

Recent EU policy developments on energy infrastructure

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The trans-European energy networks policy (TEN-E)

Market integration

Security of supply

Sustainability

Competitiveness



Regional cooperation &
High Level Groups

Criteria / CBA

Union List of PCIs

Accelerated
permit
granting

Regulatory
measures

EU financial
assistance



The TEN-E Regulation

... Increased interconnections and effectively improved the integration of Member States' networks, which in turn made the EU energy market more integrated and competitive than it was before the application of the TEN-E Regulation;

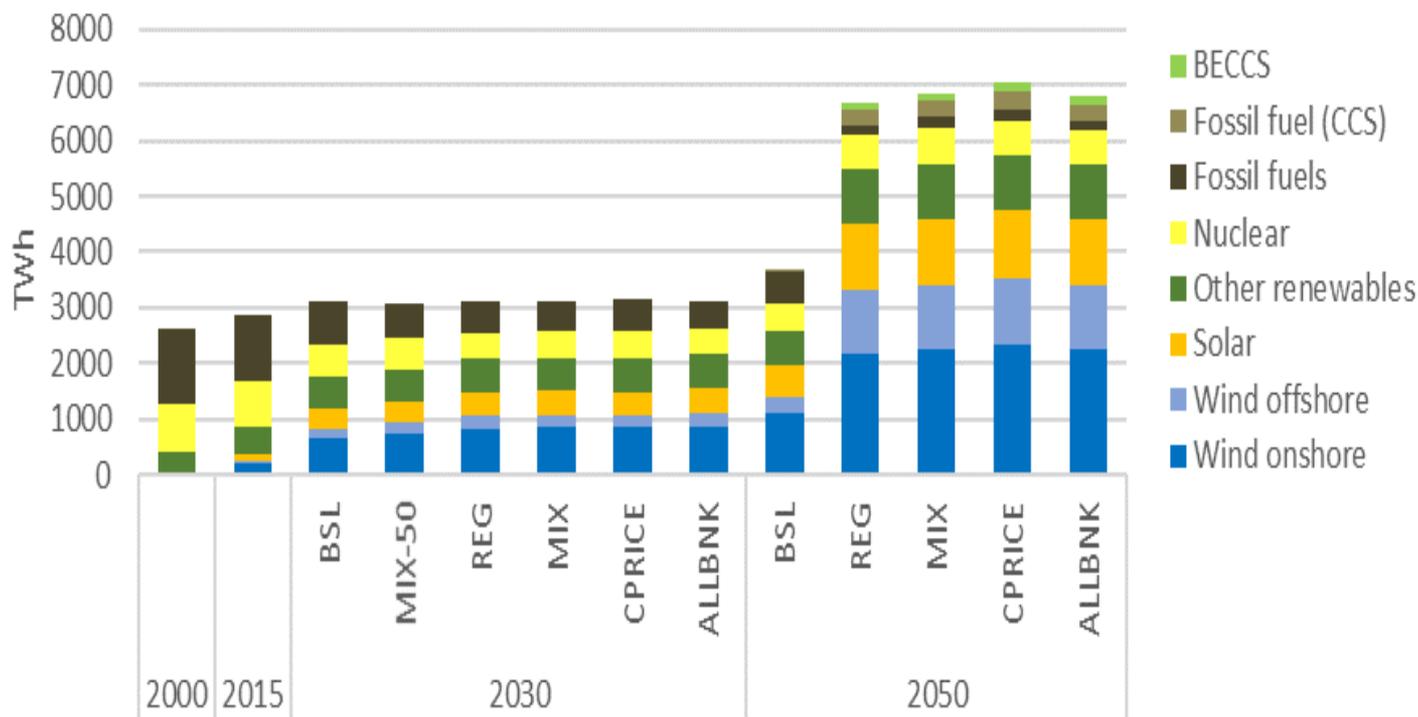
... is essential for EU's energy security by

- **boosting further electrification**
- **transitioning to renewable gases**

and thus accelerating the European Green Deal.

