

Executive summary

Adequate, integrated and reliable energy networks are a crucial prerequisite for EU energy policy goals and for the EU's economic strategy. The European Commission has therefore, in its Communication "Energy infrastructure priorities for 2020 and beyond - A Blueprint for an integrated European energy network" put forward a strategy for a new European energy infrastructure policy. In autumn 2011, the Commission will table a legislative proposal, identifying the tools necessary for the implementation of this policy. As widely acknowledged, one of the main obstacles impeding and delaying energy infrastructure development are long and non-transparent permit granting processes, along with a lack of public acceptance. Therefore, the Commission has been assessing possible solutions to ensure effective and time-efficient planning and coordination, good administrative practice as well as a more transparent and inclusive decision-making and communication approach.

In this context, as part of the process of preparing the legislative proposal, a public consultation was launched, which was open from 1 March - 30 April 2011.¹ 81 replies were received – 13 from Member States, 57 from the industry and related organisations, 1 academic contribution and 10 from civil society, namely citizens and NGOs. Contributions from the industry were provided by system operators (transmission as well as distribution), producers, the renewable industry and chambers of commerce as well as other industry associations. This report summarises the contributions received.

Public consultation questions and summary of replies:

Question 1 Measures to facilitate the administrative procedures: "one-stop shop", time limits, and rewards and incentives:

The introduction of binding time limits and a "one-stop-shop" (of some form) were welcomed by an overwhelming majority of respondents (60 % and 79 % respectively²). Issues raised were national competence, the degree of decision-making power of the competent authority and the avoidance of additional administrative structures. 30% of respondents supported the provision of rewards and incentives to facilitate project development while 20 % opposed this measure.

Question 2 Guidelines to increase the transparency and predictability of the permit granting process:

Guidelines were mostly considered useful. The three issues that were raised most often were a better communication strategy for the economic and social benefits of infrastructure projects, the full and early provision of environmental information and thus an earlier involvement of the public in infrastructure planning (e.g. providing and explaining grid expansion plans). Member States stressed that especially in communicating with the public the subsidiary principle has to be respected.

Question 3 Improving public acceptance of infrastructure projects:

Overall responses indicated that the main responsibility for communication should be with the project developer, but that local, regional, national and European authorities should facilitate

¹ http://ec.europa.eu/energy/infrastructure/consultations/20110430_infrastructure_projects_en.htm

² with approximately 20 % not expressing a clear preference

these measures (depending on the project) and provide political support. An early discussion of possible environmental and health risks, a better communication of the purpose of infrastructure projects by the TSOs and the inclusion of more stakeholders in the planning process were considered suitable measures by several respondents.

Question 4 Compensation mechanisms to facilitate infrastructure projects:

Roughly half of the respondents were opposed to the harmonisation of standards for compensation mechanisms across the EU and believed that the competence here should remain within the Member States. Other respondents, mainly from the industry, believed that some form of standardisation can be helpful, especially with respect to cross-border projects.

Question 5 Experience with national best practices:

Several best practices were reported that were successfully addressing different issues, e.g. longer pre-application procedures, a central coordination body within the ministry, a national grid development plan or non-monetary compensation measures for affected communities.

Detailed summary

Adequate, integrated and reliable energy networks are a crucial prerequisite for EU energy policy goals and for the EU's economic strategy. The European Commission has therefore, in its Communication "Energy infrastructure priorities for 2020 and beyond - A Blueprint for an integrated European energy network" put forward a strategy for a new European energy infrastructure policy. In autumn 2011, the Commission will table a legislative proposal which will put forward the tools necessary for the implementation of this policy.

A long and uncertain permit granting process was indicated by many major stakeholders as one of the main reasons for delay of infrastructure projects. The time between the start of planning and final commissioning of a power line is frequently more than ten years, assumingly preventing up to 50% of commercially viable projects from being realised by 2020. Reasons are manifold: Non-transparent permit granting procedures, coupled with lack of political support as well as the opposition of affected citizens. Cross-border projects face additional opposition, as they are frequently perceived as mere "transit lines" without local benefits.

The Commission is therefore assessing how to improve the administrative procedures existing in the Member States, to ensure an efficient upfront planning of the permits, time-efficient coordination and good administrative practice. The permit granting process should also be made more transparent for all stakeholders and the general public, and communication with the affected population needs to be improved.

