

Regulation (EU) 2022/869 on guidelines for trans-European energy infrastructure (new TEN-E Regulation) and the PECl selection process

1. Legislation concerned

Regulation (EU) 2022/869 of the European Parliament and of the Council of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No 347/2013

Eur-Lex: <https://eur-lex.europa.eu/eli/reg/2022/869/oj>

2. Summary

The Trans-European Networks for Energy (TEN-E), first adopted in 2013 through Regulation (EU) No 347/2013 (old TEN-E), focuses on linking the energy infrastructure of EU countries by setting out rules for the timely development and interoperability of trans-European energy networks. The Regulation identifies eligible infrastructural categories related to electricity, energy storage, smart electricity grids, offshore grids, hydrogen, electrolysers, cross-border carbon dioxide network and smart gas grids. The main rationale is to encourage and promote the cooperation of countries towards the development of more interconnected energy networks, as well as providing for funding options for new energy infrastructure.

The new TEN-E lays down guidelines for the timely development and interoperability of energy infrastructure priority corridors and areas that contribute to achieving climate change mitigation objectives. The Regulation also aims at ensuring interconnections, energy security, market and system integration and competition that benefits all Member States, as well as affordability of energy prices.

Regulation (EU) 347/2013 of 17 April 2013 on guidelines for trans-European energy infrastructure was incorporated and adapted in the Energy Community by the Ministerial Council Decision 2015/09/MC-EnC of 16 October 2015. Based on the old TEN-E Regulation, three processes of the Projects of Energy Community Interest (PECl) and Projects of Mutual Interest (PMI) were conducted in 2016, 2018 and 2020, resulting in three decisions and three recommendations of the Ministerial Council on the establishment of the lists of projects of Energy Community interest ('Energy Community list') and on the establishment of the list of Projects of Mutual Interest between Contracting Parties and Member States of the European Union.

By decision of the Ministerial Council No 2021/11/MC-EnC, amending decision No 2015/09/MC-EnC on the implementation of Regulation (EU) No 347/2013, the adoption of the Energy Community list of energy infrastructural projects every two years has been suspended, pending the adoption by the European Union of a new TEN-E Regulation and its subsequent incorporation and adoption in the Energy Community acquis communautaire. Until the establishment of a new list of Projects of Energy Community interest, the lists annexed to Decision No 202/04/MC-EnC and Recommendation 2020/01/MC-EnC remain valid. In order to continue with the energy infrastructural development in the Energy Community Contracting Parties in line with the new EU TEN-E Regulation, its adoption and incorporation in the Energy Community acquis has been prepared and expected to be adapted at the Ministerial Council meeting in December 2023.

3. PECl selection process

Immediately after the adoption of the new TEN-E Regulation and its incorporation in the Energy Community legislative framework, the new process for PECl projects will start, foreseeably in January 2024, expected to be finished by Q2 2024, resulting in the draft preliminary list of new energy infrastructural projects of Energy Community Interest, which is expected to be approved at the Ministerial Council meeting at the end of 2024.

The purpose of the TEN-E Regulation in the Energy Community is to streamline the permitting procedure and facilitate investments in the energy infrastructure in order to achieve the Energy Community's energy and environment policy objectives. Therefore, projects included in the Energy Community list may benefit from streamlined permitting procedures, regulatory incentives, cross-border cost allocation procedures and funding under the EU's Instrument of Pre-Accession Assistance (IPA), the Neighbourhood Development and International Cooperation Instrument (NDICI) and the Ukraine Facility.

Preliminary timeline:

- Preliminary expression of interest for candidate projects (11/2023)
- Adoption of the new TEN-E Regulation in the Energy Community (12/2023)
- Official call for candidate projects (01-02/2024)
- Selection process (02/2024 - 09/2024)
- Official proposal of the list of projects of Energy Community interest (09/2024)
- Ministerial Council decision on the new list of PEI projects

4. Eligible energy infrastructural categories

ELECTRICITY:

- high and extra-high voltage overhead transmission lines, crossing a border or within a Contracting Party territory including the exclusive economic zone, if they have been designed for a voltage of 220 kV or more, and underground and submarine transmission cables, if they have been designed for a voltage of 150 kV or more;
- energy infrastructure for offshore renewable electricity;
- energy storage facilities, provided they are directly connected to high-voltage transmission lines and distribution lines designed for a voltage of 110 kV or more;
- any equipment or installation essential for the previous categories to operate safely, securely and efficiently, including protection, monitoring and control systems at all voltage levels and substations;
- smart electricity grids involving at least two Contracting Parties;
- any equipment or installation essential for the high and extra-high voltage overhead transmission lines having dual functionality: interconnection and offshore grid connection system from the offshore renewable generation sites to two or more Contracting Parties;

GAS:

