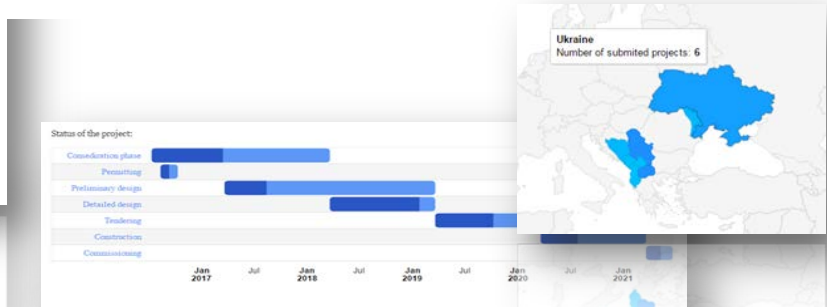


R347 & PLIMA

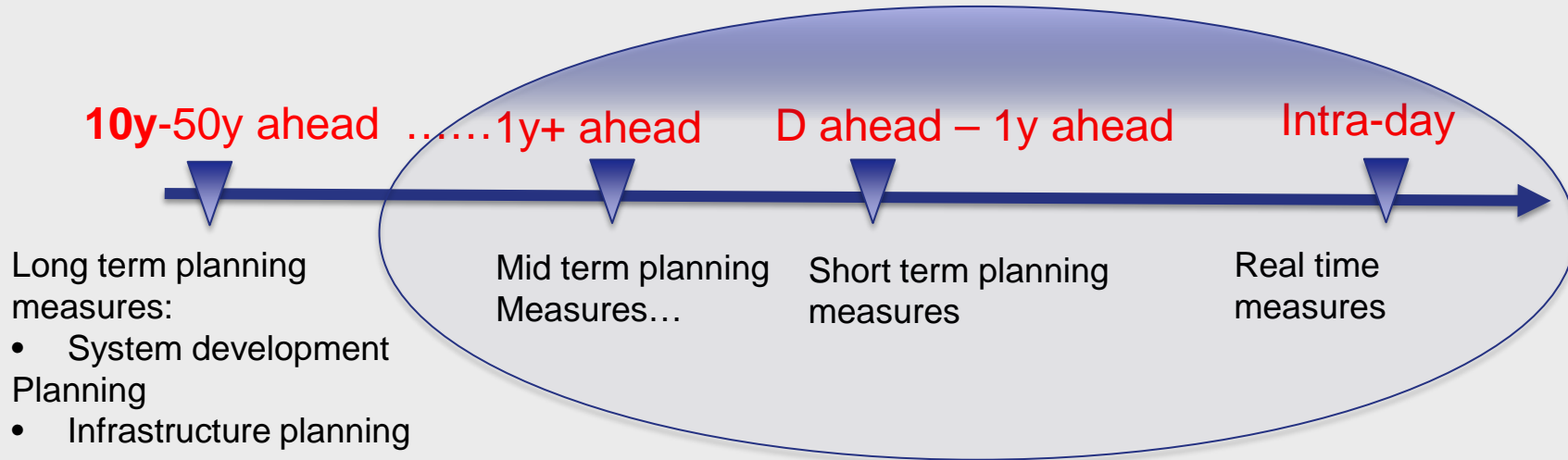
R347 OBLIGATIONS AND RECOMMENDATIONS

Security of Supply Coordination Group - Nenad Šijaković, Mag.Sci.E.E., ECS



Process Timeline

Process of ensuring secure, stable and optimal energy supply



Nikola Tesla (1856-1943):

“Development and wealth of a city, the success of a nation, the progress of the whole human race, are all determined by the available energy.”

In October 2015, the Ministerial Council of the Energy Community adopted the [Decision D/2015/09/MC-EnC](#) on the implementation of Regulation (EU) 347/2013 on the Guidelines for Trans-European Energy Infrastructure, [TEN-E Regulation](#).

“streamlining and simplifying procedures for facilitating the permitting and implementation of energy infrastructure priority projects”



The Regulation, as adapted for the Energy Community, lays down rules for the timely development and interoperability of energy networks in the Energy Community, in order to:

- ***Verify priority (714/2009, 715/2009),***
- ***Facilitate, and***
- ***Financially assist...***

...PRIORITY infrastructure projects in Energy Community: PECI/PMI – Projects of Energy Community Interest / Projects of Mutual Interest

I Priority identification and verification

1. Identification of infrastructure investment needs!!! – ENTSO-E TYNDP, RgIP – NDPs, in Gas lack of similar regional initiative and process (Dir. 714/2009 and 715/2009)
2. Cost benefit analysis (CBA, 714/2009 and 715/2009) – the base for continuation of the process through PEI selection and potential CBCA application
3. Projects of Energy Community Interest selection (PEIIs)
4. Consultation on the list of proposed Projects of Common Interest – Additional projects in oil, gas and electricity

