

## **Shell Response to Revised TEN-E Regulation Proposals**

Transparency register number: 05032108616-26

### **Introduction**

Shell<sup>1</sup> welcomes the opportunity to respond to the European Commission's Proposal for a revised Regulation on TEN-E and supports aligning it with the objectives of the Green Deal.<sup>2</sup> Shell would like to highlight important elements that should be further considered as part of the discussions with the European Parliament and Council.

The TEN-E Regulation provides a key regulatory framework by which to develop cross-border energy infrastructure networks, including CO<sub>2</sub> transport networks. We believe that the revision of TEN-E provides an opportunity to further clarify and optimize the Regulation's provisions relating to CO<sub>2</sub> storage, as well as to CO<sub>2</sub> transport by other methods than pipeline. By increasing the scope of eligible CO<sub>2</sub> transport and storage activities within TEN-E, the EU can better deploy the PCI process across a greater number of projects, including cross-border CCS activities. This will in turn contribute to achieving the Green Deal objective of climate neutrality and promote a more integrated and optimized European energy system.

Shell also welcomes the Commission's recognition of the key role that renewable and low carbon hydrogen will play on the pathway to net zero emissions, including as an integration mechanism between the electricity and gas sectors. The new TEN-E proposals relating to hydrogen will help to provide an enabling framework for future infrastructure development. The development of new cross-border hydrogen transport and storage infrastructure will benefit from the retrofitting of existing gas infrastructure, including LNG and storage facilities, as well as from the establishment of dedicated infrastructure. An EU hydrogen backbone that efficiently links hydrogen clusters with cross-border infrastructure will help to promote integrated market development in Europe.

### **Need for further recognition of CO<sub>2</sub> transport and storage provisions in TEN-E Regulation**

Shell supports the EU's target of net zero emissions by 2050 and sees an important role for CCS and carbon removals – technologies that will benefit from the availability in Europe of integrated and

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<sup>1</sup> The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this document "Shell" is sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to Royal Dutch Shell plc and its subsidiaries in general or to those who work for them.

<sup>2</sup> While Shell is supportive of the EU target of net-zero greenhouse gas emissions by 2050, our current business plan is not consistent with the proposed EU target. However, as announced on April 16, 2020, Shell aims to be a net-zero emissions energy business by 2050. Accordingly, we expect that over time, our business plan will change as society and our customers move toward meeting the goals of the Paris Agreement.

efficient CO2 transport and storage networks. Better recognition within TEN-E for CO2 storage and additional transport elements in the CCS value chain should therefore be an important policy objective for the forthcoming legislative process.

The following points are our feedback on elements that should be further considered by the Commission, Parliament and Council as part of the Trilogue discussions. More information on our approach to CCUS, can be found on the Shell [website](#).

- CO2 storage should be included within the scope of the Regulation, as part of integrated CO2 transport networks. CO2 storage facilities that are open-access and linked to cross-border CO2 transportation infrastructure can help to provide solutions for regional decarbonization, including CO2 mitigation for industrial clusters, including through supply of low carbon hydrogen with CCS.
- To enhance the flexibility and resilience of CO2 transport networks, alternative modes of transport should be recognized under TEN-E, including rail, barge, ship and truck. When combined with the existing provisions on pipeline transportation, these methods will expand access to CO2 storage for industrial facilities or other CO2 emitters that may not have efficient access to CO2 pipelines. Greater optionality in the CO2 transport methods recognized under TEN-E will support greater flexibility and optimization of the overall CO2 transport and storage networks.
- The development of new integrated CO2 transport and storage networks could also enable early supply of scale-able volumes of low carbon hydrogen derived from natural gas with CCS, paving the way in turn for new volumes of clean hydrogen as electrolyser capacity increases and new projects are delivered.

## **Conclusion**

Shell supports enhancing the TEN-E Regulation in order to provide a clear and enabling infrastructure policy framework for achieving net zero emissions by 2050. The pathway to net zero will require a range of carbon mitigation and removal technologies, with associated CO2 transport and storage infrastructure. By recognizing and incentivizing development of integrated CO2 transport and storage networks, TEN-E can help to provide a framework that encourages access to such infrastructure across Europe's industrial base and energy sector. It will enable early and scale-able volumes of low carbon hydrogen from reformed natural gas with CCS. We support efforts to better facilitate wider deployment of CO2 storage, as well as recognise additional modes of CO2 transport, in the revised TEN-E Regulation.