

WindEurope policy recommendations on grids

On 25 March ENTSO-E hosted a High-Level Roundtable gathering key stakeholders to take stock of progress made since the launch of the EU Grid Action Plan for electricity and identify areas where further steps are needed.

The attendees to the roundtable included Minister of Energy Ms Tinne Van der Straeten, on behalf of the Belgian EU Presidency, and EU Commissioner for Energy, Ms Kadri Simson.

WindEurope set out 6 specific policy proposals.

Strengthening Supply-Chains for grid infrastructure including standardization and common practices

1. Standardisation and common practices remove market fragmentation and the need for OEMs to develop different products for each market. We understand from TSOs that supply chain bottlenecks are the top reason for the delay in building their grids so aligning on equipment design requirements is a priority.

The major issue for the wind and grid equipment industry is the national implementation of Network Codes which drives product design and procurement rules. As it stands, this implementation is very fragmented leading to unnecessary additional costs and slowing down the ramp up of the supply chain. Properly developed Implementation Guidance Documents which are then binding at national level can address this.

- **Network Code Implementation Guidance Documents must be 1) prepared in close cooperation with stakeholders from the start; 2) be binding at national level.**
2. All Governments with offshore wind potential will need to ramp up deployment in parallel. We need to go from 3 GW of offshore wind per year to 20 GW per year by the end of the decade to deliver on Europe's energy and climate objectives. This ramp up will test the European supply chain. We must use the Offshore Network Development Plans and offshore cooperation framework to plan for supply chain needs. Coordination at Sea basin level rather than national level will give long term visibility to OEMs and reduce costs overall.
- **Move to joint procurement of grid equipment at Sea basin level.**

Financing the grid infrastructure scale –up

3. Financing the necessary grid expansion and reinforcement at national level based exclusively on grid tariffs is not politically viable. In the Netherlands, for example, we already see strong opposition against grid investments leading to a quadrupling of grid tariffs.

And existing EU instruments are too small to fill the gap between what can be delivered with grid tariffs and the massive investment needs. The Connecting Europe Facility is 100 times smaller than the necessary investment volume. In addition to revenues from grid tariffs it will be indispensable to bring in private finance to build out the grid. The European Investment Bank can help crowd in private Finance.

- **Leverage private finance to build out the grid in addition to revenues from grid tariffs.**

Regulatory framework to facilitate infrastructure delivery

4. The ongoing assessment of the draft National Energy and Climate Plan (NECPs) must ensure that the targeted renewable energy capacities and electrified demand set out in the NECPs can be accommodated with the current national Network Development Plans (NDPs).

Full alignment between the NECPs and grid planning is indispensable for policymakers, asset developers and technology suppliers to identify anticipatory investments and secure the needed Finance.

- **The European Commission and National Governments must ensure that the National Energy and Climate Plans are underpinned by adequate grid planning already in 2024.**
5. The principle of overriding public interest needs to apply to the permitting of grid infrastructure whether it is explicitly to connect renewables or for grid reinforcement at higher voltage level. Delays in reinforcement at higher voltage levels are in fact the main driver for delays in grid connection of renewables.
 - **Apply the principle of overriding public interest to the permitting of grids.**
 6. Considering the scarcity of technical and human resources needed to expand the grid, the regulatory framework in all countries should allow generation developers to pre-finance and develop part of grid infrastructure. Based on a pre-defined agreement between the TSO and the generator, the relevant grid infrastructure would then be handed over to TSOs with adequate compensation.
 - **Empower generation developers to build the grid based on a pre-agreement with the TSOs.**