II-a Accelerated permit granting

1. Accelerated permit granting procedure
2. Transparency and public participation

II-b Improved regulatory treatment

1. Cross Border Cost Allocation (CBCA)
2. Risk-related incentives
3. Other improvements of the regulatory treatment

III Financial support

1. Financing through the IPA, WBIF, NIF

The key benefits for a project having PECI status are:

- accelerated planning and permit granting procedures (capped at 3.5 years),
- a single national competent authority which will act as a one-stop-shop for permit granting procedures,
- fewer administrative costs for the project promoters and authorities due to a more streamlined environmental assessment procedure, whilst respecting the requirements of EnC law,
- increased transparency and improved public participation,
- increased visibility and attractiveness for investors thanks to an enhanced regulatory framework where costs are allocated to the countries that benefit most from a completed project, and
- potential financial support under the IPA and NIF.

Accelerated
permit granting

- 3.5 years
- One Stop Shop
- Public Participation

Improved
Regulatory
treatment

- Risk related incentives – if necessary
- Cross Border Cost Allocation (CBCA) – on request

Financial
support

(will be granted based on
further assessment)

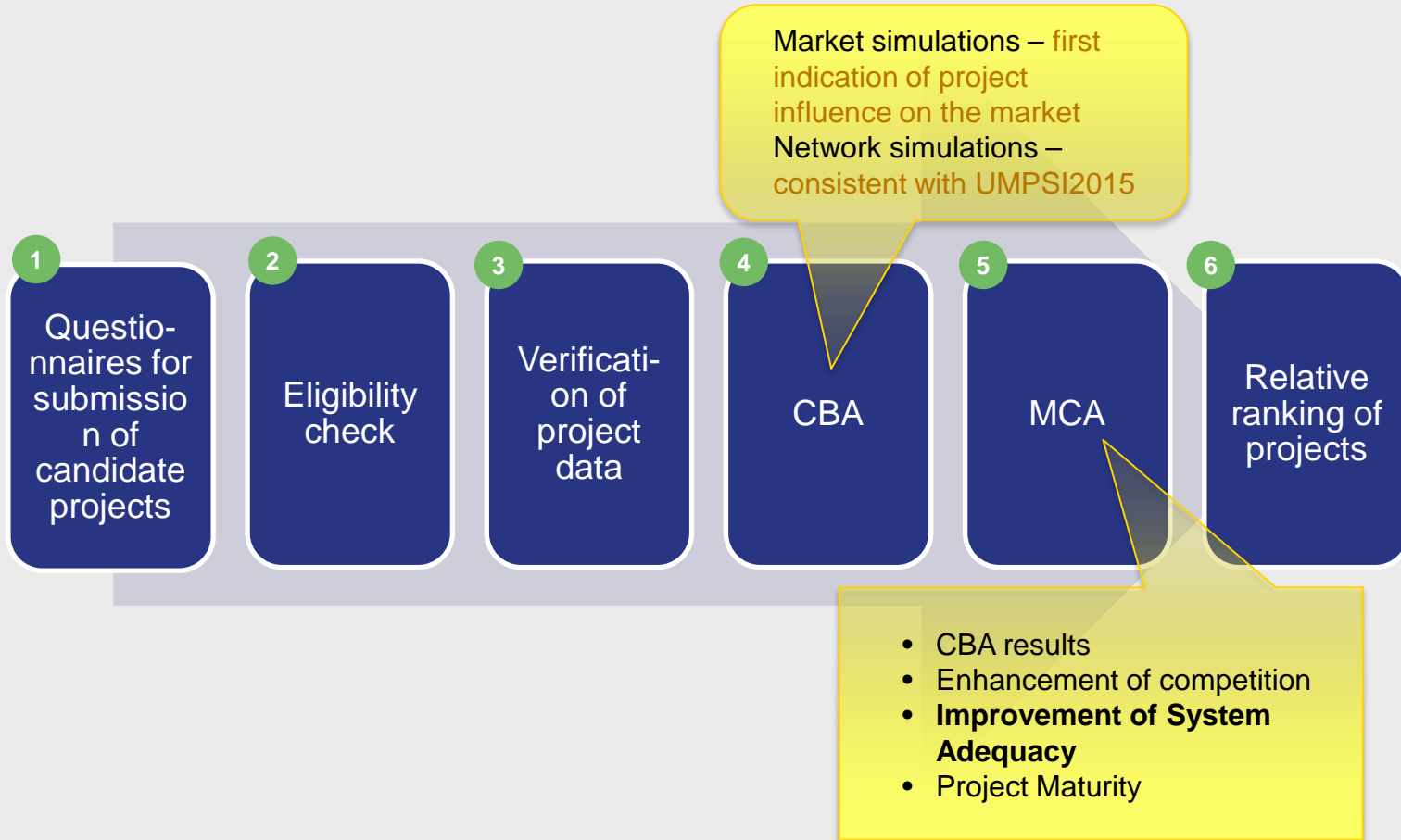
- Access to Financial Instruments
- Grants for Works and for Studies



The selection of priority infrastructure projects is done in line with the EU Regulation 347/2013, as adapted for the Energy Community.

