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TEN E Revision
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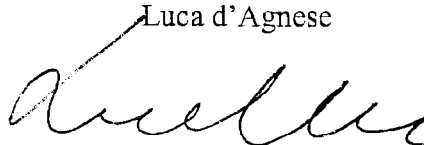
Object: GRTN Position related to the TEN – E Revision.

GRTN welcomes the opportunity to respond to the Internet based consultation in view of the Revision of the TEN- E Guidelines launched by the EU Commission on the 25th of July. Our specific opinions are set out in the attached paper.

We remain at Your disposal to discuss any aspect of our response.

Yours sincerely

Luca d'Agnese



Annex:

GRTN Response to the Internet based consultation on

<http://www.europa.eu.int/comm/energy/ten-e/en/index.html>



Internet Based Consultation

GRTN Position in view of the Revision of TEN – E Guidelines (25/07/2003)

Introduction

This Document sets out the opinion of GRTN to the Internet based Consultation raised on the 25th of July 2003 by the EU Commission in view of the "Revision of the Trans European Energy Network" in the Enlarged European Union.

GRTN expresses its comments in its role of Italian Independent Transmission System Operator, as established by the Legislative Act n.79/99, in charge of the Operation, Maintenance and Development of the High and Extra High voltage Electricity Transmission Grid in Italy.

According to the Italian National Law in force, GRTN is in charge of the Preparation of the Three Year Electricity Grid Development Plan aimed at:

- overcoming the bottlenecks among the different areas of the country also through the development of those projects considered "Strategic" at National Level;
- increasing the interconnection capacity with foreign countries also through new interconnection projects;
- enabling Third party access to the transmission grid.

The projects included in the last TEN revision, entered into force on July 2003, are also envisaged as priority projects at national level and included into the three year development plan.

GRTN is not the only Entity responsible for executing each work included into the Plan.

For this reason, and also considering the splitting of responsibilities between GRTN and the Owners of network assets, the following input are intended as main comments on the issues raised on TEN in order to increase the effectiveness of TEN Programme and EU Guidelines for the efficient construction of Trans European Energy Network projects at national level.

According to GRTN, TEN E Programme is an important instrument for the reinforcement of the Internal electricity market and for strengthening the security of the electricity system.



From a general point of view, GRTN believes there are some problems that affects the full implementation of the TEN Programme and the effective realisation of the TEN -Financed Projects:

- the first aspect is related to the lack of any real link between the TEN guidelines and the effective procedures for the implementation and the realisation of the projects;
- the second is related to the inadequacy of the financial resources budgeted for TEN Programme; this aspect is going to become more and more critical in the forthcoming perspective of including within the Programme the projects presented by the New Admission Countries.

While for the second issue it seems difficult to envisage in the short term a significant increase of the EU funding allocated to the TEN Programme, as far as the first point, we believe that the TEN Programme and the relevant Guidelines, could be very helpful for the Member States and the TSOs, in order to implement effective national harmonised procedures aiming at fostering the development of the new infrastructures.

Concerning the specific questions included within the questionnaire GRTN has listed some general comments as follow:

Questions:

1.) Support Measures:

Given the long time-scale needed for the completion of new energy network infrastructure (in several cases 10 years or longer) and given the substantial costs of the projects of European interest (40 billion Euro in total), which supportive measures do you expect from Member States and the European Union,

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

The success of the EU Guidelines for the development of Trans European Energy Network could be evaluated through the degree of effective realisation of those projects - particularly cross border interconnections - listed in the TEN Programme.

The fact that in most Member States the construction of transmission lines and cross border interconnections has to face very often the strong opposition of the involved local Authorities makes necessary that the TEN Guidelines will start to support the implementation of TEN Projects not only through the financial tool, but also through adequate policies capable "to speed up" their realisation and construction.

In that respect, the authorization procedure for the realization of new infrastructures usually requires a long time.

Authorization process should be improved by encouraging the cooperation between local authorities and the concerned National Grid Operator but also through "simplified and accelerated" procedure which, when applied to TEN Projects (in particular cross border interconnections), could lead to overcome the public objections to the construction and realisation of new projects. An harmonisation of these procedures among Member Countries will then be useful also in terms of fair market conditions.

To this aim, it could be significant and in line with the scope of the TEN Energy Programme to establish some EU policy guidelines which guarantee that, when a project has got the TEN financial support, it is submitted to a simplified authorisation procedure in the Countries interested by the new project.

Furthermore a preliminary assessment on the social and political acceptability managed by the EU Commission could be very helpful to recognise the public interest of the project.

By this way TEN Programme and the relevant Guidelines could support not only the financial perspective of the Priority Projects, but also:

- become an appropriate input for the effective implementation and construction to all the concerned parties.
- reduce the negative influence of mass media and other social organisations on the authorisation process.

A further initiative by the Commission could be to foster the Member states to support the authorization process for TEN Projects through other EU policies as, for instance, for those aimed at targeting financial aid to the national depressed areas.

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

Given the growing gap existing between the cost of infrastructure projects and the EU resources available, the TEN budget would have to be increased in particular considering the increasing number of projects considered as "Key projects".

The inadequacy of the financial resources dedicated at EU level to Tran European energy Network should be hardly addressed.

In fact if one of the scope of TEN E budget is to act as a catalyst to attract other sources of funding (loans in particular) for starting up new projects by demonstrating their technical feasibility and economic and financial viability, this catalyst effect could rarely work if the EU financial support is so limited.

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

Trans European energy network should cover mainly the projects capable to strengthen the security of supply and the single energy market development whatever the source of generation is.

It is worthwhile to underline, anyhow, that in order to evaluate the adequate financial support for allowing RES integration into the European transmission network, it should be taken into account that the usual significant fluctuations in RES production have a direct influence both on the planned development of the electric infrastructure and on its operation and brings to increase the costs for the system as a whole.

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?

The first action to be undertaken in this field is to boost the full exploitation of all Community Support schemes for the implementation of TEN E priority projects including EIB and structural funds: to this aim, it could be useful to set up a more simplified procedure to make these financing sources available and effective for investments .

The major involvement of European Investment Bank on TEN energy Projects not only through loans at advantageous rates but also through direct grants (at least for the feasibility studies stage) should be guaranteed.

Furthermore, in order to increase the EIB involvement to the construction phase, it would be necessary to make the long term EIB standard procedure for the assessment of the viability of TEN E projects easier and faster.

In addition every consideration on other viable options for triggering new investments on energy transmission system, in particular on new interconnections, should be analysed taking into account that the security of the system is a prerequisite and that

any financing scheme alternative to public funds and TSOs budget shall foresee the supervision of TSOs.

3.) Priority projects:

Are the priority projects in the DOC-3 - "Priority Axes and TEN projects" the adequate projects to have priority for Community funding?

The revised priority axes for electricity networks, as annexed to the last revision of the EU Guidelines entered into force on July 2003, are, when relevant to Italy, totally in line with the priority axes defined at a national level by GRTN in its "Three-yearly Development Plan" and approved by competent National Authorities.

4.) Oil Pipelines

(not relevant for GRTN)

5.) Results of lack of appropriate energy supply:

(no data available)

6.) Indicators

(not relevant for GRTN)