

FNB Gas representing the German Gas TSOs welcomes the EU Commission's proposal to revise TEN-E to bring it in line with the Green Deal ambitions. We especially believe that the intended expansion of the PCI and European network planning processes to hydrogen infrastructure is a crucial step for a successful energy transition. Nonetheless, the following issues should be addressed in the revision:

- according to the draft revision, the TEN-E regulation is intended to set the regulatory support framework for hydrogen infrastructure projects. The basic legal and regulatory framework for the transport of hydrogen and the conversion of existing natural gas pipelines is however still missing. According to the EU Commission's work program, corresponding legal proposals regarding the ownership of hydrogen infrastructure are not planned until the fourth quarter of 2021. The revision of the TEN-E regulation should therefore be supplemented by a legal clarification which defines the role of the gas TSOs and their networks in setting up the European hydrogen infrastructure and that offers legal certainty for the conversion of pipeline systems to hydrogen. Addressing this issue only in the context of the revision of the third energy package at the end of 2021 would lead to unnecessary delays.
- the draft revision foresees hydrogen projects in the context of the TYNDP 2024 and onwards. In recital 24, the EU Commission explains that for hydrogen projects consideration within the framework of the TYNDP should only apply as a prerequisite for PCI status as of 2024. For the sixth PCI list, which is expected to be adopted in November 2023, hydrogen projects can therefore apparently be included without consideration and evaluation within the TYNDP. The TSOs welcome this, but it remains completely unclear which evaluation criteria will apply to hydrogen projects under the sixth PCI list and whether funding via the Connecting Europe Facility would be possible under these conditions. This ambiguity should be corrected. We would also like to point out that blending of natural gas and hydrogen can also make a substantial contribution to decarbonization.
- The newly introduced "offshore wind" infrastructure category only takes into account the connection of the wind farms via the power grid. This restriction neglects the great potential for connecting offshore electrolyzers to the hydrogen network via hydrogen lines. This pipeline-based solution would have the benefit to store the volatile offshore-wind production of hydrogen as well as to connect other wind parks with offshore electrolysis to these hydrogen pipelines.
- In our opinion, the proposed changes to the responsibilities for European network planning (Framework Guidelines for the scenarios and approval requirement for the CBA) lead to a complication of the overall process and increase the risk of delays in planning the European hydrogen infrastructure.
- In our view the definition in Article 2 (9) of the infrastructure category "Smart Gas Grids" provided for in the draft revision falls short as it only includes innovative digital adaptations. In contrast to this, the definition in Annex 2 includes significantly more measures in this category, namely including technical adjustments to control systems and sensors. The definition in the regulation should be expanded accordingly.

Lastly, we would like to highlight that financial support mechanisms such as those provided within the CEF framework can only be one part in financing and facilitating hydrogen infrastructure projects. Due to the long depreciation periods of up to 55 years, political support measures alone are no sufficiently sustainable and predictable basis for building the needed hydrogen infrastructure. What is more important, however, is a basic and reliable legal regulation for the financing of the necessary infrastructure investments that ensures cost-recovery within a regulated framework.