

Response to the “Consultation on the list of proposed Projects of Common Interest - Additional projects in oil and smart grids”: T&D Europe’s views on smart grids PCIs

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T&D Europe, the European Association of the Electricity Transmission & Distribution Equipment and Services Industry, wishes to respond to the public consultation on the list of proposed PCIs in smart grids with the following position:

At time when the growth of renewable energy sources (RES) makes the modernisation of the power system every day more relevant, T&D Europe welcomes the European Commission’s (EC) public consultation on smart grids projects of common interest.

With the EC’s Clean Energy Package, at least 27% of the energy consumed – i.e. 45% of the electricity - would have to come from renewables by 2030. Smart grids are pivotal to integrate such high share of variable generation and enable the transition to a decarbonised power sector. Technology is ready, but its deployment on a large scale requires investment in electricity distribution, transmission and interconnection.

Against that background, the Connecting Europe Facility is the main European policy tool to support large electricity networks project, thanks to €4.7bn of grants to be distributed from 2014 to 2020. Transmission and interconnection projects have already widely benefitted from it, however investment in smart grids has not been visibly boosted. Only four projects currently appear on the list of projects of common interest, and only one has been granted financial support (€40m) so far.

This situation likely results from stringent eligibility criteria for smart grids project in the TEN-E guidelines. In particular, the need for a project to be cross-border, to cover networks above 10kv, in densely populated regions with a high energy consumption, is a clear obstacle for project developers.

To match the reality of the power system, the TEN-E regulation should be updated. Modernisation of distribution networks above and below 10kv is necessary to integrate decentralised renewables and keep the lights on at a low-cost for consumers. It is also a prerequisite for increasing the flexibility of the power system and let new market players in, such as aggregators.

Therefore, T&D Europe invites the EC to make the most of the 2018-2020 period to:

- Use the current framework to actively support the 4 smart grids projects currently submitted,
- Review the eligibility criteria for smart grids projects in the TEN-E guidelines, and open the door to new projects, e.g. DSO-only, at any voltage level.

By taking these two steps, the EC could advance the EU decarbonisation goals and support new business models based on flexibility and consumer empowerment.



The European Association of the Electricity Transmission
and Distribution Equipment and Services Industry

About T&D Europe

T&D Europe is the European Association of the Electricity Transmission & Distribution Equipment and Services Industry, which members are the European National Associations representing the interests of the electricity transmission and distribution equipments manufacturing and derived solutions. The companies represented by T&D Europe account for a production worth over € 25 billion EUR, and employ over 200,000 people in Europe. Further information on T&D Europe can be found here: <http://www.tdeurope.org>

Contacts

Nadi Assaf
Secretary General, T&D Europe
secretariat@tdeurope.org
+32 2 206 6867

Laure Dulière
Policy Adviser
laure.duliere@orgalime.org
+32 2 206 86863