

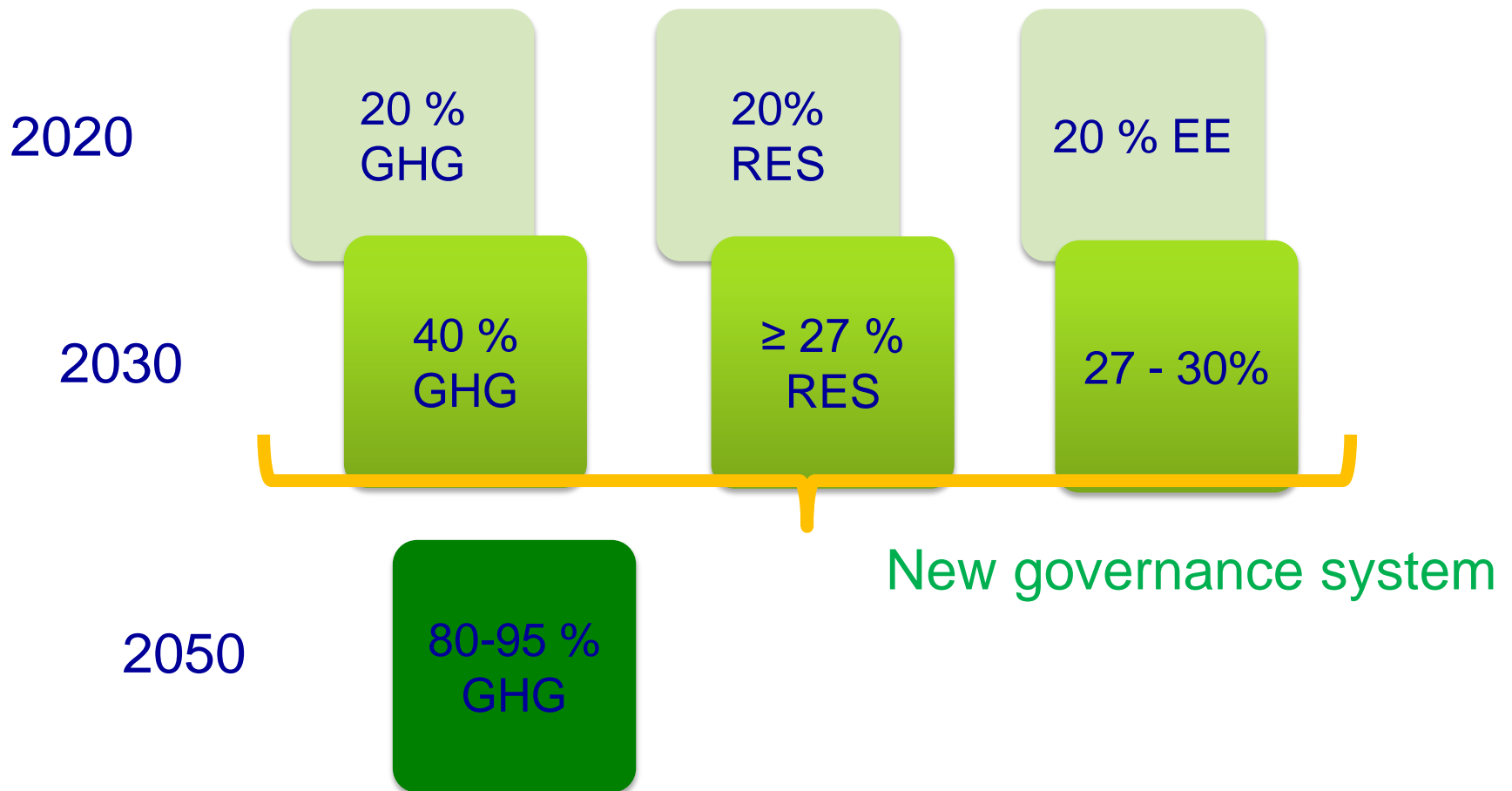


Energy infrastructure

TEN-E regulation & Projects of Common Interest in the EU

Ádám SZOLYÁK
Networks and Regional initiatives
Internal Market
DG Energy
European Commission