In this context, as part of the process of preparing the legislative proposal, a public consultation was launched, which was open from 1 March - 30 April 2011.³ The public consultation was based on a questionnaire of five open questions addressing the following issues:

1. measures to improve **administrative procedures** ("one-stop shop", time limits, rewards and incentives)
2. introduction of guidelines to increase **transparency and predictability**
3. improving **communication with citizens** to ensure higher public acceptance
4. requirements for **compensation mechanisms** at individual and community level
5. existing **best-practices** at national level to facilitate the permit granting process

81 replies were received –**13** from **Member States**, **57** from the **industry and related organisations**, **1 academic contribution** and **10** from **civil society**, namely **citizens and NGOs**. Contributions from the industry were provided by system operators (transmission as well as distribution), producers, the renewable industry and chambers of commerce as well as other industry associations. The individual contributions have been published on the public consultation's webpage.⁴

The broad spectrum of respondents offers an insight into a large range of stakeholder opinions.

Question 1: *As explained above [see consultation document], a complex and non-transparent procedural framework as well as poor administrative practice are*

³ http://ec.europa.eu/energy/infrastructure/consultations/20110430_infrastructure_projects_en.htm

⁴ http://ec.europa.eu/energy/infrastructure/consultations/20110430_infrastructure_projects_en.htm

major reasons for delays. There are different options which could help to facilitate administrative procedures. These include, as outlined in the Communication "Energy infrastructure priorities for 2020 and beyond - A Blueprint for an integrated European energy network", the establishment of a national contact and coordination body ("one-stop shop") per cross-border project, the introduction of a time limit, and the provision of rewards and incentives to regions or Member States which facilitate the permit granting process. Would you consider these measures as useful? If so, under which conditions? Are there any additional measures you would propose to facilitate the administrative procedures?

The proposed measures were generally welcomed as an attempt to tackle the existing problems and delays in administrative procedures. Whilst agreeing with certain suggested provisions, different stakeholders pointed out that such facilitation was necessary not only at European level but at national level as well. Projects of Common Interest should similarly enjoy the same political support in the Member States as national priorities.

"One-stop-shop"

The idea of a central contact and coordination body for the permit granting procedures received overwhelming support (79 % of respondents supported the measure while only 2 respondents (~ 2.5%) opposed it). The advantages of a single entry point for permit applications were pointed out across all different stakeholders. This would limit the number of required permissions significantly and enable a coordinated publication of environmental and other information. The communication with the public would become smoother, which can benefit the acceptance of infrastructure projects among the population.

It was pointed out that projects at national level should clearly remain national competence and in this context half of the Member States opposed a standardisation of procedures as different approaches already exist in a number of countries. EU-coordination for cross-border projects exclusively received support.

Another question that was often addressed was the competence of the proposed "one-stop-shops". Here the preferences were almost equally split between a pure coordination centre and a body with significant decision-making power with industry responses slightly favouring more centralised decision-making power. Many proponents made clear though that either measure should not create additional administrative structures.

Time limits

Time limits were supported by a majority of respondents, with 60 % being in favour and 10 % opposing the idea. Particularly NGOs warned of the risks of introducing inappropriate time limits. Several supporters of time limits suggested maximum limits for each individual step of the application procedure or at least benchmarks to make the process more transparent.

A central issue that was also raised were the consequences if a deadline was not met by the authorities. Automatic acceptances could decrease public acceptance significantly, while automatic rejections shift the consequences back to the project developer. Other examples have a higher decision-making authority reviewing the files in case of a bureaucratic delay.

Some critics state that simply introducing time limits, though possibly beneficial, will not erase the root causes of slow administrative processing. It has to be ensured that the authorities' staff capacities are sufficient to guarantee smooth permit granting process.

Arguing along those lines, many of the opposing respondents called for appropriate time frames to guarantee a thorough and correct permit granting process and enough time for an adequate consultation process. Some Member States saw general maximum time limits as an obstacle when dealing with more complicated projects (e.g. new technologies). A diligent examination of the environmental impacts was also considered to be beneficial.

Rewards and incentives

Rewards and incentives as a means to encourage smoother administrative processes faced more opposition, particularly from Member States and NGOs. In contrast most industry responses expressed a positive attitude toward the measure.

