, and one for gas, carbon dioxide transport and storage projects and hydrogen projects**.

For over a decade, debate in the European Parliament has been stifled, with MEPs reluctant to scrutinize gas or hydrogen projects for fear of delaying essential electricity infrastructure. As a result, electricity grids are effectively held hostage by hydrogen projects - an untenable situation.

STRATEGIC COHERENCE

Synchronizing TEN-E Infrastructure with EU Climate Commitments & Energy Sovereignty objectives

The TEN-E is widely presented as a means to strengthen the European Union's energy security and decarbonize its energy supply. However, it can easily be argued that, in its current state, the TEN-E proposal (which remains largely similar to the 2022 version regarding hydrogen and fossil gas) achieves the exact opposite.

The inclusion of fossil-fuel-based hydrogen is far from minor. As shown in our latest report, "Hallucinating Hydrogen: Why the PCI/PMI process must be overhauled", more than two-thirds of pipelines granted PCI or PMI status are expected to transport fossil-based hydrogen - either "blue" or "grey"[1] **These projects not only fail to reduce emissions but, in some cases, produce more greenhouse gases than burning fossil gas directly. Furthermore, most of this hydrogen is likely to be imported, reinforcing the EU's dependence on external actors, such as the US**.

The EU must exclude all fossil-fuel-based hydrogen infrastructure from PCI/PMI eligibility, including projects that rely on CCS. Instead, the focus should be on green hydrogen, produced locally and at an appropriate scale forhard-to-abate industries.

The current overreliance on fossil-based hydrogen, driven by industry incumbents like ENTSO-G, risks perpetuating the mistakes of the gas era, creating costly stranded assets and delaying the transition to a fully renewable energy system. Aligning the TEN-E with the EU's climate objectives requires a fundamental shift: prioritizing renewable hydrogen projects that are locally produced, domestically consumed, and strictly limited to sectors where electrification is not feasible. The EU must also ensure that hydrogen demand forecasts are realistic and based on credible market needs, rather than speculative industry projections.

STOP FUNDING GAS

Redirecting CEF Energy Subsidies Exclusively to Electrification.

The debates surrounding the Connecting Europe Facility (CEF) for Energy are likely among the most concerning for this TEN-E regulation. While certain amendments in the CEF regulation push to reintroduce funding for fossil gas infrastructure under the guise of "low-carbon energy", it **is essential for Europe's electrification that the TEN-E moves in the opposite direction**.

The cost of hydrogen infrastructure is immense. In the latest PCI/PMI list, we measured a total cost of at least €82 billion in CAPEX. Simultaneously, these infrastructures are demanding an increasing share of public funding from CEF-Energy. CEF-E and other EU public funds are increasingly being diverted toward speculative hydrogen projects, often at the expense of mature, proven decarbonization solutions like grid interconnections and electrification. In the most recent CEF-E funding call, over €172 million was allocated to hydrogen pipelines whose completion is not guaranteed. These are millions that were not allocated to electrification.

Public subsidies should prioritize projects that demonstrably advance electrification, renewable energy integration, and smart grid development. These technologies offer the most efficient and cost-effective pathways to decarbonization, yet they are being crowded out by hydrogen infrastructure that lacks clear market demand or climate benefits.

Redirecting CEF-E funding toward electrification would align EU energy policy with its climate commitments and ensure that public resources are used efficiently. The EU must also establish stricter eligibility criteria for hydrogen projects, limiting support to those that use only renewable hydrogen and serve hard-to-abate sectors. Without such reforms, the risk of misallocating scarce public funds will persist, undermining the EU's energy transition.

ABOUT
FOOD & WATER ACTION EUROPE

Food & Water Action Europe (**FWAE**) is a nonprofit organization based in Brussels. It is also the European Program of Food & Water Watch, a nonprofit organisation based in the United States. With more than 2 million supporters, Food & Water Watch fights for a fossil-free future, safe food, clean water, and a livable climate for all of us.

FWAE stands as a leading campaigning and advocacy voice in Brussels, dedicated to transitioning Europe toward a sustainable, fossil-free future. At the core of our mission is the urgent phase-out of fossil gas. We contend that the continued expansion of gas infrastructure is incompatible with the EU's climate neutrality goals and serves only to lock the continent into decades of carbon dependency and volatile energy prices. **By bridging the gap between local fights and EU policy-making, we expose the influence of the fossil fuel lobby in infrastructure planning.**

Our impact is rooted in deep technical and political expertise regarding the Trans-European Networks for Energy (**TEN-E**) Regulation. For over a decade, FWAE has been the primary watchdog monitoring the selection of Projects of Common Interest (PCI) and Projects of Mutual Interest (PMI). **We have consistently challenged the inclusion of unnecessary LNG/hydrogen pipelines and terminals that favor corporate interests over public need.**