

## FAQs

### FREQUENTLY ASKED QUESTIONS ABOUT THE 5<sup>TH</sup> PCI LIST

[Alianza Energía y Territorio \(ALIENTE\)](#) [in English Energy and Territory Alliance] consists of more than 200 collectives and citizen platforms from all over Spain that advocate for a fair and sustainable transition to renewable energy sources that is mindful of biodiversity and coherent with the biogeophysical boundaries of the planet. Specifically, we want to report and condemn the massive and unplanned deployment of large-scale renewable energy production plants taking place in Spain and other peripheral states of the European Union. Such a deployment has caused what could be an opportunity for socioeconomic development to become the source of unacceptable impacts on biodiversity, landscapes and territories.

Specifically, we would like to point out the multiplier effect that electricity interconnection projects, designated by the European Commission as "**Projects of Common Interest**" (PCI), add to this problem. Through these, they link two elements of the electricity system and make them depend on each other: large-scale generation and high-voltage interstate transmission; in such a manner that they feed each other in an unlimited way.

In the current context and taking advantage of the fact that the week of March 7 will take place in the European Parliament the vote on a motion to reject the 5<sup>th</sup> PCI list, we request you, as a Member of the European Parliament, to vote in favor of said motion, so that such harmful interconnection projects can be rejected.

To that aim, we present the following document of **Frequently Asked Questions (FAQs)** that compiles our arguments to vote in favor of such motion to reject the list, the implications that rejection could have and the ways in which the European Parliament can take measures to solve this issue.

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## 1. What is the list of the PCI?

The list of Projects of Common Interest, often designated as the “PCI list”, is a **priority list of key trans-European energy infrastructure projects**. In November, the European Commission published the last update of the list of the Union, the 5<sup>th</sup> PCI list. Rules for including and categorizing projects in the list are established by the [Regulation \(EU\) No 347/2013](#) on guidelines for trans-European energy infrastructure (the Trans-European Networks for Energy, abbreviated TEN-E). In December 2021, a [political agreement](#) was reached to revise the TEN-E rules and this agreement will be put to the vote the week of the 21<sup>st</sup> of March, 2022.

The PCI list grants a key priority status to projects considered of “common interest”. Therefore, **projects in the list of the PCI can benefit from a streamlined environmental assessment, an accelerated permit granting process and even significant financial funding by the EU.**

The Commission proposes the PCI list, which is updated every two years as a delegated act. That list includes a series of cross-border gas, electricity and smart grid projects. The objectives of these projects are to reduce energy costs, secure energy supply to the European Union and contribute to the decarbonization of the economy.

Even though there is little room for opposing such aims, in the case of the cross-border electricity interconnection projects, the criterion for setting their targets is completely arbitrary. Instead of undertaking a detailed analysis of the capabilities and energy needs of each country, the interconnection capacity is established by linking it to their installed production capacity. This link materializes in the particularly arbitrary 10% target.

## 2. What is the 10% target for electricity interconnections?

The 10% target is the criterion that establishes that the electricity interconnection capacity between two Member States must be, at least, 10% of the installed electricity production capacity of the Member State with the largest installed production capacity.

The use of this criterion as a means of setting interconnection targets reveals the absence of an analysis of the limitations and peculiarities of the Member States' energy production systems, as well as of an assessment of their energy production capacity and energy consumption needs. Instead, a single criterion is established that ignores the general distinctive characteristics of each Member State. These ignored distinguishing features include, among others, the orographic constraints at the borders of the Member States, the historical reasons for the current levels of electricity interconnection and the current energy mix of the Member States.

Added to that, the establishment of the 10% target means that the reasons that motivated production overcapacity are now used as a justification to increase the electricity interconnection levels between Member States. To further illustrate this point, we will consider the case of the electricity interconnection between Spain and France, which evidences the lack of sense of this criterion. Due to the orography of the border between the two countries (the presence of the Pyrenees range of mountains), historically there has been limited development in their electricity

interconnection. The fact that Spain and Portugal are part of a peninsula has led to a high level of electricity production capacity in comparison to their electricity demand. Thus, TEN-E, far from taking this fact as a result of the orographic barrier that the Pyrenean border represents, instead uses the existing electricity production overcapacity to justify the need to increase the interconnection and favours the development of electricity interconnection lines on mass; in spite of there being objective reasons for refraining from such a development.

Furthermore, it is necessary to take into account that an increase in electricity interconnection capacity allows for an increase in the production capacity of the Member State. Following the 10% target criterion, this in turn justifies yet another increase in electricity interconnection capacity. And considering both effects, it is clear that establishing electricity interconnection based on a constant percentage of installed electricity production capacity lacks all objective logic of efficiency and is impossible to justify from a technical point of view.

