

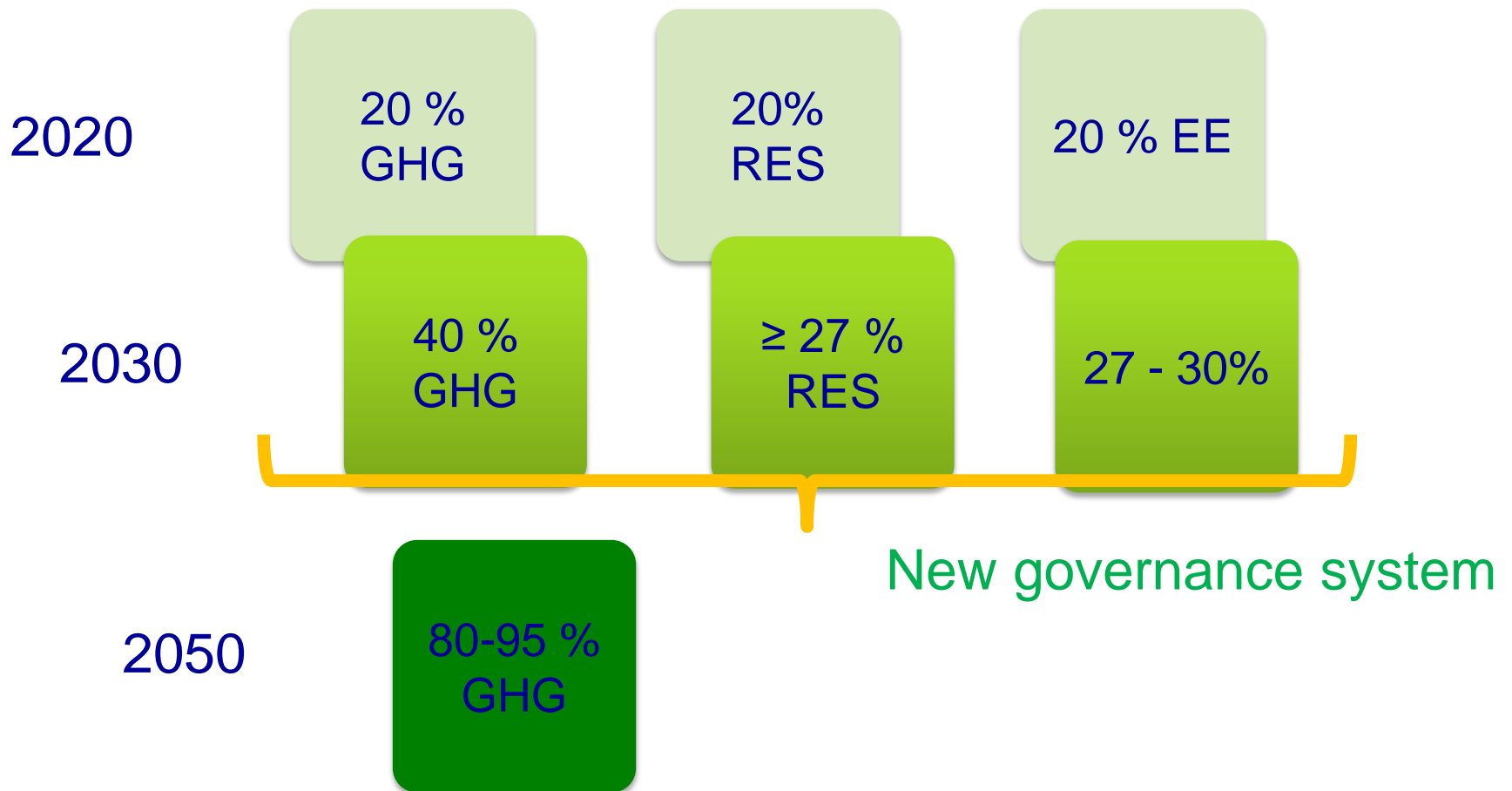


Energy infrastructure

TEN-E regulation & Projects of Common Interest

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**

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

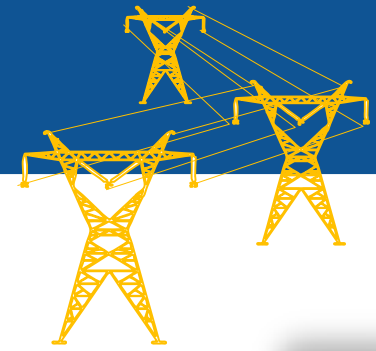
