

PECI/PMI Project Realization and Monitoring Strategy

I. The need for a published strategy of project realisation and monitoring

Referring to the Regulation 347/2013 as adapted and adopted by the Energy Community Ministerial Council and following the example of the European Commission: *Supervising the development of PCIs* document, the Energy Community Secretariat deemed it necessary to publish a Project Realization and Monitoring Strategy, in order to clarify the responsibilities of the stakeholders after the adoption of the PEGI/PMI list.

The Regulation shares the responsibility between the Secretariat and the main stakeholders involved as defined in Article 5:

- Project promoters
- Regulatory Authorities
- National Competent Authorities
- Gas and Electricity Groups

II. Responsibilities of the stakeholders, in line with the Regulation

Project Promoters:

- The promoter shall draw up an **Implementation Plan** for the project, including a timetable for:
 - feasibility and design studies;
 - approval by the national regulatory authority or by any other authority concerned;
 - construction and commissioning;
 - permit granting schedule.
- By **31 March each year**, the promoter shall submit an **Annual Report**, including the information whether the promoter plans to submit a CBCA request addressed to concerned NRAs, to the:
 - National Competent Authority and to the Regulatory Board for gas and electricity projects;
 - National Competent Authority and to the Gas Group for oil project(s).

The Annual Report for all project types shall also be submitted to the Secretariat. The report shall provide details on progress achieved in project-development, construction, commissioning, permit granting and consultation. Furthermore, the report shall provide information on delays compared to the Implementation Plan and revised plans.

The Regulation defines that the Contracting Parties shall set up the National Competent Authorities by **30 June 2017**. In case the Competent Authority is not yet set up by 31 March 2017, the Annual Report will be collected by the Secretariat.

As the deadline to compile the Implementation Plan and the recipients of it is not defined in the Regulation, the Secretariat, following upon its duty to monitor the progress of the projects, collects the Implementation Plans as well for new projects on the list by 31 March the year following the selection

year of PECI/PMI projects. The Secretariat will use the Plans as the basis to define whether the project is on time or in delay.

The Secretariat and the Gas and Electricity Groups:

- The Secretariat and the Groups shall monitor the progress of the projects and if necessary, make recommendations to facilitate implementation. The Groups may request additional information and convene meetings with the parties.
- Within *three months* after the receipt of the Annual Reports - **by 30 June each year**, the Secretariat shall submit a **Consolidated Report** to the Groups on electricity and gas projects with progress achieved and recommendations to overcome delays and difficulties.

Although the Art.5/4 does not define the Secretariat as a recipient of the Annual Reports, Art.5/5 requires the Secretariat to submit of the Consolidated Report to the Groups. To fulfil its duties in monitoring and submitting the Consolidated Report, the Secretariat requires the receipt of the Annual Reports by **31 March** as well.

- The Energy Community shall establish a Transparency Platform by 15 April 2017 which shall contain the following project information:
 - general, updated and geographical information for each project
 - the Implementation Plan
 - main results of the project-specific cost-benefit analysis drawn up during the PECI/PMI selection process
 - the PECI/PMI list
 - funds allocated by the EU to any of the projects

Competent Authority

- The Competent Authority shall collect the Annual Reports by 31 March following the year of the project receiving the label of PECI/PMI
- Each year, the Competent Authority shall report to the Groups on the progress and delays of the projects (**Progress Report**) located on their respective territory with regard to the permit granting process and reasons for delay.

As the deadline to set up the Competent Authority is **30 June 2017**, in the first instance the Secretariat will report to the Groups on the progress of the projects based on the information submitted within the Annual Reports

National Regulatory Authority

In case, the project is delayed, the National Regulatory Authorities (NRA) are provided with a toolbox defined in the Regulation (Art.5/7) to ensure that the project is carried out.

III. The project implementation-monitoring process

Project Monitoring Questionnaire

The Secretariat has defined and sent out the Project Monitoring Questionnaire to the promoters to ensure adequate compliance with the responsibilities defined in the Regulation.

Filling out and timely returning the questionnaire by Project promoters ensures their compliance with their respective following duties:

- Submission of the Implementation Plan – *Promoter*
- Submission of the Annual Report – *Promoter and Competent Authority*
- Progress Report submission to the Groups – *Competent Authority*

Using the information received in the questionnaire, the Secretariat can comply with the following responsibilities:

- Preparation of the Consolidated Report to the Gas and Electricity Groups
- Establishment of the Transparency Platform
- Project Monitoring

In order to minimise the administrative burden for the different stakeholders by implementing a one-stop-shop for project information collection, the Secretariat has defined the monitoring timeline as follows,

- 1) In January each year, the Secretariat sends out the Project Monitoring Questionnaire to project promoters of PECI/PMI projects
 - a. In the years following the selection year of PECI/PMI projects, the promoters of projects not previously on the list receive a Project Monitoring Questionnaire, which includes a template for the **Implementation Plan** as well.
 - b. With every questionnaire, promoters receive also a template of the **Annual Report**.
- 2) Promoters fill out and send back the Questionnaire to the Secretariat by 1 March each year.
- 3) The Secretariat forwards the Annual Reports to the Regulatory Board by 31 March.
- 4) Based on the information received in the Questionnaire, the Secretariat updates the Transparency Platform by 30 April each year, with all information defined in the Regulation, as follows:
 - a. For new projects on the PECI/PMI lists, the Implementation Plan along with the current status of the project will be uploaded;
 - b. For projects already on the PECI/PMI lists, the status of the project will be updated based on the Annual Report and additional information in the Questionnaire.
- 5) By 30 June each year, the Secretariat submits the **Consolidated Report** to the Groups
- 6) The Secretariat convenes the Groups until 30 September to discuss and take note of the Consolidated Report and to discuss recommendations to overcome delays and difficulties.
- 7) Throughout the year the Secretariat monitors the progress of each project and if deemed necessary requests specific information and/or makes recommendations to facilitate the implementation of the project.

Once the Contracting Parties have set up the Competent Authorities, the Secretariat will liaise with the Authorities to keep the monitoring process streamlined and to continue ensuring minimal administrative burden for the stakeholders.



Figure 1. Graphical Representation of the Project Implementation-Monitoring process