Energy and climate framework





**Security
of supply**

Energy Union

**Research &
Innovation**

Competitiveness

**Internal
Energy
Market**

Energy
Union

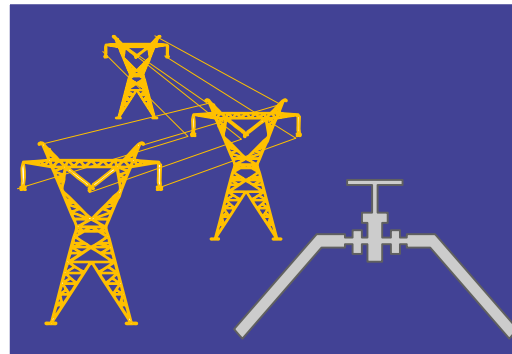
Sustainability

Security

Decarbonisation

**Energy
Efficiency**

Infrastructure is at the heart of the European energy policy



Infrastructure development and modernization

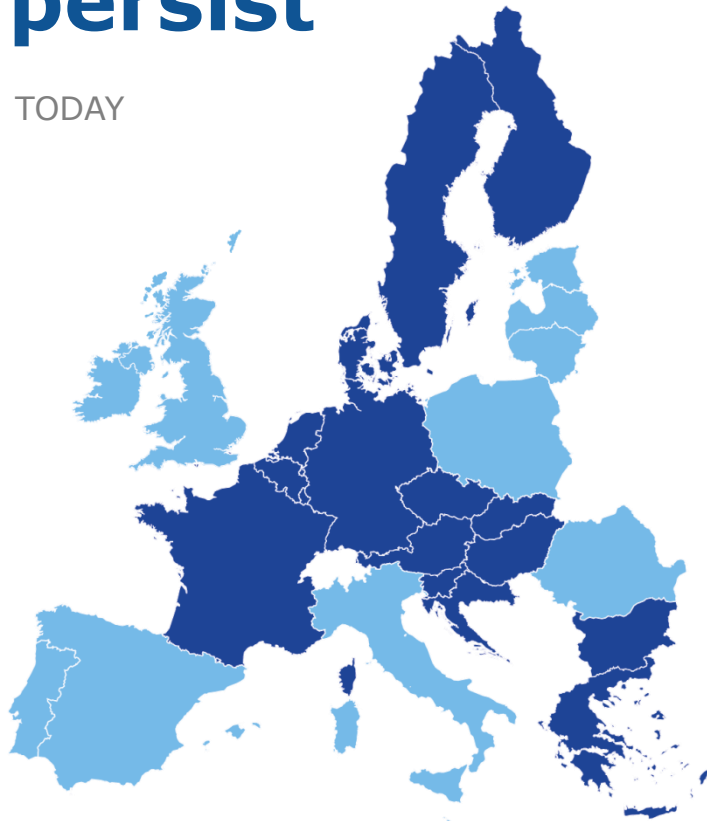
**COMPETITIVE-
NESS**

**SECURITY OF
SUPPLY**

SUSTAINABILITY

Internal Energy Market: challenges persist

TODAY



POTENTIAL BY 2020



- Countries meeting the 10% interconnection target
- Countries not meeting the 10% interconnection target

Efforts need to be stepped-up for those below the target to achieve 10% by 2020, mainly Spain and Cyprus.