The revision of the TEN-E not only does not reconsider using this criterion for setting electricity interconnection targets between Member States but also strengthens it, elevating it to the 15% of the electricity production capacity of each Member State.

### 3. What does more electricity interconnection capacity imply?

As you may recall, supposedly, the objectives of the electricity interconnection projects are reducing energy costs, ensuring energy supply for the Union and contributing to the decarbonization of the economy. Nevertheless, it is crucial to examine all the impacts associated to a limitless capacity increase in the setting of an energy transition towards energy production from renewable sources.

It should be noted that larger electricity interconnection capacity implies larger capacity for energy evacuation and, consequently, allows for a larger renewable energy production capacity. If we apply the 10% target criterion, this capacity increase demands, in turn, an increase in the cross-border interconnection capacity and so on (see previous question). In order to properly analyze the effects of this feedback between electricity interconnection and renewable energy production capacity, it is necessary to look into the actual form of implementation of the transition to renewable energy sources. In the case of Spain, this implementation is taking shape in the form of renewable energy megaprojects. Specifically, this centralized energy transition is based on tens of thousands of hectares of land that are being allocated to photovoltaic solar power production, clusters of more than 200 meters-height wind turbines and the multiplication of high-voltage evacuation and transmission lines.

This flood of megaprojects, which has turned into a true avalanche since 2020, with the justification of responding to the objectives stated at the beginning of this question, directly undermines other fundamental objectives of the European Union. It infringes, among others, the Union's environmental protection objectives and is in direct opposition to the [Programme for the Environment and Climate Action \(LIFE\)](#) of the European Parliament and the Council of the European Union. Recently, 23 experts raised the alarm in [a letter published in the prestigious journal Science](#) pointing out the irreversible damage that an energy transition based in megaprojects will cause to biodiversity.

As if the above mentioned wasn't enough cause for concern, this avalanche of large scale megaprojects that, as stated above, requires occupying thousands of hectares of land, directly contravenes the three axis of the EU's rural development policy. In theory, this policy has the three long-term objectives of "a) fostering the competitiveness of agriculture and forestry; b) ensuring the sustainable management of natural resources and climate action, and c) achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment."

In the case of Spain, where megaprojects are being developed with a total lack of planning and left on the hands of large companies, it is noteworthy, precisely, that the most disadvantaged and depopulated rural territories are being unceremoniously sacrificed for the sake of the implementation of these megaprojects. This translates into the occupation of vast amounts of agricultural land as well as into dramatic impacts of the wind farms and the big electricity transmission lines on the landscape that seriously question the principles of the EU's rural development policy. In fact, this implementation will destroy the possibilities of sustainable development of numerous territories whose economic resources come, precisely, from agriculture and nature tourism.

It should be noted that the TEN-E, as well as the current revision, does not contain any tools neither for analyzing all these aggregate impacts nor for analyzing the synergistic and cumulative effects induced by electricity interconnection projects. Such tools are essential to ensure that the fulfilment of one objective does not conflict with the fulfilment of others.

#### 4. Is the 5<sup>th</sup> PCI list in line with EU law?

As stated above, under the current criterion for the need to develop electricity interconnections trying to ensure compliance with the objectives of the TEN-E, a series of mandatory directives and recommendations from the European Union are being contravened; among others, the following:

- Charter of Fundamental Rights of the European Union. Specifically, it infringes upon Article 20 ('Equality before the law'), Article 35 ('Health care'), Article 36 ('Access to services of general economic interest'), Article 37 ('Environmental protection') and Article 41 ('Right to good administration').
- Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment.
- Opinion No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on the General Union Environment Action Programme to 2020 'Living well, within the limits of our planet' and Resolution of the Regional Committee of Regions — The contribution of the European Committee of the Regions to the European Commission's 2017 work programme, which can be considered together the documents *Territorial Impact Assessment Cohesion as a value: the effects of EU decarbonization initiatives on the cohesion spirit of the EU*, *Territorial Impact Assessment Trans-European transport network (TEN-T)* and *Territorial Impact Assessment on Biodiversity*.

- European Parliament legislative resolution of 17 April 2019 on the proposal for a regulation of the European Parliament and of the Council establishing a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EU) No 1293/2013 (COM(2018)0385 — C8-0249/2018 — 2018/0209(COD)).
- Opinion of the European Committee of Regions — EU strategy for Rural Revival of 10 December 2020.
- Commission Recommendation (EU) 2021/1749 of 28 September 2021 on ‘Energy Efficiency First’: from principles to practice — Guidelines and examples for its implementation in decision-making in the energy sector and beyond.