1. *1st call for project proposals ended on 25th February 2016.*
2. *2nd call for project proposals ended on 2nd June 2016.*
3. **Categories:** energy infrastructure concerning electricity, gas and oil, as well as 1 thematic area covering smart grids.
4. **Two Project Groups formed with the following objectives:**
 - to list all projects eligible to be candidates for PECI / PMI status;
 - to assess all eligible projects, based on the proposed and accepted methodology, fulfilling the necessary criteria defined in the Regulation;
 - to adopt a preliminary PECI/PMI list, as well as to perform monitoring tasks accordingly.

PECI/PMI 2016 selection process – project assessment workflow / methodology



Project Assessment Criteria

1

Change in socio-economic welfare

- *Incremental welfare changes* resulting from individual investment projects are estimated as regards the project's impact on
 - **market integration / price convergence**
 - **improvement of security of supply**
 - **reduction of CO2 emissions**
- Calculation of the **economic net-present value (NPV)** discounting the incremental costs and benefits of each investment project back to their present values

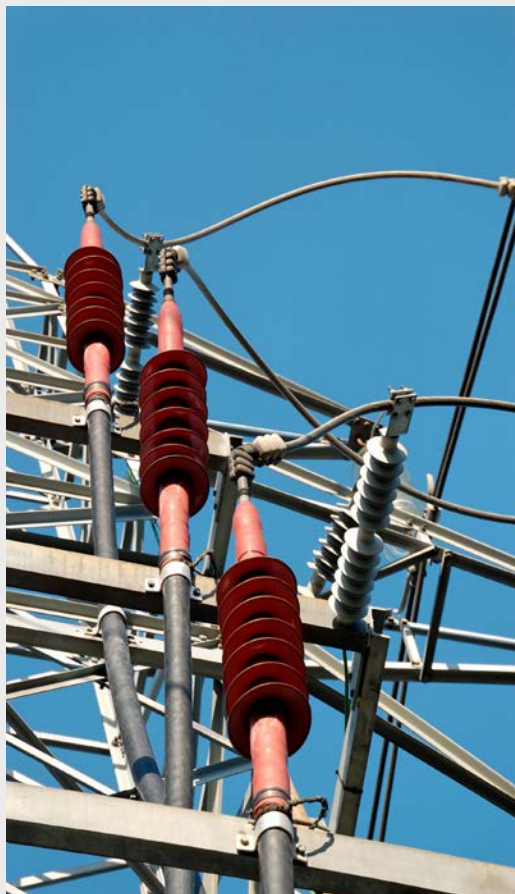
2


System Adequacy

- The incremental *improvement of overall system reliability* is calculated as the change of the **system adequacy index (SAI)** with and without the individual project
- The higher the value of the index the higher the level of system reliability

