Energy Infrastructure Package

Preparatory phase for identification of projects of common interest

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European Commission, Energy
Internal Market I: Networks and Regional initiatives

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The legislative proposals of the package

Three sectoral infrastructure policy proposals

**Connecting Europe Facility:**

- **Energy** – 9.12bn
- **Transport** – 30bn
- **ICT** – 9.1bn
Regulation on guidelines for trans-European energy infrastructure

Implementation of 12 priority corridors/areas, necessary to meet EU’s energy and climate policy goals by 2020 and beyond by providing policy and regulatory certainty through a stable and appropriate regulatory framework to promote the necessary investments:

1. Identification of projects of common interest
2. Accelerated permit granting and transparency
3. Regulatory framework
4. EU financing
**Gas infrastructure priority corridors**

**General criteria**
*Economic viability*
*Crosses border or has cross border impact*

**Specific criteria**
*Market integration*
*Security of supply*
*Sustainability*

→ **Cost-benefit analysis**
## Process to identify projects of common interest

<table>
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<th>ENTSOs (G/E)</th>
<th>Project promoters</th>
<th>NRAs (G/E)</th>
<th>Regional Groups</th>
<th>ACER (G/E)</th>
<th>European Commission</th>
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<td>• Submit projects</td>
<td>• Check application of criteria</td>
<td>• Evaluate projects</td>
<td>• Opinion</td>
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Permit granting – Regime of common interest

**Priority status** for PCIs
- Most preferential treatment in Member States
- Streamlining of EIA procedures

**Competent Authority** to manage permit granting process

**3-years time** limit for the permit granting decision

*Increased transparency* and enhanced public participation
Regulatory framework - measures

*Energy system-wide cost-benefit analysis*
- Proposal by ENTSOs, ACER opinion, Commission approval

*Enabling investments with cross-border impact:*
- Cross-border cost allocation
- NRA joint decision on investments and cost allocation
- ACER decision if no agreement

*Long-term incentives for investment:*
- Obligation on NRAs to grant appropriate risk-related incentives
- ACER guidance on best practices of NRAs and methodology
Financing – Connecting Europe Facility 2014-2020

- € 50 bn for transport, energy (€9.12 bn) and ICT
- **Financial Instruments** (equity/debt incl. project bonds in cooperation with IFIs) and grants for studies and works

**Eligibility criteria (in guidelines):**
- Grants for studies and financial instruments – available to all PCIs
- In exceptional cases, grants for works for PCIs where:
  - CBA shows positive externalities
  - Commercially not viable
  - Cost-allocation decision done
Summary – for electricity and gas

TYNDP projects (+others in 2012/13)

Projects of common interest

- Accelerated permit granting
- Cross-border cost allocation
- Regulatory incentives
- Financial instruments and grants for studies

Grants for works, if:

- Positive externalities
- No commercial viability
Preparing for PCI identification in 2012: Objectives

- **Call of the Energy Ministers** at the TTE Council in February 2012 to start preparatory work for PCI identification

- New EIP approach: **regional cooperation on infrastructure**
Tasks of the regional working groups

- Identify project information
- Project promoters to submit project proposals
- Agree on weighting for project evaluation criteria
- Evaluation of submitted project proposals
- Co-ordination with the other regional working groups
- Agree on draft regional project list
Process in the preparatory phase

**Submission of project proposals**
Through ad-hoc regional groups and open request for information
422 submissions (E: 268, G: 144)

**Verification if within scope, general criteria, Art.172 TFEU are respected**
So far 6 projects excluded (E: 4, G: 2)
Impact on 2 MS is under assessment

**Ranking (based on qualitative and quantitative information)**
CBA
Urgency
Complementarities
Nr of MS
Request for information about non TYNDP projects for identification as potential Projects of Common Interest (PCI) under the draft regulation on guidelines for trans-European energy infrastructure

- Stage 1 online questionnaire

Timescales for submission of project information

- Stage 1: from 23/05/2012 to 07/06/2012
  Initial project information

- Stage 2
  Project promoters will subsequently be invited to submit further project information, once projects fulfil the criteria set out in the draft guidelines by 19 July 2012.

Energy infrastructure

Public Consultation

List of projects submitted to be considered as potential Projects of Common Interest in energy infrastructure.

- Electricity projects [475 KB] List has been amended on 27 July 2012
- Gas projects [468 KB] List has been amended on 27 July 2012
- Oil projects [184 KB] List has been added on 27 July 2012
- Online questionnaire

For practical reasons the list has been divided into one list for electricity projects, one list for gas projects and one list for oil projects.

Consultation period:

From 20/06/2012 to 04/10/2012

Please note: Due to the amendments and the addition of a new list of oil projects, the deadline for responding has been extended.
Involvement of consultants

- **Market analysis (in gas):** to help determine future gas flows, supply adequacy, regional priorities for infrastructure development and quantifiable benefits

- **Project identification (in electricity and gas)**
  - Carry out project assessment according to methodology proposed in draft regulation
  - Support discussions
Role of the Regulators

• **Ensure consistency of the application of the methodology**
  – Data and indicators provided by the projects

• **Determine the EU value of projects**
  – Is it a good project from EU policy objectives point of view?
  – Scope of impact / claimed benefits of projects in MS

• **Provide insight on projects impacting their territory**
  – Interdependency / clustering of projects
  – Urgency
  – View on need where too many competing projects
Thank you for your attention
ACER and NRAs will play an important role within Energy Infrastructure Package

- **Identification process** of projects of common interest
- Ensuring consistency of the PCI process with the ten-year planning at national, regional and EU levels
- **EU energy-system wide cost-benefit-analysis** by ENTSOs
- Contributing to the **monitoring of PCI implementation**
- **Cross-border cost allocation decisions**
- Sharing best practise among NRAs and providing **guidance on regulatory incentive schemes**
Trans-European energy infrastructures PCI process: from project identification to funding

**Every two years**

- E/G
- TYNDP+; oil; sg; co2

**Chapter III.**

- Art. 3(6a)
  - Accelerated permit granting
- Art. 13
  - Cross border cost allocation
- Art. 15
  - Eligibility for financing

**Every year**

- CEF grants:
  - annual / multiannual work programme
  - (all PCIs excl. oil)

**Implementing Act**

- Selection criteria
- Award criteria

**CEF Art.17**

**Financial Instruments by IFIs: due diligence by IFIs**

**CEF: annual call for proposal**

- CEF: award decision
  - CEF Art.17a