

TEN-E (PECI) Groups meeting – 1st joint meeting of the “Electricity” and “Gas” Groups

The revised TEN-E Regulation in the Energy Community and the PECO selection process

Online event, 7 March 2024

Davor Bajcs, Adam Balogh
Energy Community Secretariat

The revised TEN-E Regulation in the Energy Community

“Old” TEN-E REGULATION (347/2013)

REGULATION (EU) No 347/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 **April 2013** on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009



DECISION OF THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY D/**2015**/09/MC-EnC: on the implementation of Regulation (EU) No 347/2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure



Revised TEN-E REGULATION (2022/869)

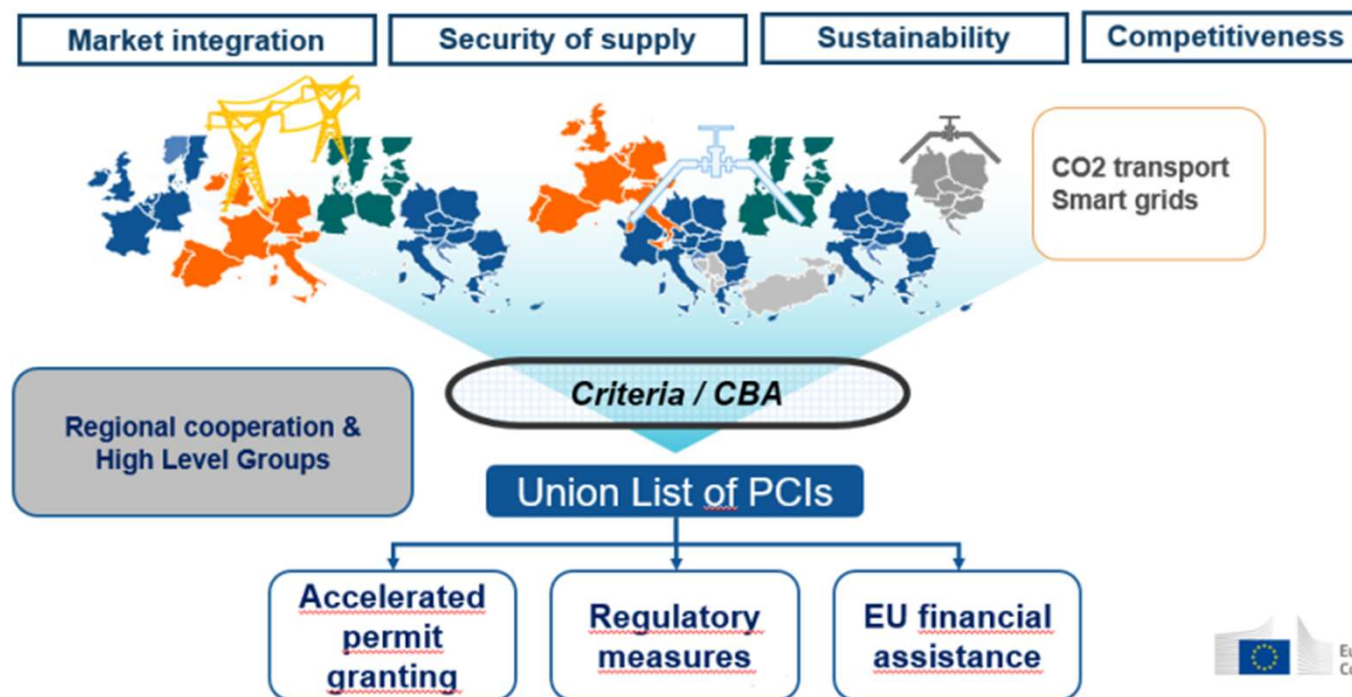
REGULATION (EU) No 2022/869 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and **repealing Regulation (EU) No 347/2013**



DECISION OF THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY 2023/02/MC-EnC amending Annex I to the EnC Treaty to adapt to and adopt in the EnC Regulation (EU) 2022/869 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure