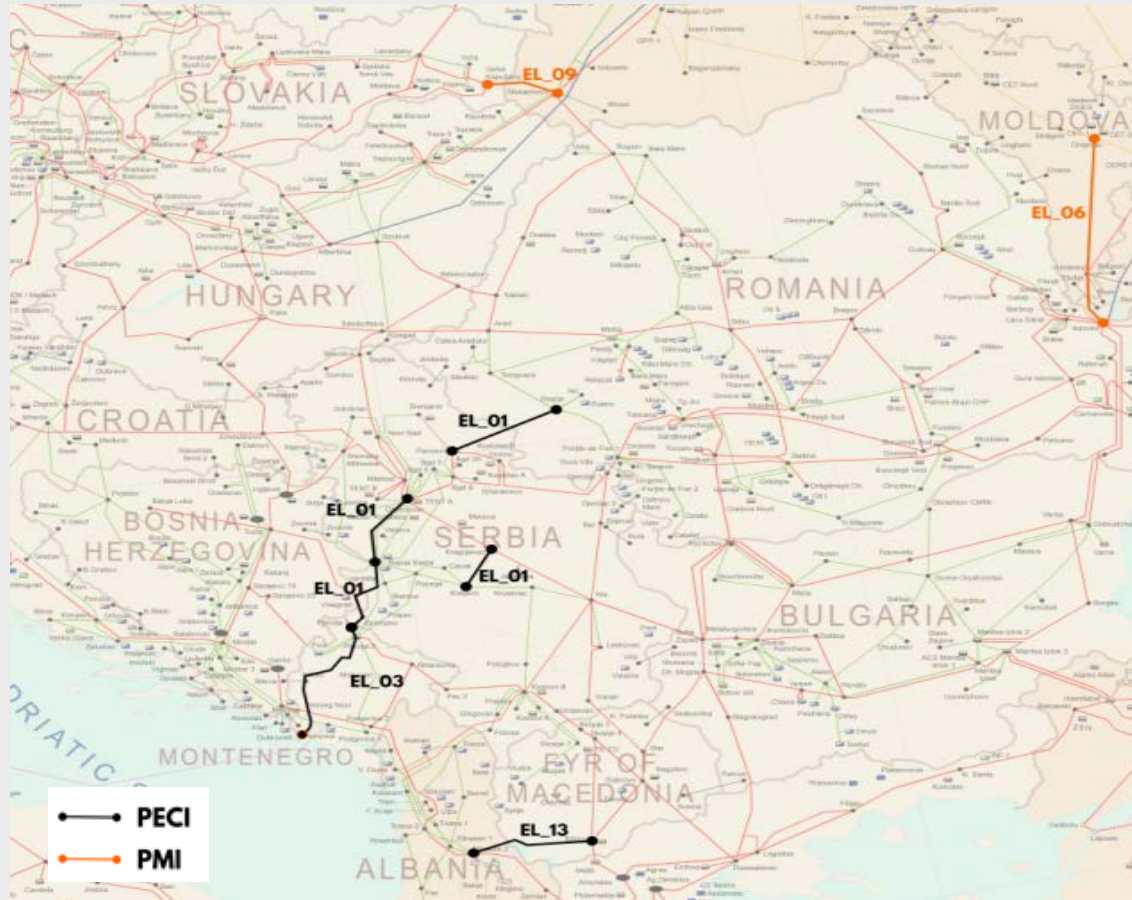
$$\text{SAI} = \frac{(\text{generation} + \text{interconnection}) - \text{peak demand}}{\text{peak demand}}$$

- The proposal of the project preliminary lists was made by the electricity and gas groups, featuring the ministries, regulators and transmission system operators of the Contracting Parties, the European Commission as the chair of the process, and the Energy Community Secretariat.
- In cooperation with ACER, the Energy Community Regulatory Board has provided its opinion to the proposed list.
- The final list of Projects of Energy Community Interest (PECI) and respectively, Projects of Mutual Interest is expected to be endorsed by the Permanent High Level Group and approved by the Ministerial Council in October 2016.