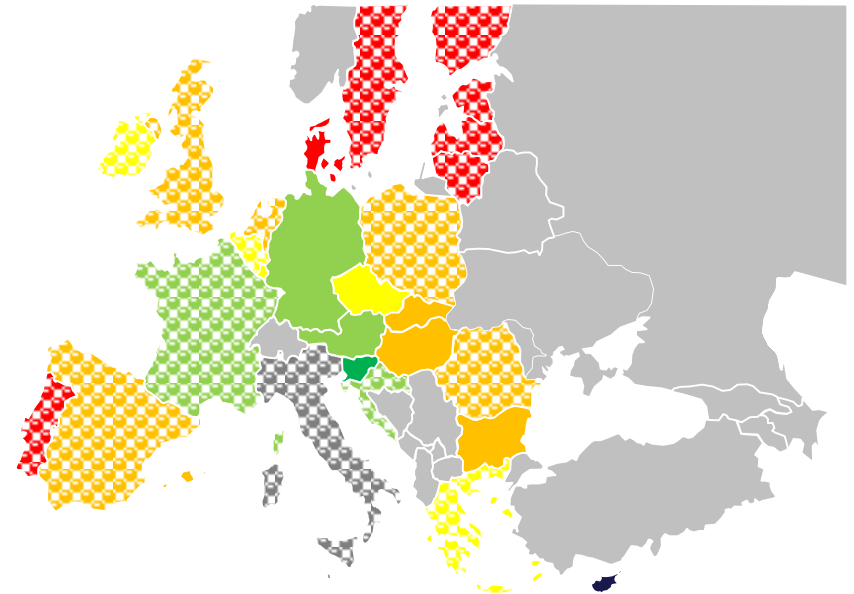
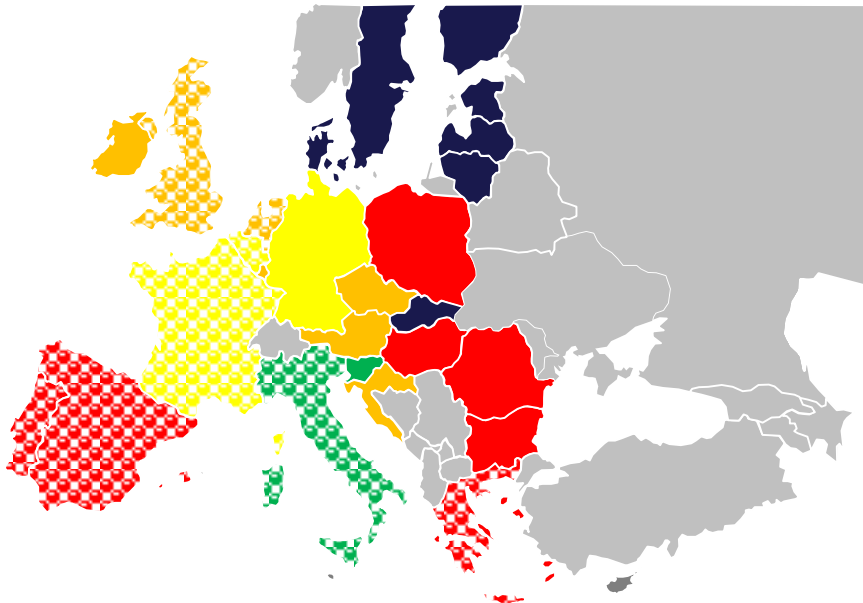
Internal Energy Market: differences in wholesale electricity prices exist



Internal Energy Market: Gas Markets

BEFORE 2022

AFTER 2022



**Number of supply sources a country may potentially access to through infrastructure
(at least 5% share)**

1

2

3

4

5

6

7



Access to LNG

Supply Sources: Azerbaijan (new source), Algeria, Libya, Norway, Russia, Union Production, LNG (one source) *do not prejudice any commercial contracts*

Source: European Commission

TEN-E regulation (347/2013)

Process to identify projects of common European interest, with involvement of all stakeholders



Benefits

Accelerated permit granting

3.5 years

One stop shop

Participation

Improved Regulatory treatment

Incentives

Cost allocation

Financial support

Financial instruments

Grants

Process

ENTSOs (G/E)

Project
promoters

NRAs (G/E)

Regional
Groups

ACER (G/E)