The trans-European energy networks policy



Source: European Commission - Webinar: The revised TEN-E Regulation, 10 May 2022

The main provisions from the TEN-E (as adopted in the EnC)



- **Two Groups, with the decision-making power restricted to the Contracting Parties, shall be established.**
- **These groups will decide on the Projects of Energy Community Interest (PECI) list, which shall be adopted by the Ministerial Council.**
- **General and specific criteria for the assessment of the projects by the groups are defined.**
- **Energy infrastructure priority interconnections, corridors and areas, as well as priority thematic areas, together with eligible project categories are listed.**
- **Implementation of PECIs and monitoring procedures have been established.**
- **Permit granting process and public participation have been addressed.**
- **The main principles of CBA and development scenarios are included.**
- **Adjustments of the regulatory framework are defined.**
- **Financing aspects have been included.**

Main topics/differences: **PMI projects**

Old TEN-E*

*REGULATION (EU) No 347/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009

Union list of projects of common interest

PCI: A project necessary to implement the energy infrastructure priority corridors and areas set out in the Regulation.

Revised TEN-E*

*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

Union list of projects of common interest and projects of mutual interest

PCI + **PMI***

*A project promoted by the Union in cooperation with third countries

Article 4(2) on PMIs:

- the project is in line with **Policy objectives**;
- overall **benefits** outweigh its costs within the Union;
- the project is located on the **territory** of at least one Member State and on the territory of at least one third country and has a significant cross-border impact;
- high level of **convergence of the policy frameworks** of the third country:
 - a well-functioning internal energy market;
 - security of supply based, inter alia, on diverse sources, cooperation and solidarity;
 - an energy system moving towards the objective of climate neutrality;
- the third country involved **support** the priority status of the project and **commit** to complying with a similar timeline for accelerated implementation;

Main topics/differences: Categories

Old TEN-E

Revised TEN-E

Eligible infrastructure categories:

- **High-voltage overhead lines**
(cables ≥ 150 kV; lines ≥ 220 kV, $\Delta GTC \geq 500$ MW)
- **Electricity storage** ($U \geq 110$ kV, 225 MW, 250 GWh/y)
- **Smart electricity grids** ($U \geq 10$ kV, TSOs and DSOs from 2 MS, to satisfy all criteria, 50 000 users, consumption 300 GWh/y, 20% covered by RES)
- **Gas pipelines, storage, LNG/CNG, other equipment**
- **Oil pipelines, pumping stations and storage**
- **Carbon-dioxide pipelines, facilities for liquefaction and storage**

- **High-voltage overhead lines**
(cables ≥ 150 kV; lines ≥ 220 kV, $\Delta GTC \geq 500$ MW, **decreases isolation and $\Delta GTC \geq 200$ MW**)
- **Electricity storage** ($U \geq 110$ kV, 225 MW, 250 GWh/y)
- **Smart electricity grids** ($U \geq 10$ kV, TSOs and/or DSOs from 2 MS, to satisfy **at least two** criteria, 50 000 users, consumption 300 GWh/y, 20% covered by RES)
- **Offshore grids** (cables ≥ 150 kV; lines ≥ 220 kV)
- **Smart gas grids, Hydrogen pipelines, storage, other equipment and facilities, Electrolysers** (at least 50 MW of capacity)
- **Carbon-dioxide pipelines, facilities for liquefaction and storage**

Main topics/differences: **Smart grids (electricity)**

Old TEN-E

Revised TEN-E

Criteria for smart grid candidate PCI (contributes to all)

- integration and involvement of network users with new technical requirements with regard to their electricity supply and demand;
- efficiency and interoperability of electricity transmission and distribution in day-to-day network operation;
- network security, system control and quality of supply;
- optimised planning of future cost-efficient network investments;
- market functioning and customer services;
- involvement of users in the management of their energy usage;

Criteria for smart grid candidate PCI / PMI (contributes to **at least two**)

