



GIE Response to Commission's Public Consultation on "Permit granting procedures for energy infrastructure projects"

Introduction

GIE welcomes the proposals from the European Commission in the Communication on "Energy Infrastructure Priorities for 2020-2030 – A Blueprint for integrated European energy network", to develop new European tools aiming to simplify and accelerate permitting process and to give a more stable framework for investment in energy infrastructure through improved cost allocation and optimisation of financing sources. In this regards, GIE also welcomes the EC's public consultation on permit granting procedures for energy infrastructure projects and hereby takes the opportunity to answer to the questions from an infrastructure operators' view.

What is GIE?

Gas Infrastructure Europe (GIE) is an association representing the sole interest of the infrastructure industry in the natural gas business such as Transmission System Operators, Storage System Operators and LNG Terminal Operators. GIE has currently 66 members in 26 European countries.

One of the objectives of GIE is to voice the views of its members vis-à-vis the European Commission, the regulators and other stakeholders. Its mission is to actively contribute to the construction of a single, sustainable and competitive gas market in Europe underpinned by a stable and predictable regulatory framework as well as by a sound investment climate.

GIE Answers to the Public Consultation's Questionnaire

1. As explained above, a complex and non-transparent procedural framework as well as a poor administrative practice are 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?

GIE is committed to achieving a well-functioning integrated gas energy market, through the development of infrastructures that will guarantee a robust and well-meshed network. However, when implementing large infrastructure projects, GIE members have often experienced delays in the slow and complex administrative processes encountered in most Member States when applying for authorisations and permits. This is often the reason for slower market integration.

GIE believes that one of the ways to facilitate the integration of the gas markets, would be through an improvement in permit granting procedures, including among others, a faster simplified process and better coordination between administrative bodies.



In most Member States, authorisation procedures include long and often complex administrative processes which involve the approval of national, local and even regional authorities, before the project can actually be executed. The procedural complexity, the lack of coordination among authorities as well as the uncertainty of the process are the most common reasons for delays.

In order to alleviate this long lasting processes, GIE advocates for a “one-stop shop” in each Member State, in charge of coordinating the permitting process of all national projects under a single authorization procedure. This coordination role played by the “one stop shop” would significantly help to reduce duplication and overlapping applications. In particular, it would ease the coordination of administrative processes for cross border projects.

As already stated in GIE’s position paper on the “Energy Infrastructure priorities for 2020 and beyond – a Blueprint for an integrated European Energy Network”¹ it is important that any new permitting or financing instrument should not be limited to projects on the shorter EU priority list. Otherwise, this would create a danger of introducing two different tiers for infrastructure projects.

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?

GIE advocates for a set of rules to increase the transparency and predictability of permitting processes. These rules should establish a common schedule as far as the permitting procedure is concerned. They should avoid additional complexity.

GIE considers that the predictability of the permit granting process will speed up administrative processes. The rules could specify the maximum allowed time limit for each of the main parts of the permitting process and for the whole process. In case part of the authorisation process is decentralised to local authorities, a substitutive power – given to a central (national) administration – could be envisaged for overruling possible dissent of a single local administrative body.

In addition, these rules could contain a number of measures on how to address local concerns and increase local acceptance for the development of new gas infrastructure. Infrastructure operators should show the benefits of the project and the competent authority should act as a mediator in case of conflict.

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?

¹ GIE position paper on Energy Infrastructure Priorities for 2020 and beyond – a blueprint for an integrated European Energy Network, Ref.: 10GIE092, November 2010



Although infrastructure operators have to be fully involved, the communication of the costs and benefits of a given infrastructure project should be made under the responsibility of the competent public authority. Public authorities in their role as an independent body should support this communication and should mediate in case of conflict between the parties involved. In order to give certainty on the timing of the process the communications and involvement should start in the earliest stage of the process.

In addition in the case of cross-border projects, shippers, regulatory authorities, customers, stakeholders from the neighbouring country/countries (if concerned) as well as project developers should be involved in the communication with citizens.

GIE suggests that for a better follow-up of a cross-border permitting process, the European Commission should oblige competent authorities to report at which stage of the permitting process a cross-border project is in, and take action accordingly if deadlines are not met.

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?

GIE believes that the risk of public opposition could be diminished if the communication regarding new projects were properly addressed at the earliest stage possible and are targeted to the communities living in the affected regions.

Currently, the majority of Member States does not enforce compensation mechanisms in their law to overcome public opposition. However, requirements for compensation mechanisms seem to be necessary if a high acceptance towards a project is sought. Such mechanisms should be transparent and non-discriminatory.

As far as GIE is concerned, the most advanced national laws with regards to compensation schemes are those which establish specific benchmarks depending on whether compensations are related to environmental issues, or if these refer to individuals.

GIE believes that both environmental and individual compensations should be attributed according to parameters and the scale should be complemented by a framework explicating the criteria and the limits.

With regards to who should be responsible for providing compensations, so far infrastructure operators have been deemed responsible. As far as GIE members are concerned, infrastructure operators do not object to granting those affected parties with the remuneration they deserve as long as this is done according to a fair system, preferably based on a scale which leaves hardly any room for discussions or further negotiations, consequently speeding the process.

Finally, it should be noted that the know-how that operators have, helps gaining public acceptance irrespectively of whether or not legal compensation requirements exist.



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?

Not many best-practices have been encountered by GIE members in the facilitation of the ever lengthier and complex permit granting process.

Nevertheless, GIE would like to note that such best-practices should be based on the following action points:

- A more centralised permitting process, thus involving fewer authorities and avoiding duplications and overlapping.
- Streamlining of all steps of permitting procedures in order to shorten the time necessary for project approval.
- Harmonised binding standards for the documents required for the permission application.
- Harmonisation of authorisation regulations.
- Increased transparency throughout the permitting process
- A one-stop shop, in the form of a special Commission or via the Competent Authority in charge of coordinating the entire permitting process under a single authorization procedure and of striking the right balance between the need to develop infrastructure and the concerns of affected communities and stakeholders.
- Binding time limits for the involved authorities covering the entire permitting process, with implied approval or substitutive powers given to a national Competent Authority if deadlines are not respected.
- Communication process towards citizens on projects involving authorities, operators (as an example: public debates in some countries for important projects)