

EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY
Directorate B - Internal Energy Market
B.1 - Internal Market I: Networks & Regional Initiatives
Mrs. Catharina SIKOW-MAGNY - Head of Unit

In CC to: Ms. Sorina State, Mr. Tomasz Jerzyniak, ENER-B1-PROJECTS@ec.europa.eu

Vienna, 19th June 2017

Public Consultation on the list of proposed Projects of Common Interest 2017: Statement on candidate project Nr. 1001 Extension of the hydro-pumped storage power plant Kaunertal

Dear Mrs. Sikow-Magny,

We thank the Commission for the opportunity to comment on the PCI candidate list.

Generally we support the idea of expanding Europe's electricity infrastructure and to interconnect networks across borders with the aim to support the achievement of Europe's energy and climate targets. The PCI designation process can be a good vehicle to support this idea. Given the huge dimension of the transmission and storage projects considered as PCI and the potential benefits for the project promoters resulting from an awarded PCI status, a thorough assessment of candidate projects has to be guaranteed.

Already in the run of the past PCI designation processes we raised our concerns on the legality of the Kaunertal extension project.¹ Fact is that the construction of the pumped storage is the only part of the national hydro project which is in compliance with the eligibility criteria in Art 2 in conjunction with Annex II TEN-E Regulation. Whilst the part of the national project meant to increase the electricity generation from renewable energies through a doubling of natural inflows from water intakes is not in compliance with the TEN-E Regulation, and consequently not eligible for the PCI label. Whereas the Commission acknowledges this fact Austrian project promoter and decision makers on regional and national level negate any differentiation between PCI and national project (see attachment I). That is why we want to call upon the Commission to clearly communicate this fact and the differentiation on regional group level (NSI West) to the Austrian representatives and to urge the project promoter to clearly outline this in their project implementation plan and on their website in order to ensure compliance with the TEN-E Regulation.

¹J&E Statement on PCI Candidate Hydro-pumped Storage Power Plant Kaunertal 2015: http://www.justiceandenvironment.org/fileadmin/user_upload/Publications/2015/PCI_Kaunertal_Statement_2015.pdf and BirdLife/EEB/WWF Position and Letter to European Commission 2013.

1. Regional Group need to ensure proper assessment of Kaunertal hydro-pumped storage

The Ten Year Network Development Plan (TYNDP) 2016 assesses the national project and not the infrastructure project (=construction of the pumped storage). The project assessment sheet clearly outlines the whole project including the electricity generation part.² The applied assessment methodology (CBA) is meant to guarantee a harmonised energy system-wide cost-benefit analysis at Union level for projects of common interest (cp. Art 11 TEN-E Regulation) and is the basis for PCI selection. Applied incorrectly - as here with the Kaunertal project - it does not generate correct results.

We want to urge the Commission to correct this error and ensure a proper assessment of the project in the run of the PCI designation process.

2. The project is not sustainable and causes significant negative impacts on the environment

Kaunertal extension project got awarded a poor rating by the International Hydropower Association³ in its recent assessment under the Hydropower Sustainability Assessment Protocol (HSAP⁴). In three categories, namely "economic viability", "impact on local communities", and "impact on the downstream river systems" the project received the worst rating ever issued under HSAP.

The Hydropower Sustainability Assessment Protocol is a tool that promotes and guides more sustainable hydropower projects. It provides a common language that allows governments, civil society, financial institutions and the hydropower sector to talk about and evaluate sustainability issues.

The assessment explicitly criticises that **"none of the analyses incorporate the costs of negative social and environmental impacts in economic terms, or the full range of benefits in either quantitative or qualitative terms [...]"** (P11-Economic Viability). Similarly in the run of the PCI designation process Kaunertal extension project has not been evaluated on environmental costs so far. All the other linear energy infrastructure projects, which were included in the TYNDP have indeed been assessed on their environmental and social costs. As the data provided in the TYNDP is the main information basis for the PCI designation process the data on electricity storage projects is deficient. A case by case analysis of environmental and social aspects in the run of the PCI designation process seems more than justified in order to generate and depart from a complete data basis.

Kaunertal Extension project goes along with quite significant impacts on the water status of Tyrolean rivers. The construction and operation negatively affects an Austrian Natura 2000 site. In its current form the project contravenes the aims of Water Framework Directive (WFD⁵) and the Fauna-Flora Habitats Directive (FFH-Directive⁶).

The Hydropower Sustainability Assessment confirms these impacts:

"The assessment concluded that the permanent loss of peat moss / fen wetlands and meandering river habitats in the upper Platzertal valley, and effects on riverine habitats in the Ötztal and Runserau are significant impacts. Vent and Gurgl intakes are outside, but adjacent to the Natura 2000 area Ötztal Alps. [...] Whilst it is not possible for the assessors to draw a conclusion on whether the KXP might negatively impact on these other ecological restoration initia-

² <https://www.entsoe.eu/Documents/TYNDP%20documents/TYNDP%202016/projects/TYNDP2016-project-sheets.pdf>

³ <https://www.hydropower.org/>

⁴ <http://www.hydrosustainability.org/Protocol.aspx>

⁵ DIRECTIVE 2000/60/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 October 2000 establishing a framework for Community action in the field of water policy.

⁶ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.

tives, from a process perspective there is **a lack of evidence of collaboration in consideration of either risks or opportunities with all existing or planned biodiversity improvement projects potentially affected by the KXP**, which is a significant gap at the level of proven best practice." (P-19 Biodiversity & Invasive Species)

"TIWAG has not planned maximum rates of increase and decreases in outflows from Prutz tailwater basin. The volume of the basin will be too small to guarantee defined gradients, as with Imst and Haiming tailwater basins. [...] This is the reason that Runserau weir will be raised, but the implications for changing flows and levels in Runserau reservoir are not clear. [...] "The project will not alter residual flows in the Kaunertal, but the objectives of leaving these unchanged have not been defined. Flows will have to be reviewed by 2027 under Water Framework Directive requirements in any case; **it is not clear why a case has not been made for reviewing Kaunertal flows as part of the KXP.**" (P-23 Downstream Flow Regimes)

Even in the run of the Austrian EIA procedure the concerned independent experts doubted the project's permissibility due to its negative impacts on the environment. Therefore the permitting authority requested that the project has to be improved and resubmitted. Due to several legal complications (environmental impacts, water rights awarded to a competitor, expansion of initial project application etc.) the permitting procedure is suspended since August 2015.

Thus we call upon the European Commission and the respective Regional Group to have a thorough assessment of the environmental impacts (or costs) of the project. Consultation of independent experts is advisable.

Finally we ask the Commission to consider our arguments in the ongoing designation process and take them into due account.

Kind regards,



Thomas ALGE

Director ÖKOBÜRO

On behalf of the supporting Organizations

Attachment:

- Kaunertal_unclear project scope

The Work Plan of J&E has received funding from the European Union through its LIFE NGO Grants funding scheme. The sole responsibility for the present document lies with the author and the European Commission is not responsible for any use that may be made of the information contained therein.