- 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;
- market integration;
- network security, **flexibility** and quality of supply;
- smart sector integration, through linking various energy carriers and sectors, or in a wider way, favouring synergies and coordination between the energy, transport and telecommunication sectors;

Main topics/differences: **Hydrogen**

Old TEN-E

Criteria for hydrogen projects

- No provisions

Revised TEN-E

Criteria for hydrogen projects

Article 4(3)(d)

*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:*

- **market integration**, including by connecting existing or emerging hydrogen networks of MSs, or otherwise contributing to the emergence of an Union-wide network for the transport and storage of hydrogen, and ensuring interoperability of connected systems;
- **security of supply and flexibility** [...];
- **Competition** [...];

Main topics/differences: **Electrolysers**

Old TEN-E

Criteria for electrolysers

- No provisions

Revised TEN-E

Criteria for electrolysers (contributes to all)

Article 4(3)(e)

- **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;
- **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;
- **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;

Main topics/differences: **Smart Gas Grids**

Old TEN-E

Smart gas grid projects

- No provisions

Revised TEN-E

Smart gas grid projects (contributes to at least one criteria)

Article 4(3)(f)

*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... and following specific criteria:*

- ***network security and quality of supply [...];***
- ***market functioning and customer services;***
- ***facilitating smart energy sector integration through the creation of links to other energy carriers and sectors and enabling demand response.***

Main topics/differences: **Monitoring**

Old TEN-E

Revised TEN-E

Annual report

Project promoters shall submit an annual report to the national competent authority and the Agency/respective Group by 31 March of each year following the year of inclusion on the list.

3 months after that the Agency submits a consolidated report to the Groups.

Project promoters shall submit an annual report to the national competent authority by **31 December** of each year following the year of inclusion on the list.

By **28 February** of each year the competent authorities shall submit the report to the Agency and to the relevant Group.

By **30 April** of each year in which a new Union list should be adopted, the Agency shall submit to the Groups a consolidated report.

Main topics/differences: **Analysis/calculations**

Old TEN-E

Revised TEN-E

Scenarios for TYNDP, identification of infrastructure gaps

- No provisions

Two chapters added:

- Scenarios for the ten-year network development plans
- Infrastructure Gaps Identification

Offshore grids

- No provisions

Two chapters added:

- Offshore grid planning
- Offshore grids for renewable energy cross-border cost sharing

Main topics/differences: **Financing**

Old TEN-E

Revised TEN-E

Eligibility of projects for Union financial assistance

- Electricity, gas and CO2 projects with PCI label were eligible for Union financial assistance for studies
- Electricity and gas projects (except PSHPP) were eligible for Union financial support for works under specific conditions:
 - CBA positive (evidence of significant positive externalities, such as security of supply, solidarity or innovation)
 - CBCA decision
 - Commercially not viable

Adoption for the EnC:

- Pre-Accession Assistance (IPA);
- Neighbourhood Development and International Cooperation Instrument (NDICI);
- Ukraine facility;

- **All** projects with PCI label are eligible for Union financial assistance for studies
- PCIs (**except electrolysers but with PSHPP**) eligible for Union financial support for works under specific conditions:
 - CBA positive (evidence of significant positive externalities, such as security of supply, **flexibility**, solidarity or innovation)
 - CBCA decision
 - Commercially not viable

Eligibility of PMI projects to approach CEF: **yes** under specific conditions

- To comply with certain provision of the CEF Regulation (2021/1153)
- To have positive CBA, CBCA, commercially not viable
- To contribute significantly to Union's overall energy and climate policy objectives

PECI selection process

PECI SELECTION PROCESS IN 2024

- Two groups have been established (electricity and gas group, to evaluate projects within the competence of the regulatory authorities)
 - Ministries
 - Regulatory authorities
 - TSOs for electricity and gas
 - European Commission
 - ENTSO-E and ENTSOG
 - ECRB
 - ECDSO-E
 - ECS
- For the projects out of the competence of the regulatory authorities, ad hoc groups will be established:
 - ECS
 - Ministries (the representatives of the Contracting Parties)
 - Project promoters
- 4 meetings of the groups are planned (two online and two hybrid)
- Preliminary list should be proposed in June
- The draft preliminary lists shall be assessed by the Regulatory Board (in particular on the consistent application of the criteria and cost-benefit analysis)
- The Ministerial Council shall adopt the first list of projects of Energy Community interest pursuant to this Regulation by **31 December 2024**

1st Joint Group's meeting (Electricity and Gas group) – 7 March 2024, online.

