

Europacable recommendations to reduce complexity and enhance visibility in Europe's Distribution Grid build-out in the context of "Action 13" of the EU Grid Action Plan.

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Europacable, the voice of Europe's leading wire, cable and cable accessories producers, firmly believes that reducing technical complexities and enhancing visibility will contribute to speeding up Europe's distribution grid network build-out. We welcome the opportunity to contribute to the current discussions on the EU Grid Action Plan, notably on "Action 13" relating to the "development of common technology specifications (...), to facilitate investments in manufacturing capacity and secure supply chains".

The European distribution grid will be at the heart of both Europe and EU Member States' efforts to reach their decarbonisation targets. Its expansion, modernisation and upgrade will be needed as Europe's distribution networks are getting old (40% are already more than 40 years old) and becoming inadequate to serve the upcoming electrification of our economies and societies.

Europe's distribution grid has its own peculiarities compared to the transmission grid mainly due to its complex and highly fragmented nature: Firstly, rules for distribution systems vary all across Europe as they are managed at national, regional and in some cases even at local level. Secondly, the technical infrastructure often relies on legacy solutions that apply a variety of standards at national level. Thirdly, the tenders raised to support the upcoming distribution projects need to refer to a very fragmented legal framework. Furthermore, the current lack of a transparent and solid demand outlook of future projects at distribution level risks slowing down if not derailing Europe's decarbonisation ambitions.

Against this background, Europacable believes that there are a number of areas where reducing the complexity, harmonising national standards and finding commonly agreed approaches at European level as well as enhancing visibility of future demand and project timelines can contribute to increasing efficiency and speeding up grid deployment.

With this paper, we would like to offer recommendations in two dimensions: reducing technical complexity and enhancing visibility.

I. REDUCED TECHNICAL COMPLEXITY

The variety of national, regional and even local distribution systems all across the Continent leads to a level of fragmentation and complexity in the EU which challenges a coordinated and consistent approach to distribution grid build-out. While local legacies need to be accounted for, Europacable recommends reducing technical complexities through harmonisation of technical specifications and common approaches to project processes, including tendering and installation.

a) Harmonised technical specifications: consistent and binding (pre)qualification testing of the cable and the system

Medium voltage (MV) and low voltage (LV) cables undergo extensive qualification-testing procedures to guarantee the required levels of performance over the expected lifetime. Once the installation is completed the interoperability of the cables with the accessories as a cable system is also tested. These testing procedures which include type testing, extension of qualification testing, and pre-qualification testing are based on standards and recommendations published by CENELEC or National Standards Organisations (NSOs).

To reduce technical complexity which slows Europe's distribution grid built-out down, Europacable recommends:

- **Recognition of and adherence to** *harmonised qualification requirements for cables and cable accessories via European standards and recommendations without additional testing to obtain project eligibility applicable to all relevant European and non-European actors.*

b) Appropriate technical specifications based on the application of the cable and the system

The design of MV and LV cables is required to meet technical specifications and standards as defined by CEN and CENELEC or NSOs. This is also valid for interoperability of cables with their accessories as a cable system. To speed up Europe's grid expansions, it is essential to use the existing documents and that any new technical specifications, levels of performance, quality as well as health and safety requirements to continue to be developed by these established bodies grouping qualified experts.

Accordingly, Europacable recommends to:

- **Continue active cooperation with established national standardisation organisations** *to be applied by all relevant European and non-European actors.*
- **Ensure that technical requirements** *for MV and LV cables and accessories remain appropriate to the applications and use conditions, recognising that a "one-size-fits-all" approach to cable systems solution creates a risk of:*
 - *"oversizing" project implementation, i.e. undermining the sustainable use of materials and unduly increasing costs; or*
 - *"undersizing" project implementation, i.e. cable solution may not support the transfer of the requested power level so that an additional qualification and cable system may be required to ensure adequate transmission capacity. This would again, neither be sustainable nor cost-effective.*
- **Recognition of and adherence to** *harmonised requirements for cables and cable systems via European and national standards when it comes to RES deployment projects, i.e. on- and off-shore wind and solar generation projects.*

c) Leaner tendering processes

Project tendering processes considerably vary across Europe, requiring applicants to adjust to each call individually. This unduly prolongs the time required and binds scarce administrative resources, both for applicants and DSOs.

