

**Gas Infrastructure Europe (GIE)** is the association of the European gas infrastructure operators: gas transmission networks, storages, and LNG terminals. It represents 70 members from 26 European countries. GIE members are committed to help deliver EU's goal in being the first continent achieving climate neutrality by 2050.

The TEN-E Regulation is key in enabling GIE members to contribute to achieving this target. It is one of the main tools contributing to the creation of a well-integrated energy system, building on the complementarity between electricity and gas, and it provides the right framework for GIE members to deliver the Union's sustainable decarbonisation pathway, both in an environmental and economic sense. **Thus, the following elements are crucial for the revision of the TEN-E Regulation:**

- **Reflection on the full energy system:** The revision should reflect the holistic energy system needs, while capturing the gas and electricity integration challenges.  
**A technology-neutral approach and an equal playing field for both energy vectors are essential. A full life cycle analysis of all sources and vectors of energy should be considered to avoid preferential treatments.**
- **Natural gas in the energy transition.** Switching from carbon intensive fuels to natural gas enables immediate reductions in CO<sub>2</sub> emissions and accommodates the need for affordable solutions for society. Gas infrastructure delivers natural gas as a low emission source of energy to the power and heating sector as well as to other industries. A well-functioning and secured energy system needs a backup for the deployment of renewable energy sources. The continued use of natural gas for residential and industrial heating and electricity production coupled with wider use of LNG and CNG for road, rail, maritime and heavy-goods transport can deliver EU decarbonisation targets quickly, efficiently and economically.  
**The revision of TEN-E should consider sectors/regions/countries that as a step to full decarbonisation needs to switch to natural gas as from energy intensive fuels, while paving the way for renewable and low-carbon gases.**
- **Security of supply.** Gas infrastructure investments between a third country and an EU Member State (MS) are key not only for the market integration, but also when it comes to setting stability to the European energy sector and Member States' economies.  
**Security of supply should remain a fundamental goal of the TEN-E regulation.**
- **Gas Energy Transition Projects (ETR).** Gas infrastructure operators are actively addressing the challenges of the energy transition and are committed to decarbonize EU's energy system<sup>1</sup>. Thus, ENTSOG is including Energy Transition Projects (ETRs) in the TYNDP 2020 for the first time.  
**Renewable and low-carbon gas infrastructure projects should be considered eligible for Projects of Common Interest (PCIs) status, such as hydrogen-related projects (i.e. infrastructure building/retrofitting and scaling-up technologies such as Power-to-Gas facilities, hydrogen storage, steam reforming with CC(U)S and pyrolysis), biomethane and synthetic gas projects. Furthermore, the TEN-E revision could consider a revision of the regional TEN-E Groups to include clusters of Member States ready to form regional hydrogen backbones.**
- **Simplification of PCI selection process:**
  - **If a project has been designated as a PCI, it should keep its status unless significant new elements emerge and particularly if the initiative is progressing and resources have already been allocated.** A simpler procedure to facilitate maintaining the PCI status should be considered when no major changes arise. The PCI status only applies for two years, which

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<sup>1</sup> GIE [brochure](#), 'The European gas infrastructure can help deliver the EU Hydrogen Strategy', August 2020

creates uncertainty for investors. Such PCIs should only be monitored and not fully re-assessed.

- **Cost Benefit Analysis (CBA) methodology:**
  - **The CBA methodology should assess the benefits and potential of the renewable and low-carbon gases regarding sustainability, innovation and the scaling up of technologies.** The CBA methodology should consider the costs and benefits of projects that help achieve an integrated and decarbonised energy market and enable sector integration, security of supply and lowest cost for the society.
  - **The methodology could also consider monetizing different other indicators (e.g. LICD MASD, CSA, Remaining Flexibility, bi-directional indicator, etc.).**
- **Cross Border Cost Allocation (CBCA):** The current procedure according to Article 14.2 of TEN-E Regulation requires projects to obtain a CBCA decision for being eligible for Connecting Europe Facility (CEF) grants for works, but this requisite has certain consequences:
  - The current procedure according to Article 14.2 of TEN-E Regulation requires projects to obtain a CBCA decision for being eligible for CEF grants for works. This request might delay projects. **The linkage between CBCA and CEF could be revised, allowing promoters to ask for funds and to obtain a CEF grant conditional to a CBCA agreement.**
  - The administrative costs for the operators dealing with EU funds is not compensated. **The TEN-E Regulation could set the right incentives for operators as well as schemes to avoid non-compensated administrative costs for project promoters.**
- **The role of gas storage assets for security of supply for renewable and low-carbon hydrogen.** To enable industrial scale renewable or low-carbon hydrogen production, a buffer system in the form of underground gas or hydrogen storage will be needed. Underground gas storages provide and run flexibility tools for intra-hourly up to seasonal operational needs. Gas storages are the foundation of a robust and resilient energy system with increasing shares of intermittent renewable power. They can stock sustainable energy at large-scale, thereby ensuring security of supply through physical availability of gas reducing congestion and over-investment of new power transmission lines in the electric system. In addition, gas storages are the only affordable large-scale technical solution to meet the seasonal storage needs compared to the other storage technologies as electricity storage solutions are either limited in scale, or only suited for short-term storage, even assuming significant cost depressions in the future<sup>2</sup>. Gas storage assets could be retrofitted to store large volumes of low-carbon or renewable hydrogen.  
**TEN-E revision should support the retrofit of existing gas storages.**
- **Decarbonisation of LNG terminals:** In order to achieve climate neutrality by 2050, Europe may need to import renewable energy from outside Europe. LNG terminals will play a key role as entry gateways to Europe. Multiple pathways to decarbonize LNG terminals are possible, e.g. using hydrogen carriers, biogas, biomethane, e-fuels. Moreover, it might be also possible that LNG receiving terminals can be adapted to export energy (e.g. with hydrogen-based carriers) from EU territories with large renewable energy potential.  
**A revision of TEN-E should support the adaptation of LNG terminals.**

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<sup>2</sup> See Frontier (2019, The value of gas infrastructure in a climate-neutral Europe, Chap 4.1 for further explanation.