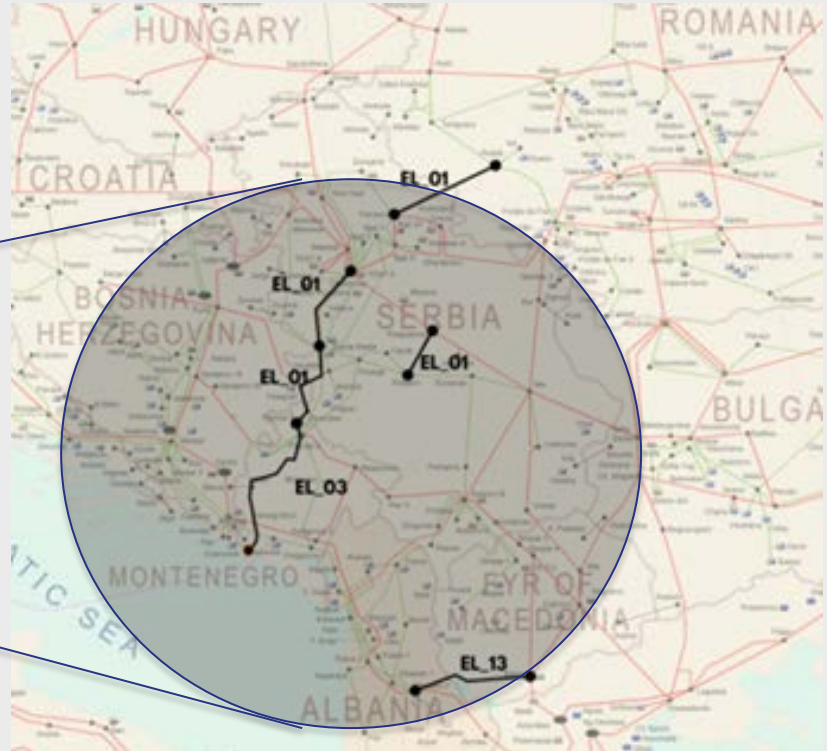
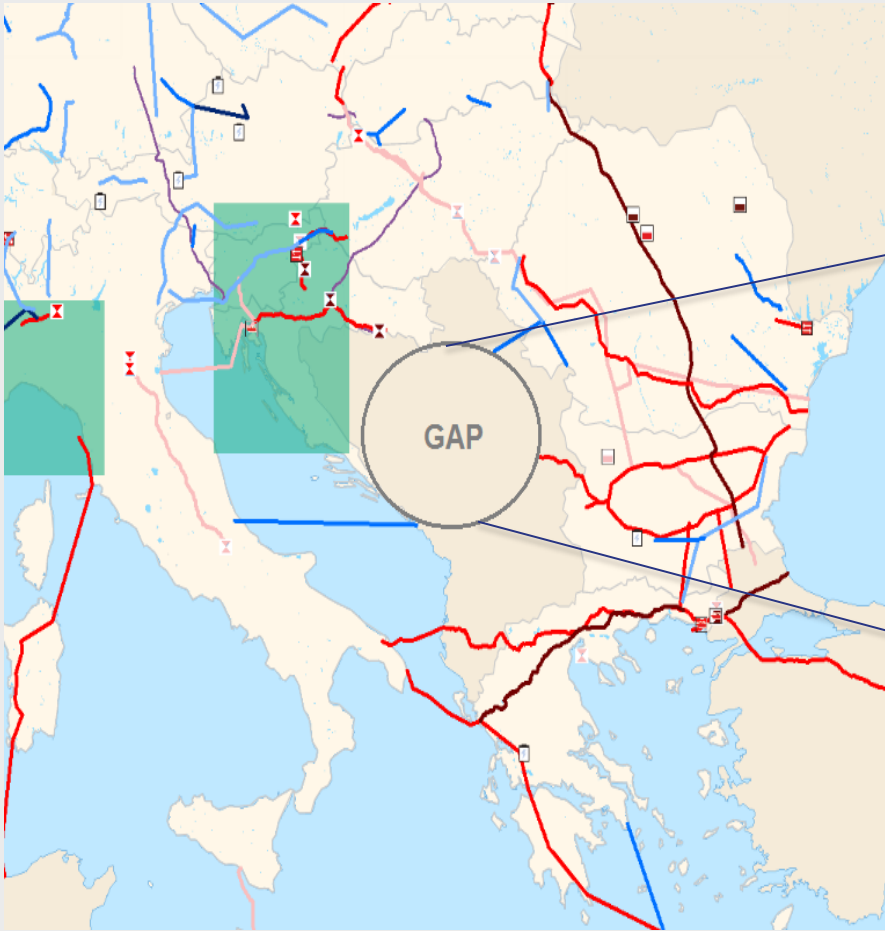


 Electricity PECEs and PMIs	
Electricity PECEs	
Transbalkan corridor consisting of the following five PECE projects:	
EI 01	400 kV OHL Resita (RO) - Pancevo (RS)
EI 01	400 kV OHL Kragujevac (RS) - Kraljevo (RS)
EI 01	400 kV OHL Obrenovac (RS) - Bajina Basta (RS)
EI 01	400 kV OHL Bajina Basta (RS) - Visegrad (BA) - Pljevlja (ME)
EI 03	400 kV OHL Pljevlja (ME) - Lastva (ME)
Interconnection between Albania and former Yugoslav Republic of Macedonia:	
EI 13	400 kV OHL Bitola (MK) - Elbasan (AL)
Electricity PMIs	
Interconnection between Romania and Moldova:	
EI 06	Back to back station station on 400 kV OHL Vulcanesti (MD) - Issacea (RO) and new 400 kV OHL Vulcanesti (MD) - Chisinau (MD)
Interconnection between Ukraine and Slovakia:	
EI 09	Rehabilitation of 400 kV OHL Mukacheve (UA) – V.Kapusany (SK)

The Map of PECI/PMI projects



Clustering Gap – PCI/PECI complementarity 1) and 2)



R347 Obligations and Requirements

The Regulation places obligations and requirements on Competent Authority, on permitting authorities in the process and on project promoters.

General requirements:

Article 7: Priority status - Where the status of the highest national significance possible exists in the national law , the countries shall give this status to PECIs;

Article 8.1: Designation of One-stop-shop as a facilitator

One of a major elements of the permit granting regime established by the TEN-E Regulation is the requirement to designate a so called “one-stop-shop”, called National Competent Authority (NCA), by no later than 30 June 2017.

Article 9: Transparency and Public Participation

Article 9 of Regulation 347/2013 provides that each CP or the Competent Authority shall, where applicable in collaboration with other authorities concerned, shall publish a manual of procedures for the permit granting process applicable to PECIs, by no later than 31December 2017.

R347 Obligations and Requirements

Project promoters obligations

Draw up an implementation plan for the Project including a timetable for each of the following: (a) feasibility and design studies; (b) approval by the national regulatory authority or by any other authority concerned; (c) construction and commissioning (d) the permit granting schedule referred to in Article 10(4)(b). [Article 5.1].