- Revised TEN-E Regulation in the Energy Community – an overview.
- Terms of reference for the Groups.
- Introduction of the Consultant to the Groups.
- Description of Approach, Work Plan and Organization for Performing the Assignment (Technical support to the Energy Community and its Secretariat to assess the candidate Projects of Energy Community Interest in electricity, smart gas grids, hydrogen, electrolysers, and carbon dioxide transport and storage, in line with the EU Regulation 2022/869).
- Presentation of the project- and country-specific questionnaires and data collection process to the Groups.

Data Collection - Until 18th March 2024

- In cooperation with the Secretariat, carry out the project and country-specific data collection.

Data Validation and Scenario Report - the last week in March (two weeks after the end of the Data Collection)

- Report on the collected project- and country-specific data from the project promoters and country institutions;
- Report on the compliance of the data with the planned analysis – proposals to change/correct/follow-up with the project promoters and the country institutions;
- Report on the project eligibility verification;
- Report on the defined scenarios;

2nd Groups' meetings – if necessary separate – 18 April 2024 “electricity group” and 19 April 2024 “gas” group, hybrid

- Presentation of the results of the data collection;
- Data clarification with the stakeholders present;
- Presentation of the scenarios and assumptions based on the received data;
- Presentation of the proposed sensitivities;
- Presentation of the proposed analysis methodology;
- Collecting feedback from the stakeholders on the methodology, the scenarios, the data and the assumptions;

Data and Scenario Finalization - Within two weeks after the 2nd Group's meetings

- Final data correction/clarification/follow-up;
- Finalization of the assumptions;
- Finalization of the scenarios;

Analysis Techniques' Guidance Document - Within one week after Data and Scenario Finalization

- Final description of the data, scenarios, analysis techniques and results, explained in a user-friendly way, to be shared with the members of the Groups;

3rd Groups' meetings - if necessary separate -15 May 2024 "electricity group" and 16 May 2024 "gas" group, online

- Presentation of the Analysis Techniques' Guidance Document to the Groups: applied methodologies and techniques, final data, scenarios and assumptions, final sensitivities to be carried out;
- Detailed presentation on the structure of the future results – indicators, aggregation and normalization of results, compiling the relative ranking;

Project Assessment - Within one month after the 3rd Groups meeting

- Carrying out the project-specific, socio-economic assessment based on the defined methodology, data, assumptions, scenarios and sensitivities;

Assessment Results Consultation of the Consultant with the Secretariat - 1st – 2nd week of June

- Presentation and discussion of the results with the Secretariat;

4th Groups' meetings - if necessary separate - 19 June 2024 "electricity group" and 20 June 2024 "gas" group, hybrid

- In coordination with the Secretariat, presentation of the project-specific, aggregated assessment results and sectoral relative rankings to the Groups, together with the sensitivity analysis results;
- Decision about the Draft Preliminary list;
- Submission of the list to the ECRB;

Final Report - The end of June

- Summary of the applied methodology, scenarios, data and assumptions based on the Methodology Guidance Document;
- Detailed presentation and interpretation of the results for each analysed project in all scenarios and sensitivities;
- Based on the guidance of the Secretariat a public version of this document shall be prepared;

ECRB opinion – until 01 September 2024

Preparation of the draft decision of the Ministerial Council (to be sent at the latest 60 days in advance to the MC meeting)

Final MC decision on the PECI list – 12 December 2024



THANK YOU FOR YOUR ATTENTION

davor.bajs@energy-community.org
adam.balogh@energy-community.org

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