The reasons for opposition stemmed mainly from 3 reasons:

- Stakeholders see a problem in defining objective criteria to assess the permitting agency's work. In this light rewards and incentives might be perceived as buying consent and be detrimental to public acceptance.
- The introduction of rewards and incentives cannot replace a diligent consultation and permit granting process and hence does not contribute to alleviating the root causes of administrative delays.
- Some responses queried the source of funding for this measure.

Instead of financially incentivising smooth processing respondents emphasized that administrative capacities of the authorities involved should be strengthened and best practices and benchmarks should be encouraged.

Additional issues

The already existing European coordinators for cross-border projects were mentioned positively. In this context, maintaining the possibility to resort to coordinators as political support for crucial cross-border connections was suggested by several stakeholders.

A discrepancy was noted between the existing European environmental, urban planning and industrial hazards laws and the objective to develop a European energy infrastructure. Therefore some Member States and individual industry responses called for a joint effort of the different Directorates-General to promote and facilitate the framework for energy infrastructure development. It was pointed out that a better coordination and clear priorities among the different objectives could shorten the permit granting process significantly.

Question 2: *To increase the transparency and predictability of the permit granting process for all parties involved, guidelines targeted at ministries, local and regional authorities, project developers and affected citizens could be developed. Would you consider them useful? Which issues should they address?*

The introduction of guidelines to foster transparency and predictability was considered useful by a clear majority of respondents, especially among Member States and stakeholders from civil society. Several Member States stressed that the subsidiary principle has to be respected, particularly when communicating with the public.

Many respondents emphasised that the wider economic and social benefits of infrastructure projects need to be better communicated. The significance of transmission lines in general and each specific project has to be highlighted in order to increase public acceptance and achieve better compromises. Environmental organisations highlighted that the purpose of the connection (e.g. integration of renewable energy sources) should be communicated to the wider public. The specific benefits of a connection (e.g. decarbonisation, security of supply) could also have favourable or in other cases negative effects on the public opinion.

The full and early provision of environmental and technical information was also considered an important measure to facilitate public acceptance. In this respect a minimum standard of communication – regarding the amount and the timing during the process – was suggested by several stakeholders. This approach enables earlier involvement of the different stakeholders in the process, which was widely favoured by respondents. Reconciling a more transparent process (with possibly more stakeholder involvement) with the need to speed up existing procedures was named as a major challenge for these measures.

To guarantee more transparency regarding network development, the requirement for a national development plan or a network strategy was proposed. Plans similar to ENTSO-E's TYNDP would make further network expansions more predictable and comprehensible. The UK's National Policy Statements (NPS) set a clear strategy for further network development and also explain the evaluation process of applications in more detail. Laying open all steps of the process and the evaluation criteria can foster trust in the permit granting process and thus support in projects.

Procedural reliability was valued as very important for all stakeholders. A clear prescription of responsibilities and tasks for each stakeholder at the different moments of the process was suggested in this respect. For cross-border projects a solid method for cost-allocation was called for, as well as a harmonisation of procedures to enable these projects further.

Question 3: *The lack of public acceptance poses a major hindrance for the implementation of energy infrastructure projects, and the associated achievement of energy and climate policy objectives. What should be done, apart from efforts to increase general transparency, to improve communication with citizens at an early stage of the project and to ensure that the environmental, security of supply, social and economic costs and benefits of a project are correctly understood? Who should be responsible for /involved in this communication?*

Next to a more transparent process (covered in question 2) respondents addressed 3 main areas:

A more proactive information policy regarding energy infrastructure development, particularly from the TSOs' side: A further explanation of their activities and the purpose of

new projects were deemed highly important. The different stakeholders agreed that creating awareness for the necessity of grid expansion is going to be a key factor. The projects have to be better linked to the wider benefits, a sustainable energy future – connecting grid expansion to security of supply, the integration of the internal market and efforts to tackle climate change.

In this regard respondents were in favour of a more integrative planning procedure, also encompassing NGOs, academia and other stakeholders. Some environmental NGOs pointed out that in light of a coherent strategy they were willing to support grid extension measures and their promotion, which could prove crucial for public acceptance. Furthermore it was suggested that independent research institutes could play a role, examining the actual environmental and health risks of power lines and informing the public. Recognising and addressing the population's concerns seriously was also named as a measure to foster trust and a higher acceptance in the long run.