- Submit projects
- Criteria
- CBA

- Check application of criteria
- Cross-border relevance

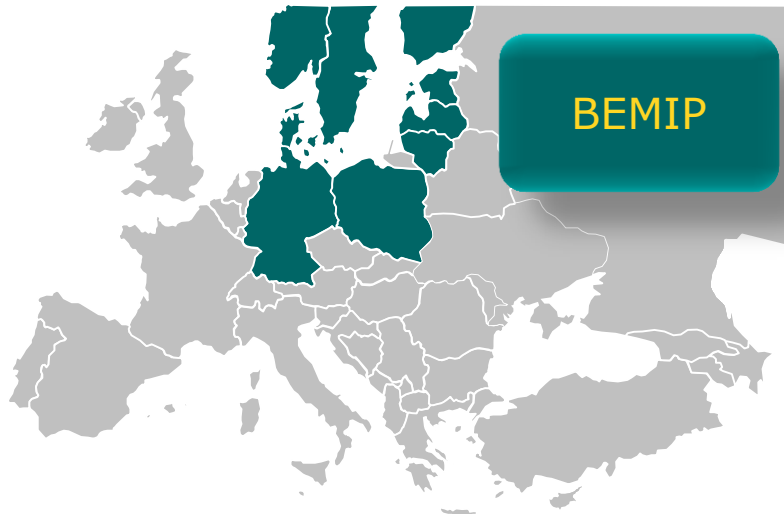
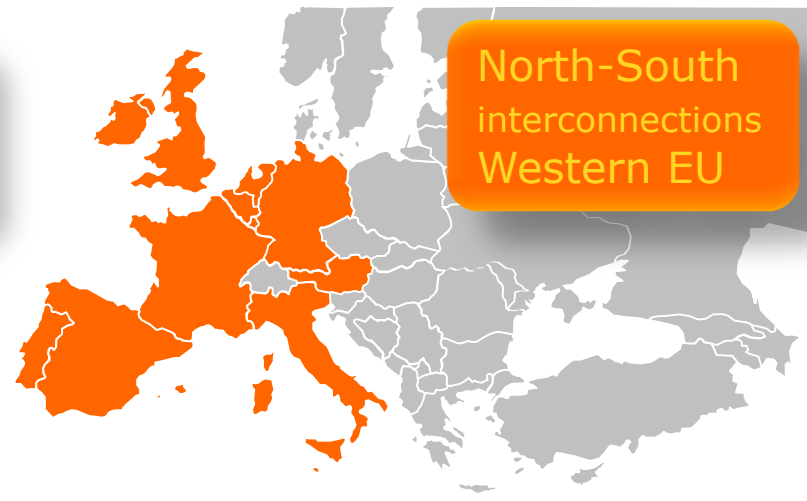
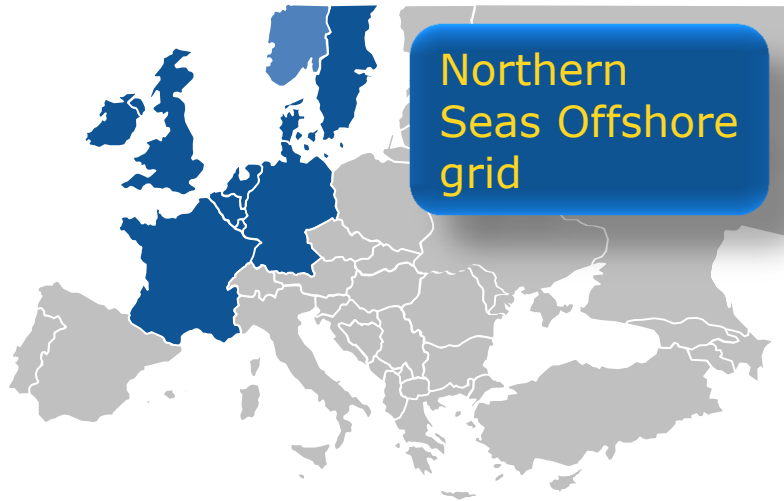
- Evaluate projects
- Rank
- Adopt regional lists