## 5. Is the 5<sup>th</sup> PCI list transparent?

No. PCI lists are presented and adopted by the European Commission following a process that is not completely transparent. While stakeholders and the public are invited to participate in the process to define the needs and the project selection methodology, there is no independent supervision that governs how and to what extent criteria are applied that guarantee compliance with the initial objectives and the necessary citizen participation.

In its [Opinion 09/2021](#), the Agency for the Cooperation of Energy Regulators (ACER) criticized the severe lack of transparency in the composition of the PCI list of October 2021. ACER also found that the results of the PCI assessment cannot be replicated on the grounds of confidentiality of some of the used data. Apart from being a serious flaw, in this context the lack of transparency raises serious doubts about the suitability of this procedure for TEN-E purposes.

PCI are selected in accordance with analysis carried out by the [European Network of Transmission System Operators for Electricity](#) (ENTSO-E) every two years in its [Ten-Year Network Development Plan](#) or TYNDP. It must be highlighted that this report exhibits some important weaknesses. For example, although it estimates the reduction in emissions induced by interconnection projects by enabling the export of renewable energy, it does not take into account the environmental impacts from the concentration of large scale renewable energy production infrastructure in certain Member States. Such argumentative ‘cherry picking’ is inexcusable in a plan that is intended as an in-depth analysis of the cost-benefit ratio of the different electricity interconnection projects. As if that were not enough, it is worth noting that the TYNDP assessment makes no consideration of the CO<sub>2</sub> emissions and short term environmental impacts associated with the development and decommissioning (extraction of materials, construction, transportation, etc.) of either the interconnection lines themselves or the induced renewable projects, a particularly critical aspect in the transition to renewable energy sources.

ACER has also repeatedly criticized the participation of the big industry in the PCI selection process. The important role of ENTSO-E in the PCI process, represents a serious conflict of interest, where ENTSO-E, whose business model is based on the construction and operation of a very specific model of electric transmission, high-voltage, is the one proposing development plans for the future electricity grid. In addition to being a conflict of interest, this approach is detrimental to a distributed model that brings renewable production closer to consumption centres. On the contrary, the construction of a high-voltage interstate grid serves to *de facto* designate those areas with the greatest renewable potential as environmental and social sacrifice zones.

## 6. Is this energy transition fair?

The energy transition constitutes an opportunity to take advantage of the virtues of renewable energy sources. In particular, their modular nature enables small-scale development; which means generation centres could be close to consumption centres. This development of small-scale renewable energy sources allows opening the participation to many agents, from large companies, SMEs, to the citizens themselves, who for the first time can be producers of their own energy.

In order to maximize the integration of renewables in urban areas in the development mentioned above, an important investment in low-voltage networks would be required. However, with the development of the PCI, the TEN-E is virtually hijacking a part of the European budget for the development of high and very high-voltage transmission lines only. Building a model based in high-voltage transmission lines strengthens a very particular model of energy transition, based in large scale renewable projects, and because such a model requires huge amounts of capital, it leaves out both the SMEs and the common citizens. Investing in electricity interconnection projects represents, therefore, a cost of opportunity for the implementation of a fair energy transition. To evaluate the fairness of this energy transition, it is necessary to look into the way in which the costs, benefits and impacts are distributed.

To this end, it is necessary to take into account that the costs of PCI electricity interconnections are covered by the electricity consumers of the States that host the infrastructure. Specifically, the cost of these projects is added to the fix term of the electricity bill, which, in absence of any other benefit, represents a cost overrun for electricity consumers. Moreover, the Transport System Operators (TSO) that promote these projects, become eligible for additional public funds through the [Connecting Europe Facility](#) mechanism (CEF), which is ultimately supported by all the Member States.

These infrastructures allow for the expansion of the electricity market and for the operation of those electricity sources presenting lower costs. This has the potential to reduce electricity costs in the Union, but at the expense of increasing the cost of electricity in those states that export electricity. In the case of Spain, the renewable energy produced through the current avalanche of renewable energy production megaprojects will be exported to other European countries, resulting into an increase of the electricity cost for Spanish consumers, as a result of an increasing demand in a marginal market as the European market.

Finally, regarding the dramatic impacts on biodiversity, the landscape and the inhabitants of rural areas, it must be highlighted that these solely affect those territories that host both the electricity interconnection projects and the mega-projects for the production of renewables and the ancillary high-voltage transmission lines necessary for the evacuation of the energy produced.

All of the arguments above confirm that the energy transition that the TEN-E imposes through the 5<sup>th</sup> PCI list is grossly unfair.

