

**EER's perspective on**  
**Energy Infrastructures and Interconnections -**  
**Revision of the TEN-E Regulation**

July 2020

**1) Energy infrastructure planning at EU level: fair competition and benefits for consumers**

At EU level there should be a better overall coordination and planning for pan-European infrastructures that will lead to **fairer competition, price convergence and European market integration, benefitting all European consumers.**

In a stronger pan-European approach, total system costs, the asset and energy mix, transmission, storage, distribution and demand should be taken into consideration. Such an approach should be the basis for developing EU priority corridors (such as the North-South electricity priority corridor in Western Europe), electricity highways and gas corridors.

The current situation and persisting “energy island” status of some European regions such as, notably, the Iberian Peninsula and the Baltic region put energy players and consumers in a position of competitive disadvantage and should be addressed more urgently at EU level.

**Infrastructures should allow to achieve a fair level of interconnection throughout Europe and with energy islands in particular.** Only once the minimum level (EU target) of interconnection is reached, authorities shall use the cost-benefit analysis for each new additional project. The promotion of infrastructures should be previously approved by national regulators.

**2) Competition in the transmission infrastructure sector at EU level**

First and foremost, it is the task of TSOs to guarantee capacity and adequate levels of interconnection and it's up to the NRAs to enforce it. In order to guarantee supply, new cross-border infrastructures should also be considered under TPA exemption of merchant schemes. Internalizing investment cost in tariffs would cause a negative impact, passing the costs to end-consumers; this can ultimately lead to the underutilization of such infrastructures.

The promotion and construction of transmission infrastructure projects should be subject to a competitive bidding process, guaranteeing the smallest possible costs for the system and the participation of new players, other than TSOs. The current monopoly of TSOs should be opened to competitive tendering by private investors, an example could be through concession schemes based on availability payments, where the operator is not necessarily the owner of the assets.

Competition for the overall design, financing, construction and maintenance of transmission assets should be in the European energy market's interest.



### 3) A paradigm change: smaller, smarter projects are needed

European institutions shall give priority to small- and medium-sized projects for interconnections and energy infrastructures. The “pharaonic size” of many interconnection projects is in fact becoming a barrier for their development. The EU should promote also smaller, local projects for smart grids development with an EU added value and in line with EU energy policy objectives and not only focus on larger, cross-border projects.

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