- Opinion
- Cross-regional consistency

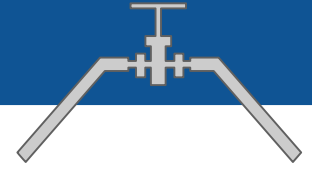
- Adopt Union-wide list of projects of common interest (no ranking)



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

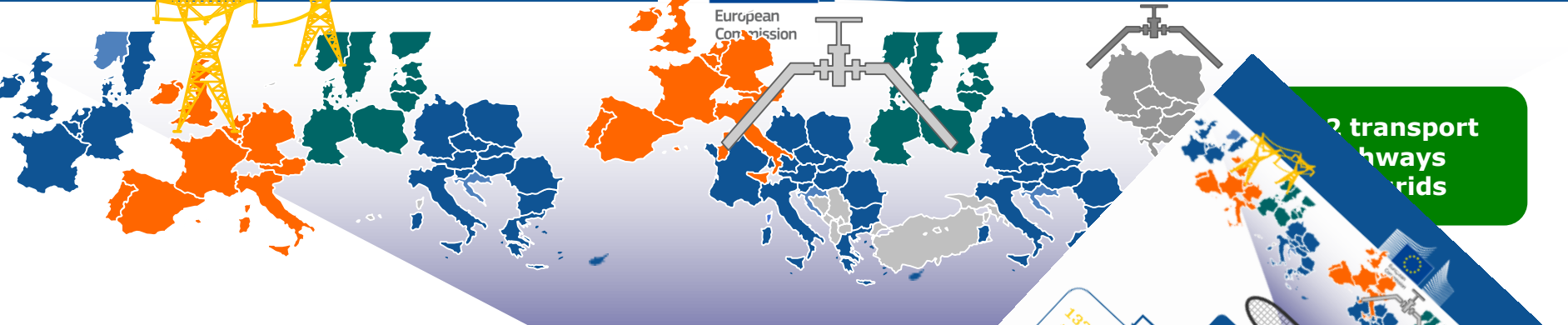
- **Market integration**
- **Security of supply**
 - Diversification
 - Secure system operations
- **Sustainability**
 - Integration of RES
 - GHG avoidance

→ *Cost-benefit analysis*
(in TYNDP by ENTSOs)