Submit an annual report by 31 March of each year following the year of inclusion of a PECEs on the ECS List to Competent Authority. [Article 5.4].

Draw up and submit a concept for public participation to Competent Authority. [Article 9.3 in line with guidelines set out in Annex VI].

Prepare a report summarising the results of activities related to the participation of the public prior to the submission of the application file, including those activities that took place before the start of the permit granting process [Article 9 (4)]

Establish, maintain and update a project website. [Article 9.7]

Provide a reasonably detailed outline of the project when the PECE process is being initiated. [Article 10.1(a)].

Prepare any environmental reports to be prepared by the project promoters during the pre-application stage. [Article 10.1 (a)].

Ensure the completeness and adequate quality of the application file. [Article 10.5].

Ensure that all required information is made available promptly to the relevant authorities to ensure that the time limits set can be met. [Article 10.5].

Co-operate fully with Competent Authority to meet deadlines and comply with the detailed schedule for the permit granting process. [Article 10.5].

Project Implementation and Monitoring Duties of different Stakeholders according to the adopted Regulation 347/2013 - Article 5.



Project Promoter/ TSO	Energy Community Secretariat/ The Groups	Competent Authority/ Regulator
<p>1. Project promoters shall draw up an implementation plan for projects of Energy Community interest, including a timetable for each of the following:</p> <ul style="list-style-type: none"> (a) feasibility and design studies; (b) approval by the national regulatory authority or by any other authority concerned; (c) construction and commissioning; (d) the permit granting schedule referred to in Article 10(4)(b). 	<p>3. The Energy Community Secretariat and the Groups concerned shall monitor the progress achieved in implementing the projects of Energy Community interest and, if necessary, make recommendations to facilitate the implementation of projects of Energy Community interest. The Groups may request that additional information be provided in accordance with paragraphs 4, 5 and 6, convene meetings with the relevant parties and invite the Energy Community Secretariat to verify the information provided on site.</p>	<p>6. Each year, the competent authorities referred to in Article 8 shall report to the respective Group on the progress and, where relevant, on delays in the implementation of projects of Energy Community interest located on their respective territory with regard to the permit granting processes, and on the reasons for such delays.</p>
<p>2. TSOs, distribution system operators and other operators shall co-operate with each other in order to facilitate the development of projects of Energy Community interest in their area.</p>		<p>7. If the commissioning of a project of Energy Community interest is delayed compared to the implementation plan, other than for overriding reasons beyond the control of the project promoter:</p> <ul style="list-style-type: none"> (a) in so far as measures referred to in Article 22 (7)(a), (b) or (c) of Directives 2009/72/EC and 2009/73/EC, as incorporated and adapted by the Ministerial Council Decision 2011/02/MC-EnC, are applicable according to respective national laws, national regulatory authorities shall ensure that the investment is carried out; ... (c) if a third party is not chosen according to point (b), the Contracting Party or, when the Contracting Party has so provided, the national regulatory authority may, within two months of the expiry of the period referred to in point (b), designate a third party to finance or construct the
<p>4. By 31 March of each year following the year of inclusion of a project of Energy Community interest on the Energy Community list pursuant to Article 3, project promoters shall submit an annual report, for each project falling under the categories set out in Annex I.1 and 2, to the competent authority referred to in Article 8 and either to the Regulatory Board or, for projects falling under the categories set out in Annex I.3, to the respective Group. That report shall give details of:</p> <ul style="list-style-type: none"> (a) the progress achieved in the development, construction and commissioning of the project, in particular with regard to permit granting and consultation procedures; (b) where relevant, delays compared to the implementation plan, the reasons for such delays 	<p>5. Within three months of the receipt of the annual reports referred to in paragraph 4 of this Article, the Energy Community Secretariat shall submit to the Groups a consolidated report for the projects of Energy Community interest falling under the categories set out in Annex I.1 and 2, evaluating the progress achieved and make, where appropriate, recommendations on how to overcome the delays and difficulties encountered.</p>	
<p>7/(b) if the measures of national regulatory authorities according to point (a) are not applicable, the project promoter shall choose a third party to finance or construct all or part of the project. The project promoter shall do so before the delay compared to the date of commissioning in the implementation plan exceeds two years;</p> <ul style="list-style-type: none"> (c) if a third party is not chosen according to point (b), the Contracting Party or, when the Contracting Party has so provided, the national regulatory authority may, within two months of the expiry of the period referred to in point (b), designate a third party to finance or construct the project which the project promoter shall accept; (d) when point (c) is applied, the system operator in whose area the investment is located shall 	<p>8. A project of Energy Community interest may be removed from the Energy Community list according to the procedure set out in Article 3(4) if its inclusion in that list was based on incorrect information which was a determining factor for that inclusion, or the project does not comply with Energy Community law.</p>	
<p>9. Projects which are no longer on the Energy Community list shall lose all rights and obligations linked to the status of project of Energy Community interest arising from this Regulation. However, a project which is no longer on the Energy Community list but for which an application file has been accepted for examination by the competent authority shall maintain the rights and obligations arising from Chapter III, except where the project is no longer on the list for the reasons set out in paragraph 8.</p>		

