

**European Commission
Mrs Kadri Simson
Commissioner for Energy
Rue de la Loi / Wetstraat 200
1049 Brussels, Belgium**

Brussels, 17 October 2023

Dear Commissioner,

Further to our last exchange in September 2023, Europacable would like to take the opportunity to submit for your attention a list of recommendations that might feed into the ongoing discussions on a Grid Action Plan to be presented at the upcoming fourth edition of the PCI Energy Days.

Europacable, the voice of Europe's leading wire and cable manufacturers, welcomes the prominent visibility that you and the European Commission President have placed on electricity networks and grid technologies, now at the centre of the EU policy agenda.

Underground and subsea power cables have been fully recognised as a strategic net-zero technology empowering Europe's decarbonisation. They will be the core backbone technology of Europe's future transmission and distribution grids. This is particularly true in the light of Russia's war in Ukraine which has further amplified the need for electrification. Against this background, a consistent and coherent recognition of underground and subsea cables across all relevant EU policy proposals should be pursued as a matter of priority.

Power grid expansion, modernisation and upgrade both at transmission and distribution level will be needed for Europe and EU Member States to reach their decarbonisation targets. This will result in an expected three-fold demand increase for high and extra high voltage land and subsea power cables in Europe between 2020 and 2030. **The substantial investments recently announced by Europacable member companies are a clear sign of the European Wire and Cable Industry's commitment to empower Europe's decarbonisation.**

With this in mind, **it will be critical for the European Commission to ensure that the entire supply chain is empowered and able to respond to demand.** In this regard, we believe that the upcoming EU Action Plan on Grids should reflect the following requests **to provide the European Wire and Cable Industry with the needed:**

- 1. VISIBILITY:** A longer term demand visibility beyond 2030 to allow the industry to secure investments in additional manufacturing capacity. In this respect, Europacable recommends:
 - *Longer-term commitments by Member States and network operators translating network development plans into industrial plans in terms of specific requests to the industry and the whole value chain;*
 - *Realistic demand scenarios that can be met by entire supply chain;*
 - *Regulatory schemes promoting anticipatory investments and a total expenditure (TOTEX) approach.*
- 2. VIABILITY:** A consistent policy making approach recognising and not undermining the European manufacturing base. To ensure coherence across all EU's legislation, Europacable calls on EU Institutions for:
 - *Consistent and coherent recognition of cables as strategic net-zero technologies in EU policy proposals including; the amendment to the Delegated Act on Climate*

Mitigation; the Net-Zero Industry Act proposal, the new Temporary Crisis and Transition Framework for State Aid, and the upcoming Wind Power Package;

- *Continued use of lead as an internal protective sheath for subsea cables currently threatened by a possible authorisation of lead metal under REACH.*

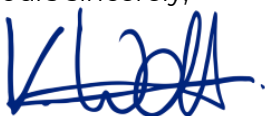
3. FAIRNESS: A level playing field, ensuring the competitive availability of raw materials for cable production in Europe. To achieve this, Europacable urges:

- *Inclusion of aluminium and steel power cables under CN 8544 in the scope of the Carbon Border Adjustment Mechanism by the end of the transitional phase;*
- *Presence of both copper and aluminium within the scope of the Critical Raw Materials Act proposal.*

4. COHERENCE: A realistic approach covering all aspects of grid development going from permitting to financing, from skilled workforce to public acceptance as they all represent essential pieces of the same puzzle:

- Realistic and feasible permitting, planning and execution targets for the entire supply chain. In particular, Europacable asks for:
 - *Clear and transparent network development plans for onshore and offshore grid developments, ensuring greater predictability for the whole supply chain via definition of specific demands for manufacturers in terms of grid technology provisions;*
 - *Regulatory frameworks for network operators capturing TOTEX, including benefits and the cost of not getting the project built;*
 - *Standardised approach to procurement, permitting, testing requirements, sustainable installation requirements to speed the process up and allow industry to allocate resources to the project's realisation rather than to administrative tasks/processes.*
- Commensurate financing to ensure that power grid investments will not lag behind renewable generation projects as it has been in the past. Hence, Europacable calls for:
 - *The setting up of an investment climate for European cable makers to accelerate cable capacity expansion needed to reach EU's electrification goals;*
 - *Policy support to unlock investments together with targeted funding to remove and/or alleviate the financial burden for the industry;*
 - *Appropriate investment schemes for network operators to make the energy transition a reality.*
- Acceptable insurance conditions for the industry, notably via:
 - *Risk sharing contracts for the industry to safeguard them against unforeseen cost increases during project execution.*
- Availability of appropriate competences and skills to develop and deliver projects – including the possible use of AI where helpful. In this respect, Europacable calls on:
 - *Industry, public and private institutions, as well as Member States, to support skills initiatives as well as invest in and incentivise well skilled, trained, and qualified workforce across the whole value chain (supply chain, operators and regulatory institutions) to drive the energy transition through.*
- Facilitating public endorsement via actions to:
 - *Support new power grid projects and accept the need for new mining projects and processing facilities to secure the supply of raw materials.*

Yours sincerely,



Volker Wendt, Secretary-General Europacable