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Non-paper: Proposals to fully leverage the contribution of IPCEI to the energy transition

Massive investments into the EU's clean energy infrastructure are needed to achieve the goals of the European Green Deal (€600 billion until 2030 in the energy sector in Germany alone, according to the [2022 progress monitor by EY and BDEW](#)). Among others, this includes investments into installations to produce renewable electricity, electrolysers, as well as the electricity and hydrogen grid. Those will mainly be private investments, but especially in the early phase of market development, targeted state support will also be necessary to enable the private sector to play its role.

In this context, the concept of Important Projects of Common European Interest (IPCEI) has proven to be an effective tool to advance the EU's strategic industrial and environmental objectives and simultaneously further foster the EU Single Market by supporting cross-European projects. In 2022, over 10 billion euros have been approved for projects along the entire hydrogen value chain.

However, while the past IPCEI have overall proven successful, overly bureaucratic and lengthy procedures have slowed down the implementation of crucial projects for the energy transition and discouraged participating companies.

The European Commission, therefore, rightly recognises this issue in its Green Deal Industrial Plan, making the provision of faster access to funding one of the plan's five key pillars. Among other measures, it pledges to streamline and simplify the approval of IPCEI-related projects. We appreciate the measures undertaken so far to improve IPCEI processes, with the publication of a Code of Good Practices and the plan to set up a Joint European Forum for IPCEIs. However, while those initiatives are a good first step to facilitate the assessment of IPCEI projects, we do not consider this sufficient to address the current shortcomings. Therefore, we propose the following **four concrete measures to speed up the approval of IPCEI projects** further and leverage their full potential for the energy transition:

1. **Introduce clear and transparent deadlines:** The revised Renewable Energy Directive (RED), as well as the Commission proposals for the Net-Zero Industry Act and the Critical Raw Materials Act, set a positive precedent of obliging national authorities to decide on permitting approvals in a predefined time. A similar approach should be employed by Commission services when evaluating and deciding on the approval of IPCEI (e.g., a decision within six months after the submission of required documents). In the past, while companies had to respond to very short deadlines (ten days) for inquiries on the application, they themselves often waited for months to hear back regarding the status of their applications. This is why regular status updates should be given by the Commission during the selection process.

2. **Ensure sufficient and well-equipped staff:** Responsible authorities must be sufficiently staffed and equipped to deal with long application files, often amounting to several thousands of pages, to enable a timely approval of projects. Currently, insufficient staffing is one of the reasons for long approval times. Therefore, outsourcing certain parts of the application process, if and when the application process is at risk of not meeting deadlines, could relieve Commission services and accelerate the process. The final approval authority would remain with the Commission.
3. **Provide clarity about the required documents and selection criteria:** Throughout the application procedures, it was often unclear to companies what maturity a project would need to present to be considered successful. To avoid this, the Commission should provide a clear and complete overview of the documents required for the application phase. Furthermore, changing parameters during the application process - such as the so-called 'Funding Gap Analysis' - represented an immense additional effort for applicants to update their documents. Against this context, more clarity and coherency are needed to avoid similar issues in the future. Among others, this should include transparent communication as to when an application is considered complete.

Related to that, companies would also profit from more transparency on the criteria and parameters for the final decision on successful projects. As the application procedure is time-consuming for companies and ties up human and material resources, it would be beneficial for all parties involved to know according to which criteria the Commission selects successful projects for companies to be able to develop their projects accordingly. More so, a pan-European communication platform should be put in place to improve the information exchange on projects in different member states – possibly in the context of the recently announced Joint European Forum (JEF-IPCEI).

4. **Extend project realisation deadlines:** The implementation period of projects is often involuntarily shortened due to lengthy approval processes. Therefore, the delay should be credited to the project implementation afterwards, i.e., the project realisation deadline must be extended accordingly in cases where delays in approvals cannot be fully prevented with the measures above or for projects that have already been approved with a delay. Besides, delays can result in rising project costs (e.g., due to inflation) that were initially not included in the calculation.

Additionally, jointly submitted applications should also be decided upon jointly. At present, projects with the implication of different companies from different Member States receive their confirmation at separate times, which usually delays such projects.

While it might not be possible to integrate those suggestions into the ongoing processes, we strongly urge the Commission to consider them and other measures to streamline approval

procedures for future IPCEI to fully harness their essential contribution to the EU's energy transition.

We remain at your disposal to further discuss possibilities to simplify and streamline IPCEI and other financing tools to support the EU's decarbonisation pathway.

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The German Association of Energy and Water Industries (BDEW) and its regional organisations represent over 1,900 companies. The membership comprises both privately and publicly owned companies at the local, regional and national level. They account for around 90 percent of the electricity production, over 60 percent of local and district heating supply, 90 percent of natural gas, over 90 percent of energy networks and 80 percent of drinking water extraction as well as around a third of wastewater disposal in Germany.

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