To reduce complexity and increase the efficiency of tendering processes, Europacable recommends aligning:

- **Transparent, harmonised tender evaluation criteria** e.g. a common approach to evaluating the weight of these criteria;
- **General Terms & Conditions of contracts** e.g. introducing “Standard contract format” to serve as common starting point;
- **Transparent ex-ante project maturity level** e.g. defining a minimum set of requirements similar to technology readiness levels;
- **Non-technical pre-qualification requirements** e.g. project governance, programme management, and delivery process requirements.

d) Harmonisation of installation procedures

Project installation procedures vary widely amongst EU member states due to the different nature of soil and climate conditions. While recognising the need to adapt to the specificities of a single project, installation procedures should take into consideration the peculiarities of the different network components, i.e. cables and accessories, to ensure their interoperability.

Accordingly, Europacable recommends to:

- **Harmonise installation procedures** which need to reflect both the quality and performance of the fully installed cable system, i.e., cable and accessories. The industry is ready to cooperate with installation professionals to achieve this objective.

II. ENHANCING VISIBILITY

Europe’s ageing distribution grids are struggling to drive the energy transition and empower the Continent’s decarbonisation. They require upgrading and expanding which at this moment in time have not materialised in clear and transparent network development plans. From the industry’s perspective, the lack of visibility of the upcoming plans and – as a consequence – of future demand for MV and LV cables represents a clear challenge in terms of investment planning and sustainable production capacity. To ensure an efficient and effective deployment of Europe’s distribution networks, Europacable recommends enhancing visibility both in terms of capacity needs and sustainable requirements.

a) Enhancing visibility in terms of capacity needs

The lack of visibility and predictability of future distribution development plans risks slowing down if not derailing Europe’s decarbonisation ambitions. A more transparent and continuously updated robust outlook with regards to planned

distribution projects, their timelines and expected deliverables is needed. This will allow the whole supply chain to respond to the needed demand as well as institutional actors and DSOs to identify and seek to remove barriers resulting from all aspects of project development.

With this in mind, Europacable recommends:

- **Clear and transparent longer-term commitments** by Member States and network operators translating network development plans into industrial plans ensuring greater predictability to the whole supply chain via definition of specific requests to the industry in terms of grid technology provisions;
- **Realistic demand scenarios** that can be met by entire supply chain;
- **Risk sharing frameworks/contracts** for the industry to safeguard them against unforeseen project delays and cost increases during project execution;

Regulatory schemes promoting anticipatory investments and capturing a total expenditure (TOTEX) approach, including benefits and the cost of not getting the project built.

b) Enhancing visibility in terms of sustainable requirements

Europe's future power grids will need to be as sustainable as possible during their entire life cycle, i.e. planning, execution, production (including components production), active running and end of life. European cable and accessories manufacturers have the expertise, know-how and capacity to supply Europe's distribution grid with sustainable systems to lead the energy transition: They are actively pushing high sustainability performances both in production and in their products. To deploy a sustainable European distribution grid, sustainability should be valued and accounted for in all aspects of project deployment.

Europacable is keen to work with all relevant stakeholders to develop and implement sustainability requirements covering:

- **Sustainable (public) procurement and tendering processes;**
- **Sustainable technical cable and accessories specifications;**
- **Sustainable production processes (including sourcing of materials);**
- **Sustainable installation (including transport to site).**

Concluding, Europacable firmly believes that applying the above recommendations will ultimately lead to a speeding up of Europe's distribution grid build-out, which is a critical path to reaching Europe's decarbonisation targets.

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About Europacable

Europacable is the voice of Europe's leading wire and cable producers. High-quality, sustainable power and telecommunication cables, produced by our members in Europe, empower electrification and digitalisation of our societies. Founded in 1991, Europacable represents the largest cable makers in the world providing global technology leadership, as well as highly specialized small- and medium sized businesses from across Europe.

With our future being ever more electrified and digitalised, cable technology will be the core backbone of Europe's energy and telecommunication infrastructures. Sustainable, low-carbon manufacturing and high-performance cables are essential to achieve Europe's climate neutrality objectives by 2050. Europacable is committed to the principles of free enterprise and fair trade. Our members employ over 80.000 people of which more than 50% in Europe, generating a worldwide turnover over € 70 billion in 2023.

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