## Bellona Europa's snap reaction to the draft EC Communication: **"Action Plan for Affordable Energy"**

Bellona welcomes this initiative to address energy costs while ensuring decarbonisation of the EU energy system as part of the Clean Industrial Deal. Bellona considers that the EU should carry on leading the clean energy transition, and to that end measures in this Action Plan, such as strengthening the grid and implementing energy efficiency, will be crucial.

More generally, we support the overall aim of the Action Plan to ensure that both competitiveness and climate progress are delivered, reflected in the recognition of the decarbonisation of the energy systems as one of the main enablers for driving down energy costs (p. 4, para. 4).

We respectfully outline below some recommendations on particular passages of the draft text we consider could be further enhanced to maximise their climate, price and competitiveness benefits.

### Action 2. b) Reduce permitting times for new clean power supply and energy infrastructure (p. 9)

- Bellona welcomes the focus of this Action on improving permitting processes. The proposed measures for permitting streamlining, reinforcing resources of relevant authorities and promoting digitalisation are positive steps forward, since project delays significantly impact costs. With regards to any revision of the legislative framework of environmental assessments, we highlight the need to guarantee environmental and human health protection. Bellona agrees with the proposed support from the Commission to Member States by facilitating the exchange of good practices. These exchanges could include practices related to the sharing of benefits with local communities, which contribute to greater acceptance of projects and reduced public opposition and delays (see for example Denmark's Renewable Energy Act, requiring at least 20% community ownership for new wind energy projects).

### Action 2. c) Grids and interconnectors as enablers of the energy transition (pp. 11 & 12)

- Ensuring the 70% interconnector capacity availability would indeed facilitate the reduction of prices as well as renewable energy integration. In its latest Monitoring Report, ACER concluded that significant additional efforts are needed to reach the 70% requirement and that national initiatives to implement this requirement should be coordinated at pan-European level. The Commission could consider including measures in this regard to reinforce cooperation between Member States, NRAs and TSOs so that the necessary actions are timely implemented.

- With respect to the reference to the expansion of hydrogen networks, it should be noted that electricity and hydrogen networks serve different roles in the energy transition and in ensuring affordable energy prices. Public funds and support should

be directed towards the infrastructure that optimally balances energy affordability and climate action. In most cases, this will be electricity, except for the limited infrastructure required for the specific applications for which hydrogen should be targeted. In particular, we note that importing hydrogen into Europe from other regions presents significant challenges and risks, making it an inefficient use of public funds.

### Action 3: Improve gas markets for fair energy prices (p. 15)

- Addressing energy price volatility with additional LNG commitments risks exacerbating deeper structural issues. The energy crisis was driven by gas price volatility; locking Europe into long-term LNG contracts will not shield it from future shocks. On the contrary, it would exacerbate its dependence on gas, prolonging fossil fuel dependence, delaying the energy transition and increasing exposure to geopolitical and market instability. Policy efforts should focus on breaking the link between electricity and gas prices, and prioritising efficiency and renewable energy as the long-term solutions, rather than committing to gas purchases for long periods of time or on funding additional gas infrastructure.

### Action 4: Energy efficiency: delivering energy savings (p. 15-16)

- The significant losses incurred through the hydrogen production process should be considered in the context of this Action on energy efficiency. Hydrogen is scarce and its production is highly inefficient (electrolytic production of energy requires around 1.6 its output). Therefore, its use should be targeted to the activities that are harder to electrify. The Scientific Advisory Board on Climate Change has advocated for this approach: '*Direct electrification should be prioritised over indirect electrification (e.g. hydrogen) to avoid conversion losses.*' (ESABCC, Towards EU climate neutrality, p. 49). Safeguards in this respect should be included in this Action, for example by specifying that blending and hydrogen-consuming household appliances will be excluded from support. Failing to ensure that hydrogen is targeted to its optimal uses could drive energy prices up and hinder the decarbonisation of hard to electrify activities.

- It should be borne in mind that energy efficiency should be assessed from a system level. For example, while the deployment of domestic heat pumps will increase consumption at distribution level, its overall impact on the system will be of increased efficiency, especially when compared to the deployment of hydrogen-ready heating appliances.

### Action 7: Security of supply for price stability (p. 21)

- To ensure stable energy supply and prices, the legislative initiative revising the energy security framework should consider the contribution to security of supply of all energy sources and solutions, including efficiency and flexibility. We emphasise that energy security and climate action must go hand in hand. Tackling climate change through emissions reductions and renewable energy integration is essential for building a resilient and sustainable energy system.