PECI – PMI Selection – Legal Background
Regulation 347/2013

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Content

1) Project Categories and conditions – wrap up
2) Eligible Projects
3) Considerations for project submission
4) Considerations for PECI/PMI label
5) The methodological process of selection
## Project categories – PECI/PMI

<table>
<thead>
<tr>
<th>General Criteria</th>
<th>Potential Benefits outweigh costs</th>
<th>Fits in the defined project categories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Involves at least 2 CPs or a CP and a MS</td>
<td>Located in one CP and has a Cross-border impact</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Specific Criteria</th>
<th>Electricity</th>
<th>Gas</th>
<th>Smart Grid</th>
<th>Oil</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Market Integration</td>
<td>Same + Competition</td>
<td>SoS</td>
<td>SoS</td>
</tr>
<tr>
<td></td>
<td>Sustainability</td>
<td></td>
<td></td>
<td>Mitigation of Environmental Risk</td>
</tr>
</tbody>
</table>

**PECI**
- If involves a CP and a MS has to be PCI first in EU

**PMI**
- If involves a CP and a MS and is not PCI in the EU
Eligible Projects – Gas
Annex I/2

The energy infrastructure categories to be developed are the following:

(a) **transmission pipelines** for the transport of natural gas and bio gas that form part of a network which mainly contains high-pressure pipelines, excluding high-pressure pipelines used for upstream or local distribution of natural gas;

(b) **underground storage** facilities connected to the above-mentioned high-pressure gas pipelines;

(c) **reception, storage and regasification or decompression** facilities for liquefied natural gas (LNG) or compressed natural gas (CNG);

(d) **any equipment or installation essential** for the system to operate safely, securely and efficiently or to enable bi-directional capacity, including compressor stations;
The energy infrastructure categories to be developed are the following:

(a) **pipelines** used to transport crude oil;

(b) **pumping stations and storage facilities** necessary for the operation of crude oil pipelines;

(c) **any equipment or installation essential** for the system in question to operate properly, securely and efficiently, including protection, monitoring and control systems and reverse-flow devices;
Important Considerations for project submission

Please re-consider submitting the project if:

- **Project commissioning is realistically beyond 10 years**
  - Lost of risks are associated with the project
  - Discounting decreases benefits
- **If the project depends on the realization of another project first**
- **If no or minimal action has been taken since the previous PECI/PMI label has been awarded**
- **If the project is completely unrealistic politically/ it is unrealistic to receive the approval of the Contracting Party/Member State concerned**
Additional Considerations for PECI/PMI label

During PECI/PMI selection promoters and authorities do everything to receive the label, which is OK

Nevertheless, PLEASE NOTE:

- PECI/PMI label requires project implementation from the promoter by Regulation 347/2013
- Project is identified as Community Interest
- If implementation does not go ahead, there are possible measures in the Regulation in line with Article 6. e.g. Project Coordinator, nomination of alternative project promoter, etc...
- Project Promoters cannot utilize benefits if Competent Authorities are not set up

- Although finally we have received the Implementation Plans from all promoters
  
  **BUT:**
  
  - Some are fully uncoordinated
  
  - Some lack significant amount of data
  
  - Naturally, the implementation of a cross-border project requires multi-stakeholder cooperation; in case the Implementation Plan cannot be coordinated and filled out jointly, on time and in good quality, that questions also project reality
PECI/PMI selection process – project assessment workflow / methodology

1. Project Data Submission
2. Project Eligibility check
3. Verification of project data
4. Cost-Benefit Analysis NPV/IRR
5. Multi-Criteria Analysis and result Aggregation
6. Relative ranking of projects

- Market simulations – Socio-economic benefits per country
- Utilization of ENTSO-E/SECI data for electricity networks

Indicators s.a.:
- Enhancement of competition
- Improvement of System Adequacy
- Project Maturity
PECI/PMI selection process – project assessment workflow / methodology Con’t

✓ All project steps are carried out once
✓ This is the subsequent order of carrying them out
✓ Due to the timeline, there is no possibility to jump back, once a stage is concluded

✓ Active participation of participants is asked for to ensure that:
  • All understand and agree with the assessment methodology
  • Assumptions regarding the assessment, projects and scenarios has been understood, consulted and accepted
  • Input data (project and country) is provided on time and is agreed
  • Eventual missing data replacement sources are agreed

All the above is key to ensure that everybody is confident with the assessment results, the eventual project ranking and the selection
Thank you for your attention!

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