European
Commission

- Prepare TYNDPs for gas and electricity

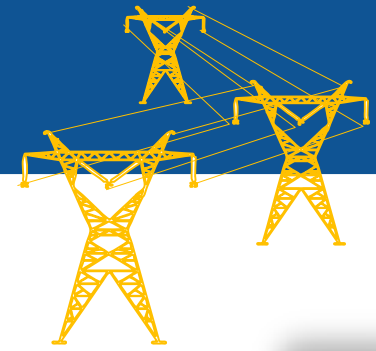
- Submit projects
- Criteria
- CBA

- Check application of criteria
- Cross-border relevance

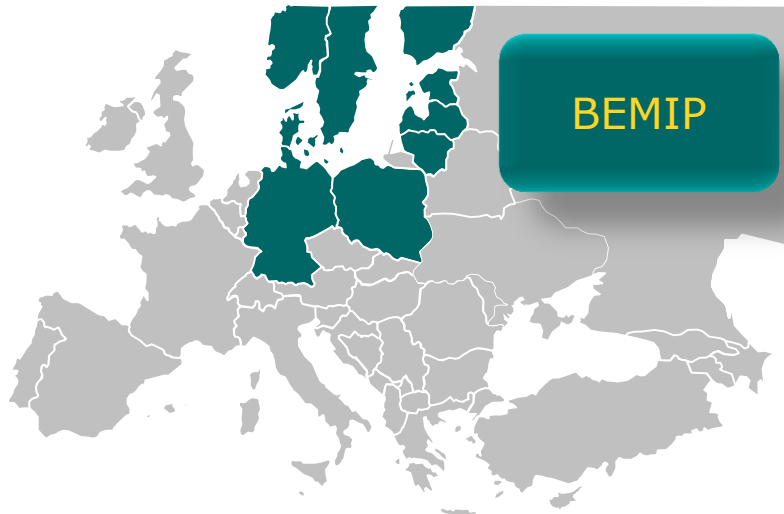
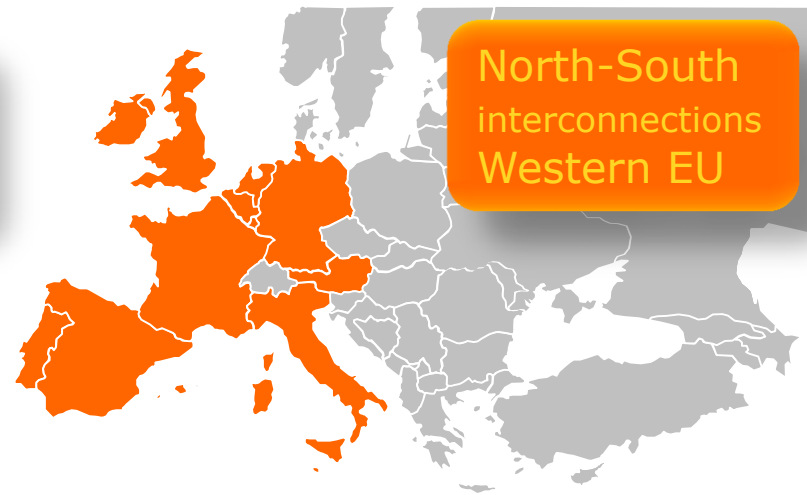
- Evaluate projects
- Rank
- Adopt regional lists

- Opinion
- Cross-regional consistency

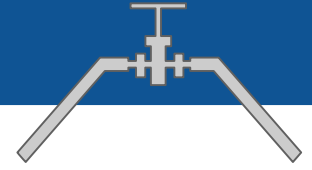
- Adopt Union-wide list of projects of common interest (no ranking)



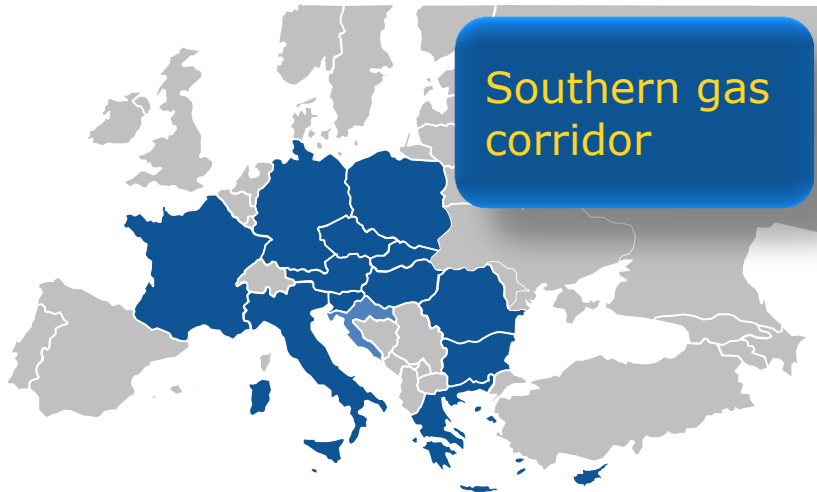
Priority corridors: electricity



+ Electricity highways and smart grids



Priority corridors: gas, oil, CO2 transport



+ carbon dioxide transport infrastructure

Criteria

General criteria

Contributes to the implementation of the infrastructure priorities

Economic, social and environmental viability

Involves at least two Member States:

