Position Paper

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CER Position Paper: Strengthening the Governance Regulation through Rail

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Strengthening the Governance Regulation through Rail

Summary

As the European Commission modernises the Regulation on the Governance of the Energy Union and Climate Action, the Community of European Railway and Infrastructure Companies (CER) emphasises that a successful energy transition must prioritise systemic resilience and industrial competitiveness. While the rail sector is a primary engine for decarbonisation, saving significant emissions through its inherent efficiency, it is also a strategic asset for Europe's energy security. This paper outlines why the revised Governance Regulation must explicitly integrate rail infrastructure — specifically high-voltage traction networks — to ensure a secure, cost-effective and climate-neutral Europe by 2050.

1. Strengthening energy security and infrastructure resilience

A resilient energy system requires the ability to anticipate and recover from disruptions while maintaining an independent supply. Given the rail sector's heavy reliance on electricity and its role in essential mobility, it must be recognised as a critical component of the EU energy architecture explicitly linking energy resilience to affordability measures like price caps to align with recent EU crisis-response tools and reinforce rail's status as a strategic electricity user.

- **Critical infrastructure classification**: CER recommends that the Governance Regulation explicitly recognise railway traction substations and traction supply lines as transport-critical operational assets. This classification should entail priority treatment in emergency planning, physical and cyber protection, and access to resilience-related funding, while ensuring consistency with NIS2, the Critical Entities Resilience Directive, and the Military Mobility Regulation. These assets are vital for ensuring the security of supply and the continuity of essential transport services during energy crises.
- **Electricity system interface coordination:** To strengthen overall system resilience, improved operational coordination is required at the interface between railway traction power systems and public electricity supply systems. Railway infrastructure managers and operators should play a clearly defined role in these mechanisms, supported where appropriate by EU-level guidance or standardised operational arrangements. This coordination should focus on ensuring reliable rail operations, facilitating the use of low-carbon electricity sources, and safeguarding the continuity of rail services in emergency situations.
- **Resilience by design:** National Energy and Climate Plans (NECPs) should require Member States to assess and upgrade rail-energy infrastructure against physical threats and climate impacts, such as extreme heat and flooding, explicitly linked to existing EU risk-assessment and climate adaptation frameworks, and to ensure comprehensive cybersecurity of digital assets to safeguard the integrity and resilience of the rail system, as well as allocating the necessary funding to these infrastructures for this purpose.

2. Driving competitiveness through energy efficiency and decarbonisation

Rail is one of the most cost-effective levers, available for achieving the EU's 2040 and 2050 climate goals. By shifting traffic to rail, the EU can lower its total energy demand and reduce its strategic dependence on fossil fuel imports.

- **Operationalizing "energy efficiency first"**: This principle must be translated into action by prioritising investments in modal shift from road and air to rail - a structural, economy-wide energy efficiency measure beyond transport alone and by supporting the implementation of advanced energy management solutions and technical innovations that optimise power usage across the entire railway infrastructure. Shifting to rail is not only a climate necessity but a competitiveness strategy that lowers the energy intensity of the entire European economy and underpins the regeneration and modernisation investments essential for efficient and safe railway infrastructure. Promoting modal shift to rail also requires fair taxation and incentives between modes of transport, so Member States should be encouraged to include incentives for the use of low-carbon transport in their NECPs.

- **Minimising external costs:** The Governance Regulation should reflect the role of electrified rail in reducing greenhouse gas emissions and pollution. Tracking progress through specific Key Performance Indicators (KPIs) for rail electrification and modal share – formally integrated into Governance Regulation monitoring and aligned with NECP reporting - will provide the data needed to optimise sectoral transition pathways.
- **Enhancing strategic autonomy:** By accelerating rail electrification, the EU strengthens its strategic independence from external fossil fuel suppliers, particularly by reducing exposure to imports in hard-to-decarbonise transport segments like heavy freight and regional passenger services.

3. Ensuring financial predictability

The capital-intensive nature of railway infrastructure requires a stable and long-term investment environment. Policy objectives alone are insufficient; the Regulation must address the practical conditions for delivery.

- **Linking objectives to feasibility:** CER recommends that the Regulation mentions not only high-level climate objectives but also the specific technical and financial conditions for feasibility, including grid capacity availability, permitting timelines, and financial continuity with the need for simplified and fast-tracked permitting procedures for energy-related railway infrastructure upgrades. This ensures that ambitious targets are matched by realistic implementation frameworks.
- **Predictable financing frameworks:** A predictable financing environment is essential for infrastructure managers to align their work with long-term railway planning cycles. NECPs should serve as robust investment planning tools - beyond purely policy documents - clearly defining funding sources and linking them to EU instruments like the Connecting Europe Facility (CEF) and InvestEU. Furthermore, the Regulation should encourage channelling revenues from energy-related levies or emissions trading systems into the modernisation and decarbonisation of railway system, ensuring long-term financial stability for infrastructure managers.
- **Alignment with TEN-T and TYNDPs:** To maximise EU added value, NECPs must be fully aligned with the Trans-European Transport Network (TEN-T) deployment and Ten-Year Network Development Plans (TYNDPs). Misalignment risks inefficiencies and sub-optimal investments across energy and transport planning.

About CER
The Community of European Railway and Infrastructure Companies (CER) brings together railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 78% of the rail network length, 81% of the rail freight business and about 94% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policy makers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe. For more information, visit www.cer.be or follow us on LinkedIn.

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