Dear Representatives of Member States,

On behalf of the European Environmental Bureau, the largest European network of environmental civil society organisations, we wish to express our concern regarding the energy infrastructure priorities unveiled by the European Commission this week.

While the Grids Action Plan is welcomed as a much-anticipated step to boost renewables across the bloc, it falls short of meeting the power system needs, particularly concerning international electricity interconnection.

The non-legislative proposal was released alongside a list of Common Interest Projects (PCI) that will benefit from EU funding and faster permitting. Out of the 188 cross-border projects proposed, roughly half (85) will focus on electricity infrastructure, while the rest will target hydrogen (65) infrastructure and carbon capture and storage (CCS) (14).

Regrettably, this list fails to address the most critical gaps in cross-border electricity interconnection and does not accurately reflect Europe's energy decarbonisation needs. Most of the electricity cross-border projects in this release were already part of the 5th PCI list published in 2021. Conversely, most new projects added to this list focus on hydrogen and CCS infrastructure.

To deliver on its energy targets and climate neutrality objective, Europe must double its current electricity interconnection capacity over the next ten to fifteen years, according to <u>energy scenarios</u> compatible with the Paris Agreement goal of keeping global warming at 1,5 C. Current interconnection expansion plans fall short of this, risking becoming a bottleneck for the expansion of wind and solar power, and a missed opportunity to improve security of supply and reduce costs for consumers.

Investing in oversized infrastructure plans for unproven technologies at scale, such as hydrogen or CCS, also poses serious risks. Firstly, hydrogen and CCS infrastructures are very expensive and can divert precious funds that could help to decarbonise our energy system faster and cheaper if invested in electricity interconnection. Secondly, any hydrogen infrastructure capable of transporting fossil gas is, until proven otherwise, a fossil fuel infrastructure. It remains unclear how much hydrogen or fossil gas will flow through the proposed new "H2 pipelines" in the coming decades.

Whilst hydrogen and CCS have a role to play in the energy transition for hard-to-decarbonise sectors, it is crucial to conduct proper economic and viability assessments and to avoid any "delaying tactic" from vested interests seeking to prolong the use of fossil fuels.

Europe's plans for decarbonising the power system need to be <u>matched</u> by realistic development plans for supporting cross-border electricity infrastructure. We call on European decision-makers to clearly focus on electrification, grid expansion and renewables, as it is the fastest, cheapest and most participatory way to phase out fossil fuels.

Bridging the electricity gap

- Europe must double its current interconnection capacity in the next ten to fifteen years to keep up pace with the renewables roll-out.
- The current PCI list does not live up to these expansion needs.
- Interconnection project timeframes are an average of <u>9 years</u> in Europe, so actions to address this must be taken now, inter alia by including communities in the decision-making process.

 Delivering the interconnection projects already in the pipeline by the end of the decade is also paramount to maximise the output of installed renewables capacity.

Why electricity interconnection

- Cross-border interconnectors play a crucial role in integrating new renewable capacities across Europe and in reducing energy storage needs.
- Numerous studies and models, including the <u>Paris Agreement Compatible</u> (PAC) scenario, support the importance of electricity interconnection for capturing benefits in costs, flexibility, and reliability.
- Interconnection provides a cost-effective way to guarantee flexibility in a system dominated by intermittent renewable energies, compared to more costly pathways such as storage, peaking units, or increasing domestic renewable capacities.

Priority links to deliver the energy transition

- Links between Albania, Serbia, and Croatia; and the link between Serbia and Bulgaria.
- The connections between Austria, Hungary and Slovenia.
- The line from Spain to France to Germany.
- The link between Greece and North Macedonia.
- Links between the UK and France, and the UK and Ireland.

Explore this interactive map developed by Ember Climate.

Conclusion

Expanding cost-effective interconnection would come with multiple co-benefits: it will save time, resources, and money. At the same time, it will strengthen European unity in the face of geopolitical uncertainty and energy insecurity.

With current cross-border plans for grid development falling short, there is a risk of a bottleneck in the uptake of renewable energies. European decision-makers need to act swiftly to close the gap or risk choosing unproven and more expensive pathways: Relying on gas peaking plants, more energy storage systems or significantly higher volumes of renewables at the national level.

Sincerely,

Luke Haywood

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European Environmental Bureau