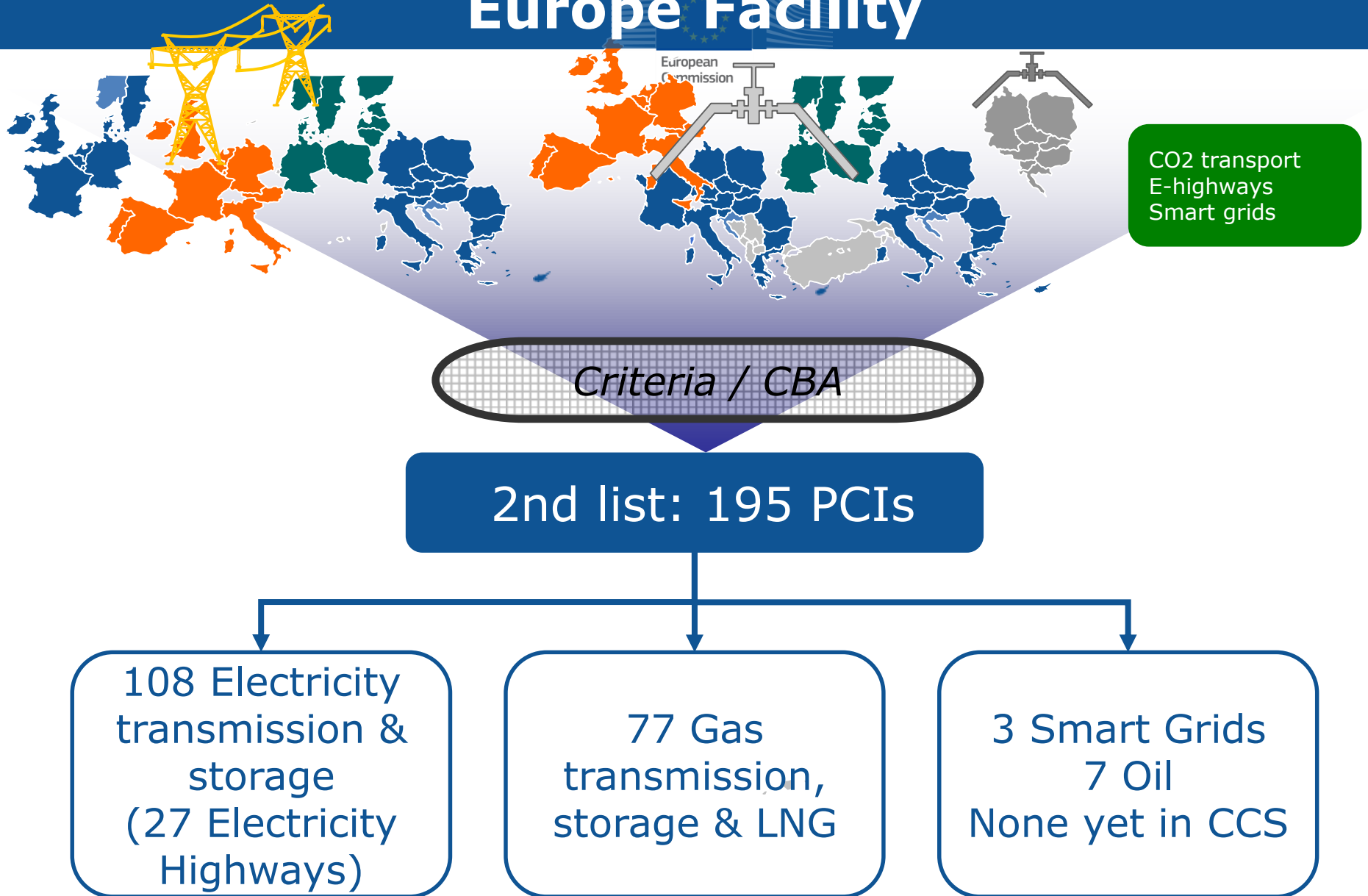
- **Cross-border infrastructures**
- **Infrastructure with significant cross-border impact**