According to the Article 18 of adopted Regulation 347/2013 (MC Decision [D/2015/09/MC-EnC](#)):

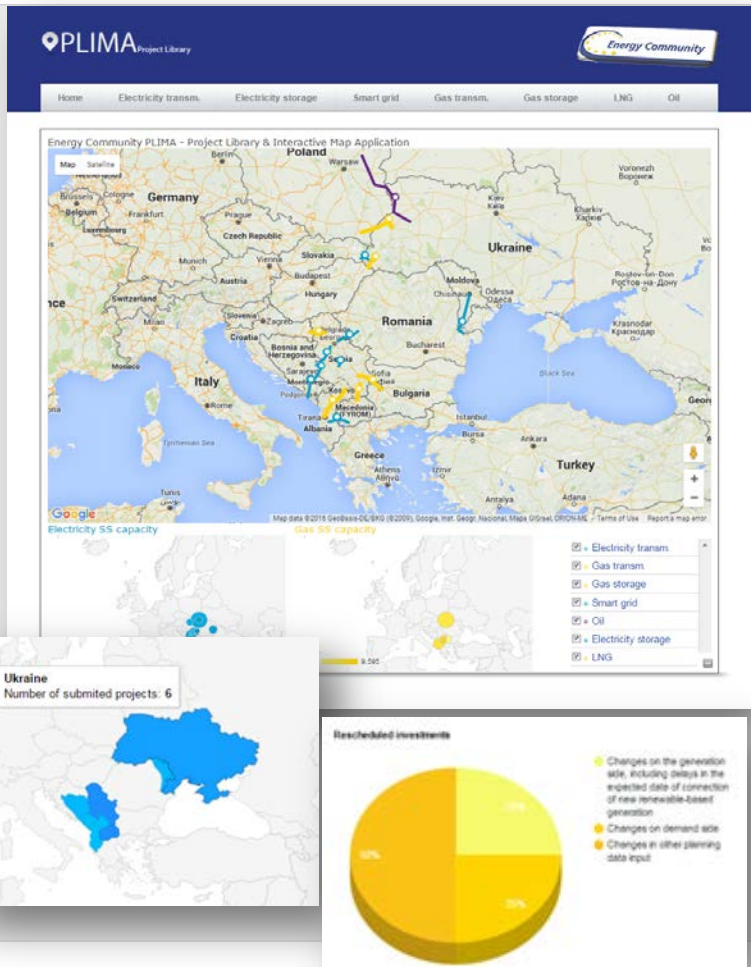
The Energy Community Secretariat shall establish, by six months after the date of adoption of the first Energy Community list (14th April 2017), an **infrastructure transparency platform** easily accessible to the general public, including via the internet. This platform shall contain the following information:

- general, updated information, including geographic information, for each project of Energy Community interest;
- the implementation plan as set out in Article 5(1) for each project of Energy Community interest;
- the main results of the cost-benefit analysis on the basis of the methodology drawn up pursuant Article 11 for the projects of Energy Community interest concerned, except for any commercially sensitive information;
- the Energy Community list;
- the funds allocated and disbursed by the Union for each project of Energy Community interest.

PLIMA – Project Library and Interactive Map Application provides up to date information on the geographic location for each of the projects listed as PECE/PMI, as well as other relevant project data, using user friendly and interactive approach, and represents:

