NO CHANCE OF MEETING EU RENEWABLE GOALS IF INFRASTRUCTURE NEGLECTED

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As Europe continues to confront threats to its energy security and the challenges that climate change will pose to energy provision, we must do everything we can to ensure all EU citizens have a secure supply of energy year-round that is sustainable and not harmful to our environment.

The EU has agreed a 2030 renewables goal of 32 percent.

Negotiations on the Electricity Market Design package will continue this autumn with one of the aims of the package being to provide for a higher percentage of renewables in our energy system.

And the Commission is already looking beyond 2030 in its work on a long-term emissions reduction strategy.

Yet we have no chance of meeting our goals if we neglect our energy infrastructure.

Grids, interconnectors and infrastructure

Grids, interconnectors and any other infrastructure that help us integrate more renewables and allow energy to flow unhindered across an integrated European energy market are essential.

This is why we have agreed on a 10 percent interconnection target for 2020 and a 15 percent target for 2030. We are also currently debating the next Connecting Europe Facility (CEF) funding programme, in which the commission proposes spending □□□□□□ on infrastructure projects in the period 2021-2027, 47 percent more than in previous years.

Of this total, €8.56bn will go to energy projects alone.

We can already see what a lack of investment in our energy network means. Germany has had issues bringing power generated in the north of the country to where there is much demand in the south.

The grid is not always able to deliver enough electricity to meet demand, causing problems with the grids in Germany itself and sometimes even for its neighbours.

Recent developments such as the new 1,000 MW power line between Germany and Belgium are positive and could be a model for more interconnectedness and investment.

Another promising development was the outcome of the second energy interconnections summit in Lisbon on 27 July, where the European commission and national leaders from France, Spain and Portugal agreed to increase interconnectedness in the region, attempting to open up a part of the EU that has historically been isolated in terms of energy.

While it is essential that the European Union provides funding for Projects of Common Interest (PCIs) through the CEF to help bring them into being, this cannot be the only way these projects are realised.

We cannot rely on public money alone; the taxpayers and energy consumers cannot pay for it all. Private investment has an essential role to play in helping us to build the necessary infrastructure.

It also frees up public CEF money to go to projects that cannot easily secure private investment.

Projects like Eleclink and Aquind, both interconnectors between France and the UK, the planned connection between France and Spain across the Bay of Biscay, and the Celtic Interconnector between France and Ireland, to name a few, are all interconnectors that have PCI status and must be supported in one way or another if we want to see them completed in the next few years.

A recent decision by the European Agency for the Cooperation of Energy Regulators (ACER) not to allow a private interconnector to use its returns to repay its investors sets a worrying precedent for future private investment in our PCIs and risks scaring investors away from projects that we need to be carried out.

While the European Commission insists on connectivity with one hand, one of its agencies is frustrating it with the other.

Member states themselves must also ensure that such projects are allowed to proceed and not hindered by national laws that contradict EU energy legislation.

National transmission system operators have their role to play, but so do private projects. Vested interests must not be allowed to strangle innovation or competition.

PCI projects are infrastructure projects recognised by the European Commission as being vital to helping integrate our energy market.

We need to be supporting PCIs in any way we can. While this not always mean public money, it does mean allowing a regulatory environment in which private projects can proceed.

With the pressing challenges facing us in terms of an integrated energy market and a decarbonised economy, we cannot afford to ignore any avenue that helps us along the way.

We need to invest in all of our energy infrastructure, using both public and private means, and make sure we are not placing roadblocks which prevent us meeting our climate and energy commitments.

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