#### **Consultation Process in View of the Revision of the TEN-E Guidelines**

Contribution made by VERBUND-Austrian Power Grid (APG)

#### 1.) Support Measures:

#### a) concerning administrative support (e.g. authorisation)

In Austria environmental opposition and lengthy authorization procedures are the main hindrance to the grid developments required to guarantee an adequate security of supply and allow for the necessary integration of renewable energies, mainly wind power. So any support given by the European Institutions to speed up the authorization process would be of utmost assistance.

## b) concerning financial support (is the volume of Community support in line with economic viability and fair competition?)

We think priority should be given to establishing first a well-functioning European Internal Electricity market and investments in e.g. the Mediterranean Ring (amounting to 1000 Mio € i.e. 1/5<sup>th</sup> of the total investment volume for the rest of Continental Europe including the Baltic Ring, Balkans and UK/Ir) should be given less priority.

# c) concerning the scope of the Trans European Energy networks (gas and electricity transmission projects including the connection of wind energy, oil pipelines)?

Concerning the scope in general, we think that the extent of strengthening the interconnectors between the individual member states should correlate to the reenforcement of the intra-state infrastructure.

Support to the development of separate, independent data exchange infrastructure (electronic highway) should also not be neglected.

#### 2.) Triggering Investments:

How can investments from industry, companies and TSO's for needed improvements in the energy transmission system, in particular for cross-border interconnections, be triggered effectively?

TSO's should receive proper incentives for their endeavours in improving their infrastructure which should reflect their extra efforts and expenditure.

In addition, a European-wide compensation mechanisms for Congestion Management – similar to the CBT mechanisms – should be established in order that costs arising from the avoidance of congestions should be properly remunerated.

#### 3.) Priority projects:

Are the priority projects in the DOC-3 the adequate projects to have priority for Community funding?

We think that the projects should be reflective of the actual consumption/load patterns and be grouped according to the respective degrees of market liberalisation and prospective load flow patterns. By strengthening the priority axes support should be given to already existing intra-state bottlenecks. Increased trade activities along the North-South axis without timely improvement of the missing intra-state transmission links in Austria might result in splitting up the national market into national sub-markets with the resulting consequences on the European market..

#### 4.) Oil pipelines:

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### 5.) Results of lack of appropriate energy supply:

What is the extend of economic damages that result from unexpected breakdowns in energy supply (e.g. electricity breakdowns, rolling blackouts etc)?

Following the black-out in the USA a renown Austrian expert, Prof. Brauner of the Technical University of Vienna, calculated the cost for each not delivered kWh with an average of  $\in 8$  with peak values of  $\in 20$  in the field of transportation, followed by  $\in 10$  in the fields of industry and services and  $\in 4$  in agriculture and forestry. Households rank lowest with  $\in 3$ .

Is there a quantitative relation between lack of energy infrastructure and economic losses?

See above

#### **6.) Indicators:**

What could be appropriate indicators for qualitative and quantitative modeling the link between the standard of energy infrastructure and economic performance in terms of GDP, employment, productivity, quality of jobs and environmental impacts?

General economic indicators may result from the general levelling of electricity prices all over the European market.

**European Commission** 

Directorate-General for Energy and Transport

TEN-E Revision Office: DM 24 7/16

Contact person: Martine Genoux-Stawiarski, Tel.: 0032-2-295.48.63

B - 1049 Brussels

Belgium

Reactions can also be sent by e-mail to: tren-ten-energie-revision@cec.eu.int

Support Measures: