



## Danish Government's response to the public consultation on regulation No 347/2013 re: guidelines for trans-European energy infrastructure (the "TEN-E Regulation")

### Danish key priorities for the TEN-E Regulation

- Fully supports the objectives for the revision of the TEN-E Regulation, which should ensure that all Projects of Common Interest (PCIs) actively contribute to the decarbonisation of the EU energy system, consistent with climate neutrality by 2050.
- Priority should be on ways to absorb and convert the increasing amounts of renewable power sources (RES) through transboundary electricity corridors connecting low-cost RES-generation with load centres, strengthening security of supply and enabling cross-border sector integration.
- Future gas projects must be evaluated based on the energy and climate ambitions, supporting only decarbonized gas and sector linkages such as hydrogen and PtX-infrastructure.

### Danish support for TEN-E

The Danish Government fully supports the revision of the TEN-E regulation, which must address the new policy ambition of the European Green Deal and ensure that the COVID19 recovery plan contributes to creating an enabling framework for the decarbonisation of the EU energy system, consistent with climate neutrality by 2050. In this regard, it is essential that the TEN-E Regulation support sustainable energy infrastructure investments that contribute to achieving our common climate goals as economically efficiently as possible.

### Positive experiences with TEN-E

There is a significant degree of consistency between the new European ambition to be climate neutral by 2050 and Danish national energy policy, which has delivered a very high security of energy supply through strong electricity and gas interconnections with neighbouring countries.

Denmark has been a part of several Projects of Common Interest (PCI) since 2013. In this way, the TEN-E Regulation with the PCI-nomination and Connecting Europe Facility (CEF) support scheme has contributed to overcome key barriers and accelerate the development of European-wide energy infrastructure. In many cases, the TEN-E Regulation has facilitated cross-border interoperability, communication and coordination. This has been a catalyst for mobilisation of national and private investments in the power sector infrastructure.



Several of the completed PCI-projects have linkages to the challenge of integrating renewables into the electricity system. In general, this is even more relevant today than in 2013 when the existing TEN-E regulation entered into force. Thus, while the TEN-E Regulation has been a positive contribution, there is a need to further strengthen and guide the mechanism in order to ensure timely implementation of PCIs, which interconnect the energy markets across Europe, thereby improving RES-integration, energy efficiency, security of supply and competition.

### **Delivering on the European Green Deal through green power corridors**

The Danish Government proposes to increase the benefits from further system integration by adding emphasis on ways to absorb and convert the increasing amounts of RES power production.

Priority should be on transboundary power grids enabling further cross-border integration of low-cost RES-generation with load centres, strengthening security of supply and enabling cross-border sector integration. For example, by creating a green power corridor connecting the planned offshore wind farms and next-generation energy islands in a Baltic Sea region with the Central / South Eastern power corridor.

The revised TEN-E Regulation should also enable sector integration with new technologies such as Power-to-X and coupling between energy sub-sectors, as well as other sectors such as industry and agriculture.

### **Decarbonising the gas infrastructure**

The Danish Government recognizes that the TEN-E Regulation has played a role in securing a well-functioning gas market in the EU with a high level of supply. However, in order to achieve a climate neutral European Union by 2050 at the latest, future infrastructure investments must focus on making renewables the backbone of the energy system. Investments made under the revised TEN-E regulation will still be fully functional in 2050 and in most cases for many years after this. It is therefore essential to ensure these investments are compatible with our climate goals.

Decarbonisation of the energy system, including the gas system, demands a long perspective. Investments in fossil technologies, or infrastructure dedicated to these, risks becoming stranded assets. The revised TEN-E Regulation should ensure that future gas projects will be based on the energy and climate ambitions set out in the Green Deal, supporting only decarbonized gas and sector linkages such as hydrogen and PtX-infrastructure.

### **Improving CBA methodology for selecting PCIs**

The Cross Border Cost Allocation is today an integrated part of the cost-benefit analysis (CBA) Methodology. Since ACER in December 2015 issued a recommendation for good practices for CBCA calculation, valuable experiences have been achieved. Ways to reduce the complexity of the CBA methodology and increase transparency of the selection of PCIs should be examined.