+ *urgency, number of MS, complementarity and territorial cohesion*

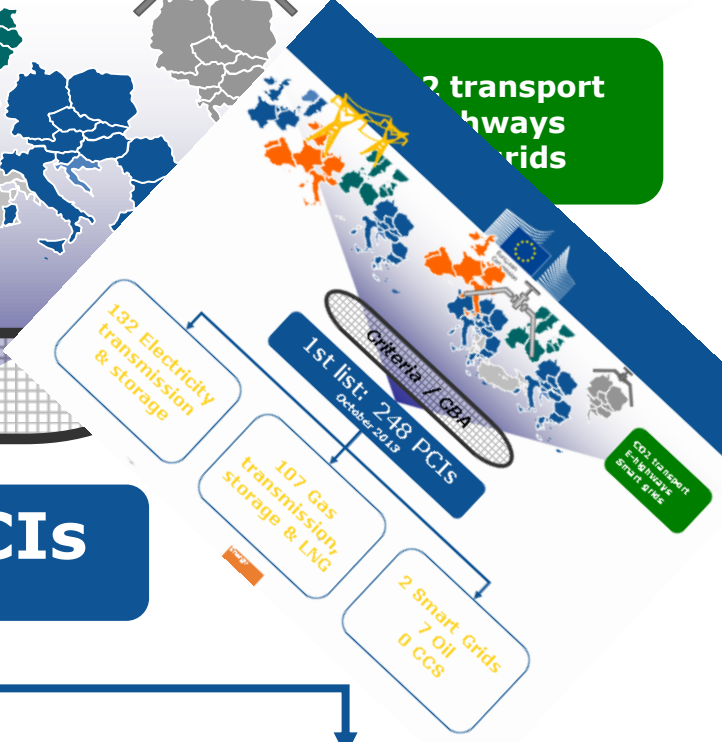


European Commission



Criteria / CBA

2nd list: 195 PCIs
November 2015



108 Electricity transmission & storage (27 Electricity Highways)

77 Gas transmission, storage & LNG

**3 Smart Grids
7 Oil
None yet in CCS**

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:*

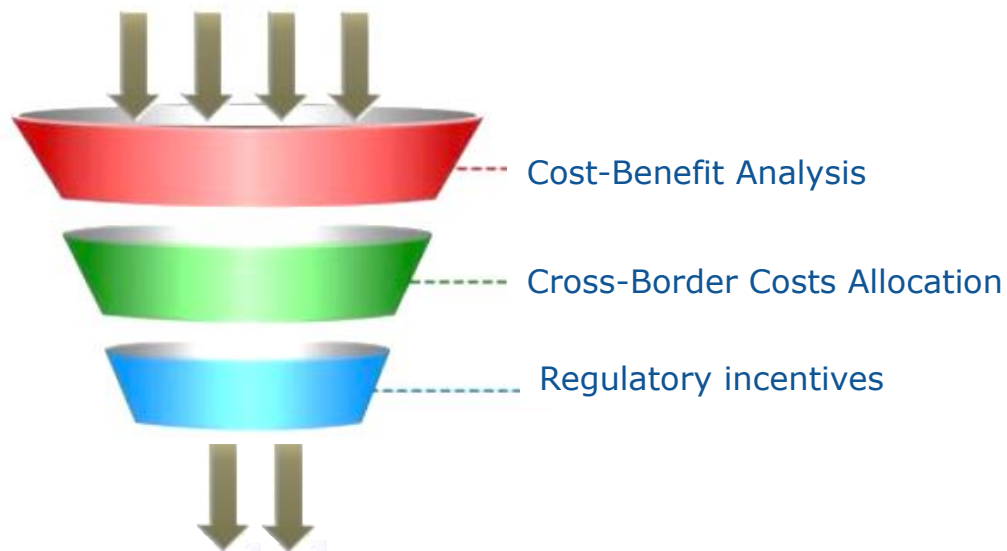
- **Cross-border cost allocation**
- **NRA joint decision on investments and cost allocation**
- **ACER decision if no agreement**

*Long-term **incentives** for investment:*

- **Obligation on NRAs to grant appropriate risk-related incentives**
- **ACER guidance on best practices of NRAs and methodology**

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

195 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



New PCIs: Corridor North-South Gas Interconnections in Central Eastern and South Eastern Europe ('NSI East Gas') - I

6.1	Cluster Czech — Polish interconnection upgrade and related internal reinforcements in Western Poland, including the following PCIs: 6.1.12 Tvrdonice-Libhošť pipeline, including upgrade of CS Břeclav (CZ)
6.8	Cluster Interconnection between Greece, Bulgaria and Romania, and necessary reinforcements in Bulgaria, including the following PCIs: 6.8.3 Interconnection of the Northern ring of the Bulgarian gas transmission system with Podisor — Horia pipeline and expansion of capacity on Hurezani-Horia-Csanadpalota section 6.8.4 Gas pipeline aiming at expanding the capacity on the interconnection of the Northern semi-ring of the Bulgarian and Romanian gas transmission networks
6.20	Cluster increase storage capacity in South-Eastern Europe, including one or more of the following PCIs: 6.20.5 New underground gas storage in Romania 6.20.6 Sarmasel underground gas storage in Romania
6.24	Cluster phased capacity increase on the Bulgaria — Romania — Hungary — Austria bidirectional transmission corridor (currently known as "ROHUAT/BRUA") to enable 1.75 bcm/a in the first phase and 4.4 bcm/a in the second phase, including new resources from the Black Sea: 6.24.2 Development on the Romanian territory of the National Gas Transmission System on the Bulgaria — Romania — Hungary — Austria Corridor — transmission pipeline Podișor — Horia GMS and 3 new compressor stations (Jupa, Bibești and Podișor) (1st phase) 6.24.3 GCA Mosonmagyaróvár CS (development on the Austrian side) (1 st phase) 6.24.7 Expansion of the transmission capacity in Romania towards Hungary up to 4.4 bcm/year (2 nd phase) 6.24.8 Black Sea shore — Podișor (RO) for taking over the Black sea gas 6.24.9 Romanian-Hungarian reverse flow: Hungarian section 2 nd stage Csanádpalota or Algyő (HU) (capacity 4.4 bcm/a) (2nd phase)



New PCIs: Corridor North-South Gas Interconnections in Central Eastern and South Eastern Europe ('NSI East Gas') - I