- Regional Infrastructure Transparency Platform, and
- Project Monitoring Tool

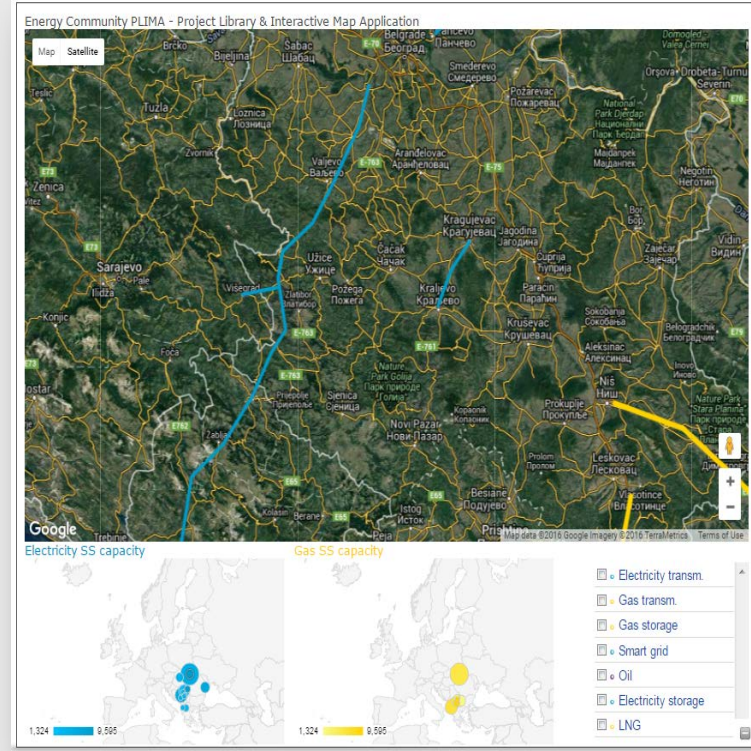
PLIMA is a web based application developed using open source apps PHP/MySQL and Wordpress platform (which is also an open source platform), embedded Google map APIs and different Google charts.



The screenshot shows the PLIMA web application interface. At the top, there is a navigation bar with the PLIMA Project Library logo and the Energy Community logo. Below the navigation bar, there are tabs for Home, Electricity transm., Electricity storage, Smart grid, Gas transm., Gas storage, LNG, and Oil. The main content area features a map of Europe with various project locations marked. A legend on the right side of the map lists project types: Electricity transm., Gas transm., Gas storage, Smart grid, Oil, Electricity storage, and LNG. Below the map, there are two smaller charts: a map of Ukraine showing the number of submitted projects (6) and a pie chart titled 'Rescheduled investments' showing changes in generation side, demand side, and other planning data input.

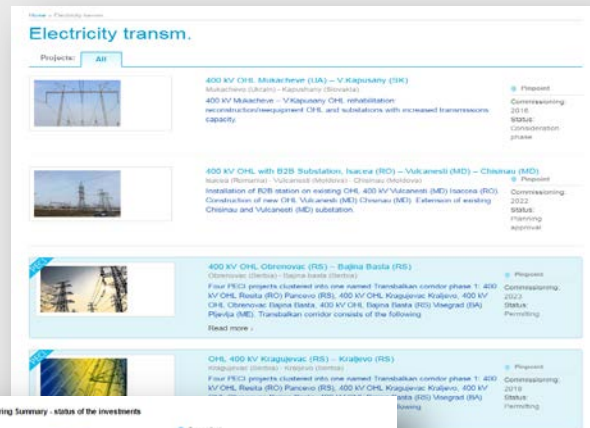
PLIMA possess the following functionalities (1):

1. PECO/PMI projects presentation using Interactive map approach (using Google map APIs),
2. Project library, dynamically connected to the GIS based map, provides up to date information on the geographic location for each of the projects listed as PECO/PMI as well as other relevant project data, using user friendly and interactive user interface. Projects covered by PLIMA are divided into the following categories:
 - a) Electricity transmission,
 - b) Electricity storage,
 - c) Smart grid,
 - d) Gas transmission,
 - e) Gas storage,
 - f) LNG, and
 - g) Oil.

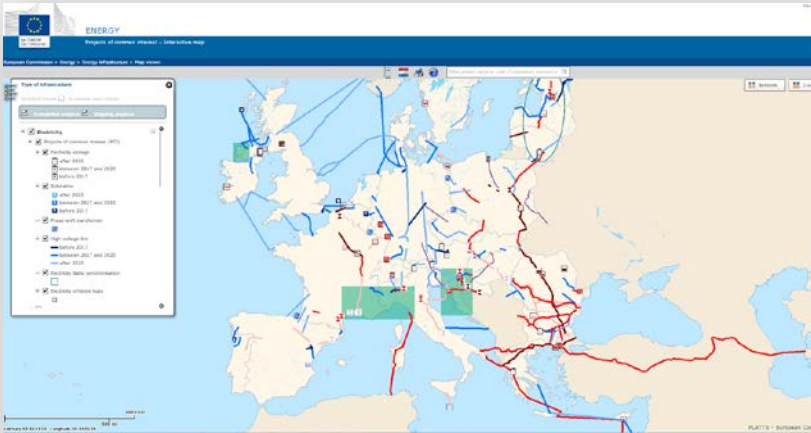


PLIMA possess the following functionalities (2):

3. Possibility to list every project category with pinpoint function connected with Interactive map interface.
4. Project detailed page, with all necessary project data, images, charts as well as predefined, Data Base backed up, interactive Gantt Diagram with 7 predefined project phases, which is used for the project monitoring purposes (each phase is described by start date, end date, duration, percent done...).
5. Overall projects Monitoring Tool with appropriate charts and other relevant statistical data.




EC solution



ENTSO/E solution