Specific criteria

- **Market integration**
 - **Security of supply**
 - Diversification
 - Secure system operations
 - **Sustainability**
 - Integration of RES
 - GHG avoidance
- *Cost-benefit analysis*
(in TYNDP by ENTSOs)

+ urgency, number of MS, complementarity and territorial cohesion

The TEN-E Guidelines & The Connecting Europe Facility



Benefits & obligations of PCI status

Enhanced regulatory framework

*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**

Implementation

TEN-E Regulation introduces BENEFITS for PCIs but also certain obligations on PCI promoters

It is an individual project

but

part of a (common) network

Delays may trigger call for proposals for an alternative project promoter - Art 5(7)(d)

Reporting on the progress - information is key

- Submit an annual report on progress achieved, delays registered – to ACER (reporting by 31 March)
- Draw up an implementation plan including a timetable for the major milestones of a project (Art 5(1)) - *Transparency platform*
- Keeping project websites up-to-date (Art 9(7))
- Sharing information within Regional Groups

Monitoring key to identify and tackle delays

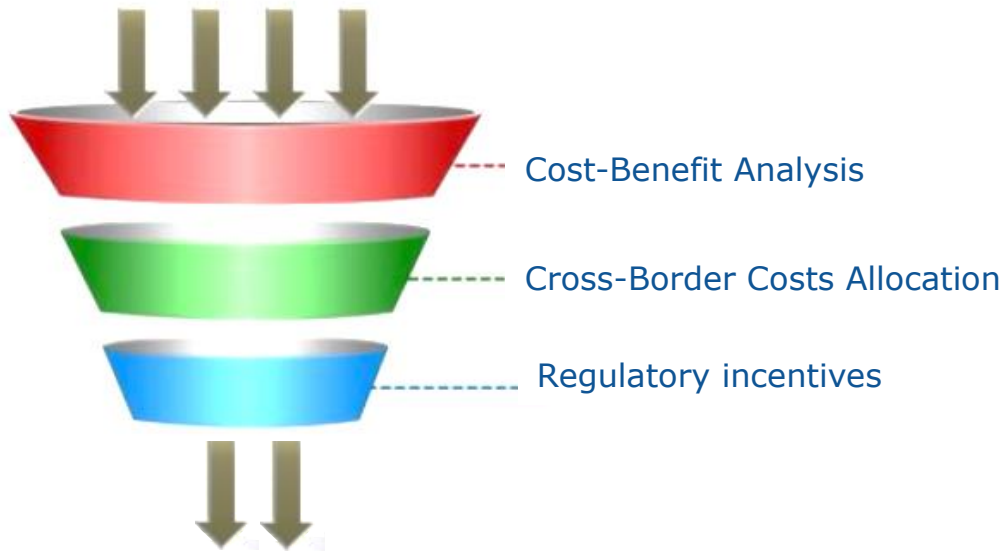
- Regional group – platform facilitating cooperation on cross-border projects – bringing two (more) sides together
"TSOs, DSOs and other operators shall co-operate with each other in order to facilitate the development of PCIs in their area"- Art 5(2)
- Also an opportunity to learn from each other
- Regional groups (and ACER) monitor progress achieved by PCIs and make recommendations to facilitate implementation of PCIs (Art 5(3))

"If a problem is not known it cannot be solved"

- Possibility to organise specific support activities for PCIs; Technical Assistance; European Coordinators (Art 6)
- High Level Groups – giving more political impetus in regions that need reinforced cooperation given a particular challenge

The large majority of the PCIs should be financed by the market / regulatory framework

248 PCIs



Only minority of PCIs require grants for works to cover affordability issues and externalities

- Grants for studies and financial instruments accessible to all PCIs across EU
- Strengthened Commission support¹ for critical PCIs that do not need grants for works
- Some projects with affordability issues and/or externalities might still be excluded from grants

¹ This support might include but is not limited to political support, facilitation, coordination between stakeholders (incl. NRAs) and conflict resolution

Thank you!