## 7. Is this a sustainable energy transition?

In the current climate emergency scenario, the reduction of CO<sub>2</sub> emissions is an aim we can't surrender, like the Union clearly states in its [2030 Climate and Energy Framework](#). Nevertheless, this aim is not, and can never be, the only one. In fact, the Union itself acknowledges the role that biodiversity plays in the fight against climate change in its [Biodiversity strategy for 2030](#), that includes LIFE, the iconic EU programme in defence of nature and biodiversity.

Given this framework, it seems unacceptable to facilitate an energy transition that, as a Spanish research team reported in [a letter to the prestigious journal Science](#), will cause substantial damage to biodiversity of the regions with the highest environmental value in the European Union. In particular, the enormous impact that such a model of energy transition would have on migratory birds, steppe birds and bats, as well as the destruction of the ecosystem caused by the land grabbing that the development of photovoltaic parks with an extension counted in thousands of hectares would entail, should be highlighted.

Furthermore, as we previously pointed out, the development of renewable energy production megaprojects represent an opportunity cost for the promotion of a sustainable energy transition with energy saving and energy efficiency as its guiding principles, like it is mandated in the Clean Energy for all Europeans Package (also known as CEP or 'Winter Package') and in the Commission Recommendation (EU) 2021/1749 of 28 September 2021 on 'Energy Efficiency First'. Likewise, a model based on large scale centralized renewable energy production infrastructures and high-voltage transmission, hijacks substantial sums of money that is not invested in improving low-voltage networks that prioritizes a self-consumption development. For all these reasons, the energy transition imposed by TEN-E through the 5<sup>th</sup> PCI list is blatantly unsustainable.

## 8. What will happen if the 5<sup>th</sup> PCI list is rejected?

It is not the first time that a PCI list is brought to be voted in the European Parliament. The two previous lists, the ones from 2017 and 2019, faced opposition from some Members of the European Parliament, which took the form of a motion against the delegated act that established them. However, up till now, these motions have never been supported by a majority in the European Parliament.

Were the majority reached, there would be some degree of uncertainty, since there is no stipulation in the rules that regulate the TEN-E currently in force that specifies what happens if the delegated act is rejected. This uncertainty implies that the details of the motion would be significant and carry a special weight because, ultimately, the 5<sup>th</sup> PCI list cannot be adopted without a majoritarian support in the European Parliament and the Council of Europe.

It is likely that if the European Parliament opposes the 5<sup>th</sup> PCI list, the 4<sup>th</sup> PCI list continues being in force, although not for the whole duration of the two years cycle. This year's motion approval will imply to ask the European Commission a proposal, by latest June 2022, of a new PCI list that is in line with the EU law and its commitments to the climate.

It must be taken into account that the week of the 21<sup>st</sup> of March of 2022 the proposal for the update of the TEN-E will be voted in the European Parliament. Therefore, the voting on the 5<sup>th</sup> PCI list should be understood as a preamble to this other voting. For this reason, it is important that Members of the European Parliament show rejection towards this model of energy transition promoted through those lists.

Consequently, it must be taken into account that, even if it can serve as a first step, rejecting the 5<sup>th</sup> PCI list is not the same as opposing an energy transition model based on renewable energy megaprojects. That rejection simply means that the European Parliament does not support the expansion of the high-tension electricity network that implies an even greater development of large-scale renewable energy production infrastructures.

## **9. What are the chances of the 5<sup>th</sup> PCI list being rejected? What will happen if the list is not rejected but encounters significant opposition?**

Rejecting the PCI list requires a veto by the European Parliament or the Council of Europe. It is more likely that such a veto comes from the European Parliament because in January some Members of the European Parliament already presented a motion against the 5<sup>th</sup> PCI list. A successful motion would require that most of the Members of the European Parliament rejected the list in plenary.

Previously, the rejection to the 4<sup>th</sup> PCI list obtained the support of 169 Members of the European Parliament and 36 abstentions. Therefore, to reject the 5<sup>th</sup> list of the PCI in favour of sustainable and fair energy transition, we would need a support that goes beyond that. We need that all and each Member of the European Parliament take action to support a transition to the use of renewable sources of energy that respects biodiversity, the landscape and the territories.

Even if the amount of support towards this rejection proves insufficient, a substantial support towards it would send the European Commission and the European citizens a decisive message: that the European Parliament supports an energy transition model that respects biodiversity and rural life. Likewise, a rejection of the 5<sup>th</sup> list of the PCI would highlight the need to modify the current revision of the TEN-E so as to determine the electricity interconnection needs between State Members in a more rational manner.

**For all the reasons stated above, and with the aim of rejecting these harmful electricity interconnection projects and thus limiting the dramatic impacts on biodiversity, the landscape and the territory caused by the irrational and unsustainable development of renewable energy production megaprojects; we ask you, in your condition of Member of the European Parliament, the vote in favour of the motion against the 5<sup>th</sup> PCI list.**