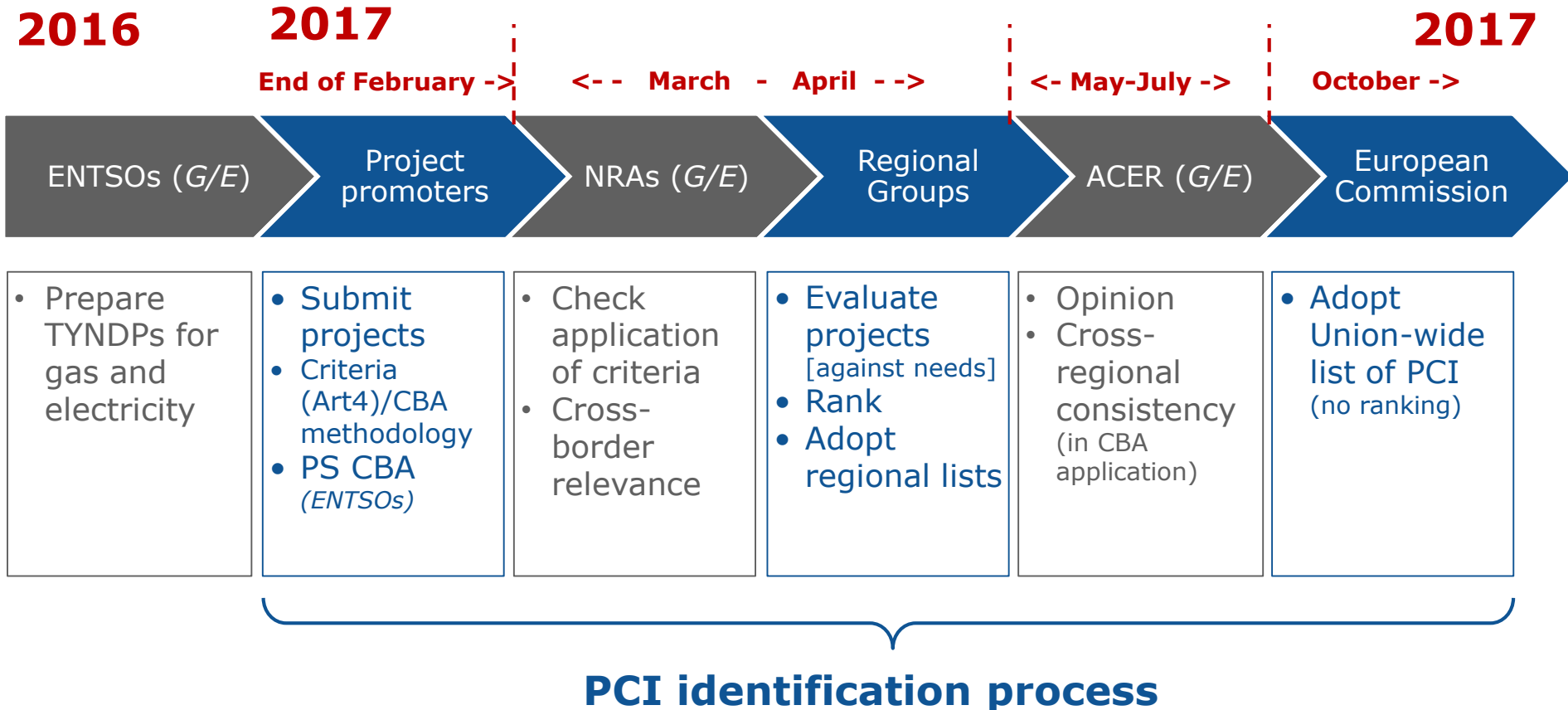
- 6.2** Cluster infrastructure to bring new gas to the Central and South-Eastern European region with the aim of diversification, including one or more of the following PCIs:
- 5**
- 6.25.1 Pipeline system from Bulgaria to Slovakia [currently known as "Eastring"]
 - 6.25.2 Pipeline system from Greece to Austria [currently known as "Tesla"]
 - 6.25.3 Further enlargement of the Bulgaria — Romania — Hungary — Austria bidirectional transmission corridor [currently known as "ROHUAT/BRUA", phase 3]
 - 6.25.4 Infrastructure to allow the development of the Bulgarian gas hub
- 6.2** Cluster Croatia — Slovenia — Austria at Rogatec, including the following PCIs:
- 6**
- 6.26.2 CS Kidričevo, 2nd phase of upgrade (SI)
 - 6.26.3 Compressor stations at the Croatian gas transmission system
 - 6.26.4 GCA 2014/04 Murfeld (AT)
 - 6.26.5 Upgrade of Murfeld/Ceršak interconnection (AT-SI)
 - 6.26.6 Upgrade of Rogatec interconnection