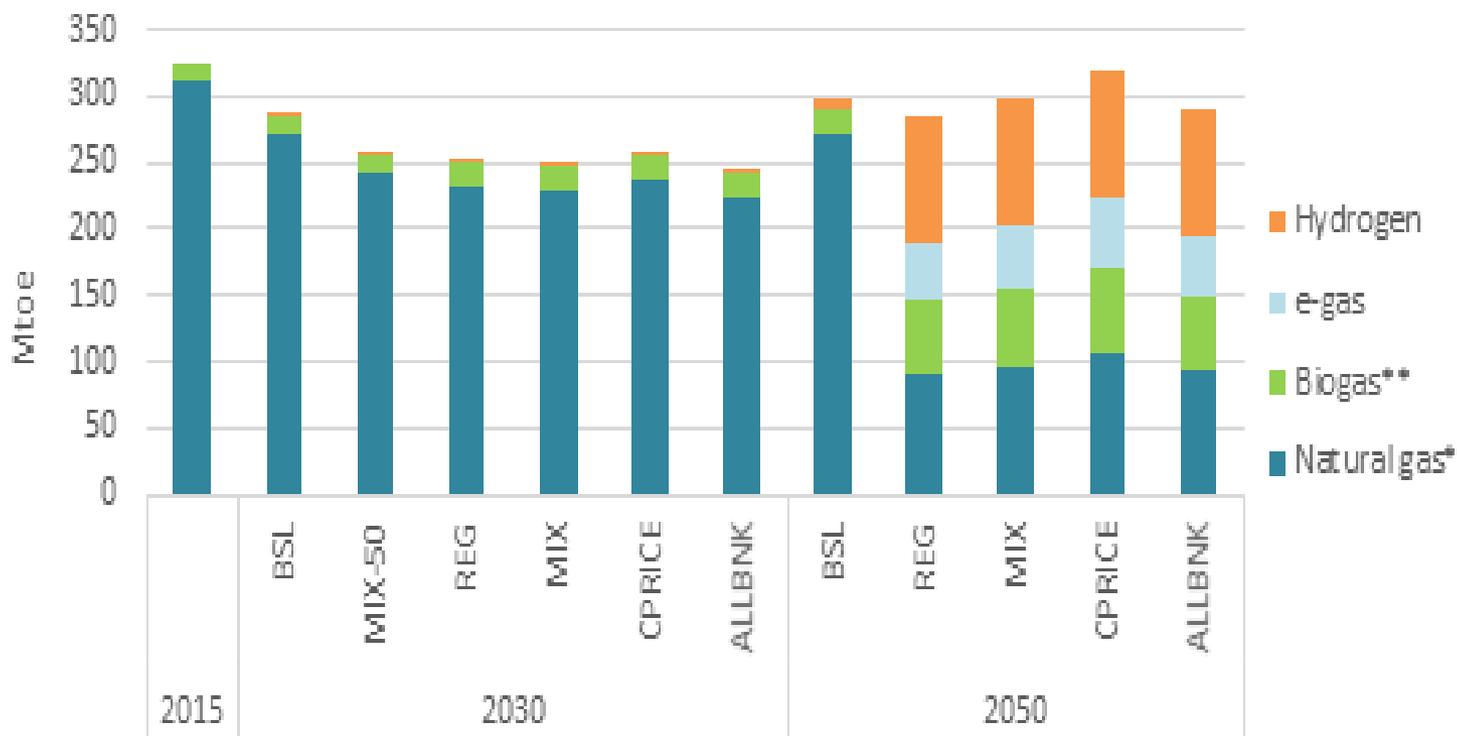
Electrification, based on renewables

Electricity production



Transformation for the gas industry

Consumption of gaseous fuels per gas type



Revised EU cross-border planning rules

Co-legislators reached a political agreement on a *revised TEN-E Regulation on 15 December 2021* covering:

- New and updated infrastructure categories and a reconfiguration of priority corridors and areas;
- Dedicated offshore planning provisions;
- No natural gas under TEN-E, but support for hydrogen, electrolysers and local low-carbon and renewable gases;
- Enhanced regulatory and permitting provisions to accelerate PCI implementation;
- Strengthened cross-sectoral energy infrastructure planning;
- Projects of Mutual Interest with third countries

Entry into force 23 June, 2022.