- smart gas grids aiming to enable and facilitate the integration of a plurality of low-carbon and particularly renewable gases, including biomethane or hydrogen, into the gas network;
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- hydrogen systems, including pipelines for the transport of hydrogen, including repurposed natural gas infrastructure, reception/storage/regasification/decompression facilities for liquefied hydrogen or hydrogen embedded in other chemical substances with the objective of injecting the hydrogen into the grid, any equipment or installation essential for the hydrogen system to operate safely, securely and efficiently or to enable bi-directional capacity, including compressor stations, any equipment or

installation allowing for hydrogen or hydrogen-derived fuels use in the transport sector within the TEN-T core network;

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- electrolyzers of at least 50 MW capacity;
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- carbon dioxide pipelines, fixed facilities for liquefaction, buffer storage and converters of carbon dioxide, surface and injection facilities for the permanent geological storage of carbon dioxide, any equipment or installation essential for the CO₂ system to operate properly, securely and efficiently, including protection, monitoring and control systems;

5. Criteria for the assessment of projects

General criteria

- (a) the project falls in at least one of the energy infrastructure priority interconnection corridors and areas defined within the Regulation;
- (b) the potential overall benefits of the project outweigh its costs;
- (c) the project meets any of the following criteria:
 - (i) it involves at least two Contracting Parties by directly or indirectly, via interconnection with a third country, crossing the border of two or more Contracting Parties;
 - (ii) it is located on the territory of one Contracting Party, either inland or offshore, including islands, and has a significant cross-border impact;

Specific criteria

- (a) for **electricity transmission, distribution and storage projects**, the project contributes significantly to sustainability through the integration of renewable energy into the grid, the transmission or distribution of renewable generation to major consumption centres and storage sites, and to reducing energy curtailment, where applicable, and contributes to at least one of the following specific criteria:
 - (i) market integration, including through lifting the energy isolation of at least one Contracting Party and reducing energy infrastructure bottlenecks, competition, interoperability and system flexibility;
 - (ii) security of supply, including through interoperability, system flexibility, cybersecurity, appropriate connections and secure and reliable system operation;
- (b) for **smart electricity grid projects**, the project contributes significantly to sustainability through the integration of renewable energy into the grid, and contributes to at least two of the following specific criteria:
 - (i) security of supply, including through efficiency and interoperability of electricity transmission and distribution in day-to-day network operation, avoidance of congestion, and integration and involvement of network users;
 - (ii) market integration, including through efficient system operation and use of interconnectors;
 - (iii) network security, flexibility and quality of supply, including through higher uptake of innovation in balancing, flexibility markets, cybersecurity, monitoring, system control and error correction;

(iv) smart sector integration, either in the energy system through linking various energy carriers and sectors, or in a wider way, favouring synergies and coordination between the energy, transport and telecommunication sectors;

(c) for **carbon dioxide transport and storage projects**, the project contributes significantly to sustainability through the reduction of carbon dioxide emissions in the connected industrial installations and contributes to all of the following specific criteria:

(i) avoiding carbon dioxide emissions while maintaining security of supply;

(ii) increasing the resilience and security of transport and storage of carbon dioxide;

(iii) the efficient use of resources, by enabling the connection of multiple carbon dioxide sources and storage sites via common infrastructure and minimising environmental burden and risks;

(d) for **hydrogen projects**, the project contributes significantly to sustainability, including by reducing greenhouse gas emissions, by enhancing the deployment of renewable or low carbon hydrogen, with an emphasis on hydrogen from renewable sources in particular in end-use applications, such as hard-to-abate sectors, in which more energy efficient solutions are not feasible, and supporting variable renewable power generation by offering flexibility, storage solutions, or both, and the project contributes significantly to at least one of the following specific criteria:

(i) market integration, including by connecting existing or emerging hydrogen networks of Contracting Parties, or otherwise contributing to the emergence of an Energy Community-wide network for the transport and storage of hydrogen, and ensuring interoperability of connected systems;

(ii) security of supply and flexibility, including through appropriate connections and facilitating secure and reliable system operation;

(iii) competition, including by allowing access to multiple supply sources and network users on a transparent and non-discriminatory basis;

(e) for **electrolysers**, the project contributes significantly to all of the following specific criteria:

(i) sustainability, including by reducing greenhouse gas emissions and enhancing the deployment of renewable or low-carbon hydrogen in particular from renewable sources, as well as synthetic fuels of those origins;

(ii) security of supply, including by contributing to secure, efficient and reliable system operation, or by offering storage, flexibility solutions, or both, such as demand side response and balancing services;

(iii) enabling flexibility services such as demand response and storage by facilitating smart energy sector integration through the creation of links to other energy carriers and sectors;

(f) for **smart gas grid projects**, the project contributes significantly to sustainability by ensuring the integration of a plurality of low-carbon and particularly renewable gases, including where they are locally sourced, such as biomethane or renewable hydrogen, into the gas transmission, distribution or storage systems in order to reduce greenhouse gas emissions, and that project contributes significantly to at least one of the following specific criteria:

(i) network security and quality of supply by improving the efficiency and interoperability of gas transmission, distribution or storage systems in day-to-day network operation by, inter alia, addressing challenges arising from the injection of gases of various qualities;

(ii) market functioning and customer services;

(iii) facilitating smart energy sector integration through the creation of links to other energy carriers and sectors and enabling demand response.