TOWARDS THE 3rd PCI LIST

European Commission
DG Energy
Networks and Regional Initiatives
Milesz MOMOT

Process to identify projects of common interest



Process to identify projects of common interest



ENTSOs (G/E) - Prepare TYNDPs for gas and electricity [Stakeholders' involvement]

Cross-Regional meeting – proposal for Needs' identification process - April

Regional groups – Identification infrastructure needs in Corridors

Regional groups – *From needs to projects* - Data requirements

Cross-Regional meeting – launch of the process - June

Cooperation Platform – Improvements in the TYNDP, input to Regional Groups discussions

Corridor meetings – needs' discussion and validation July-September

Preparation of the PCI identification process

Main elements of the 3rd PCI identification process

- **Every proposed project (gas + el) shall be part of the latest TYNDP**
 - Electricity: 2016
 - Gas: 2017
- ***Project Specific CBA in line with the approved CBA methodologies (developed by ENTSOs)***
 - **Benefits to outweigh project costs**
 - ***Importance of input data quality and accuracy for TYNDP***
- ***Projects that best address infrastructure needs/deficiencies/bottlenecks in a given corridor***



Needs identification

- **Work in progress**
- **Possible sources of information**

Needs in terms of market integration, sustainability, security of supply and competition (Art 4(2))

Needs embedded in the definition of Priority Corridors and Areas (Annex I)

Regional groups input – qualitative requirements; relying on Stakeholders' expertise

TYNDPs (previous) and Regional Plans for Gas and Electricity – bottlenecks

Gap analysis as part of the ongoing TYNDPs (electricity)

Outcomes of network modelling

Supply adequacy analysis / security of supply outlooks

- **Intelligent process for assessing projects' response to identified needs**

High Level Groups

- **Established to give more political impetus to projects in regions that need reinforced cooperation given the particular challenges:**
 - **Baltics**
 - **Iberian Peninsula**
 - **Central and South Eastern Europe**

Baltic Energy Market Interconnection Plan (BEMIP)



- **BEMIP longstanding cooperation; its reform kicked off in autumn 2014**
- **New MoU and Action Plan signed on 8 June 2015**
- **Key goals include connecting Finland and the Baltic States to the continental European gas network and new gas supply sources and accelerating market opening in the Member States and synchronisation of the electricity grids of the Baltic states with the European grid**

South-West Europe High Level Group



- **Madrid Declaration of 4 March 2015 on the setting up of the HLG**
- **MoU signed on 30 June 2015**
- **Aims at increasing the interconnection level between the Iberian Peninsula and rest of Europe, at completion of the Eastern gas axis between Portugal, Spain and France and allowing bidirectional flows between the Iberian Peninsula and France**
- **Implementation plan in place by end-2015**

Central and South-Eastern European Gas Connectivity (CESEC) High Level Group



- **MoU and Action Plan signed on 10 July 2015.**
- **Agreement between 15 EU and Energy Community countries on joint regional efforts to boost diversification and gas market integration**
- **Action Plan identifies priority infrastructure projects and sets out actions to tackle market integration issues**
- **Action Plan implementation up and running**

Central and South-Eastern European Gas Connectivity (CESEC) High Level Group

Priority infrastructure projects

- *Trans-Adriatic Pipeline*
- *Interconnector Greece – Bulgaria*
- *Interconnector Bulgaria – Serbia*
- *Phased Bulgarian system reinforcement*
- *Phased Romanian system reinforcement*
- *LNG terminal in Croatia (with phasing potential)*
- *LNG evacuation system towards Hungary*

Conditional priority infrastructure projects

- *Connection of off-shore Romanian gas to the Romanian system and further reinforcement of the Romanian system*
- *Interconnector Croatia – Serbia*
- *New Greek LNG terminal*

Thank you!