Respondents were very clear that the main responsibility of communication should be with the project developer but many stakeholders also advocated more direct political support for grid expansion to further stress the necessity of the measure. This was particularly mentioned for the European level, but also local and regional support for individual projects was considered helpful and relevant.

Question 4: *Requirements for compensation mechanisms: In your opinion, could minimum or harmonised requirements on compensation of affected populations, targeted at individual or community level, help to increase public acceptance? Which compensation schemes would you deem useful, and who should provide for the compensation?*

Compensation mechanisms were broadly seen as helpful or necessary, if fair and transparent. Industry responses stressed that the additional costs connected to compensation measures were to be included in higher tariffs and hence carried by the consumer. A question that arose is an acceptable method to calculate compensation for intangible negative effects (e.g. visual impediment).

Respondents believed that compensation should be exclusively a national decision and opposed any standardization due to diverging circumstances (e.g. land prices, public involvement, specific projects) in the Member States. This rejection was the clearest among Member States. It was also mentioned several times that compensation measures should remain exceptions and thus dealt with case by case in cooperation with local authorities. Individual industry responses on the other hand were favourable toward some form of minimum standards and guidelines.

Compensation targeted at individuals and communities were seen differently. Individual compensation measures for landowners were perceived as unavoidable in order to have the right to use one's property. If community compensation proved to be beneficial to public acceptance, it was seen as a fair and good approach to reimburse communities for negative impacts. A majority of respondents preferred a case by case approach – with local and regional authorities playing a major role in agreements – and were opposed to any automatism. Concerns of not creating some sort of business were also expressed.

The issue of adequate compensation for environmental impact, though addressed by environmental directives, was raised by several respondents.

Question 5: *Have you encountered any national best-practices which have helped to facilitate the permit granting process? Which measures were taken in view of administrative procedures, transparency and communication with citizens, and how has the public responded?*

A wide array of examples was named, pointing to approaches in different Member States that proved to be successful in alleviating challenges in the administrative procedures, transparency and communication. These examples included national "one-stop-shop" approaches as well as a transparent central planning strategy. They underlined beneficial results of introducing time-limits and other streamlining measures (e.g. a thorough pre-application process). Furthermore they also pointed to successful efforts to better communicate benefits to the public and better integrate their concerns via a transparent public debate. Examples showed that certain measures can improve public acceptance of infrastructure development. These best practices will be studied and taken into account.

Not completely accounting for every measure mentioned, a few of the submitted examples are briefly presented in the following:

- In the Netherlands the RCR ("Programma Rijkscoördinatieregeling") makes the Dutch Ministry of Economic Affairs, Agriculture and Innovation the central coordination body for projects of national interest. Permits are still granted by local and regional authorities but the ministry sets deadlines and publication dates. In certain cases, the ministry can grant the permit on behalf of the local or regional authorities. Besides coordinating the permit granting process it takes the decision on the spatial planning. This coordinated process allows for the publication of all information at the same time, enabling transparency and providing citizens the opportunity to engage at a central point of the process. One-stop-shop approaches in other countries were also praised for facilitating the permit granting process (e.g. Greece, Ireland and Austria).
- The National Policy Statements (NPS) in the United Kingdom are an example of an overarching infrastructure development strategy setting out the Government's energy policy. It explains the need for new energy infrastructure and contains further instruction on how to assess project applications and the impacts of energy infrastructure projects. The NPSs thus increase the transparency and predictability of the permit granting process by defining the main issues and objectives considered for granting the permit. Setting a clear and long-term oriented energy policy is also described as a facilitating measure in Slovakia.
- Organised public debates by a national commission gives the general public in France the opportunity to voice their opinion and influence major planning and construction projects in advance of any decision being taken. Although it prolongs the process up-front it can prove beneficial for public acceptance and help to avoid subsequent appeals and other hold-ups. The Swedish experience similarly shows that spending more time and attention in the pre-application phase – consulting with all stakeholders

concerned by the project and making all documents relevant to the decision process public – can speed up the overall process.

- In Portugal a cooperation between environmental NGOs, the national conservation agency (ICNB) and power line construction companies agreed to include rules for mitigation of impacts on bird populations in their planning and construction guidelines.
- To change the fact that the broader population is often unaware of the TSOs activities and goals, the Belgian TSO, ELIA, launched several successful media campaigns. They inform the general public about its activities, policy goals and ongoing projects and explained the reasoning and benefits of further infrastructure development.