Infrastructure categories - the first Union list under the revised TEN-E

- 1. Electricity [transmission, offshore and storage]*
- 2. Smart gas grids*
- 3. Hydrogen*
- 4. Electrolyser facilities*
- 5. Carbon dioxide networks*

Hydrogen

Eligible types of H2 infrastructure:

- dedicated H2 pipelines, as well as repurposed natural gas infrastructure assets;
- Storage;
- Equipment to enable safe, secure and efficient operation, or bi-directional flows, including compressors
- Reception, storage and regasification or decompression for liquefied hydrogen;
- Installations, linked to one of the categories above, allowing for H2 or H2-derived fuels use in transport.

Transitional provisions for blending

Until end of 2029: blending of hydrogen with natural gas or biomethane possible. **Only for dedicated hydrogen assets converted from natural gas assets** if:

- Project promoter demonstrates, including through commercial contracts, that assets become dedicated H2 assets;
- Proof of increased use of H2 enabled, including GHG reductions
- Interoperability with neighbouring networks is ensured.

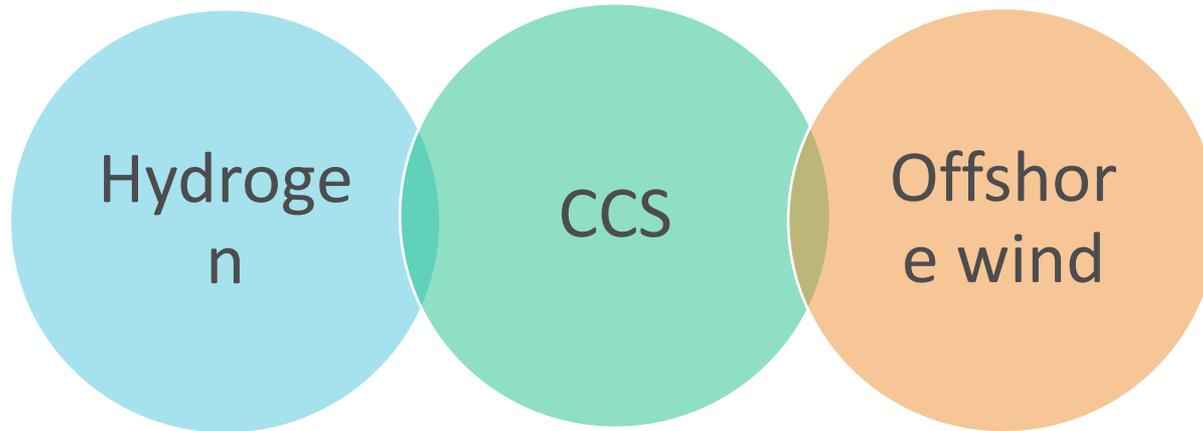
ACER to verify the timely transition of projects to dedicated H2 assets.

CO₂ transport and storage

Updated provisions in the revised TEN-E to support the development of cross-border CO₂ networks:

- Dedicated pipelines, other than upstream, for purpose of permanent geological storage
- Fixed facilities for liquefaction, buffer storage and converters in view of transportation by other modes
- Inclusion of surface and injection facilities associated with infrastructure within a permanent geological storage, alongside dedicated transport pipelines
- Essential equipment/installations (e.g. protection/monitoring/control)

O&G in the energy transition



Key competence areas:

- Project management & financial engineering
- Subsurface understanding
- Digitalization
- Complex maritime operations

Concluding remarks

Oil and gas...

- will still make up a substantial part of EU's energy mix, but their share will decline – gas needed to provide flexibility in the energy system
- will no longer be eligible infrastructure projects under the TEN-E
- will continue to provide technology, competence and capital that underpin the green transition