

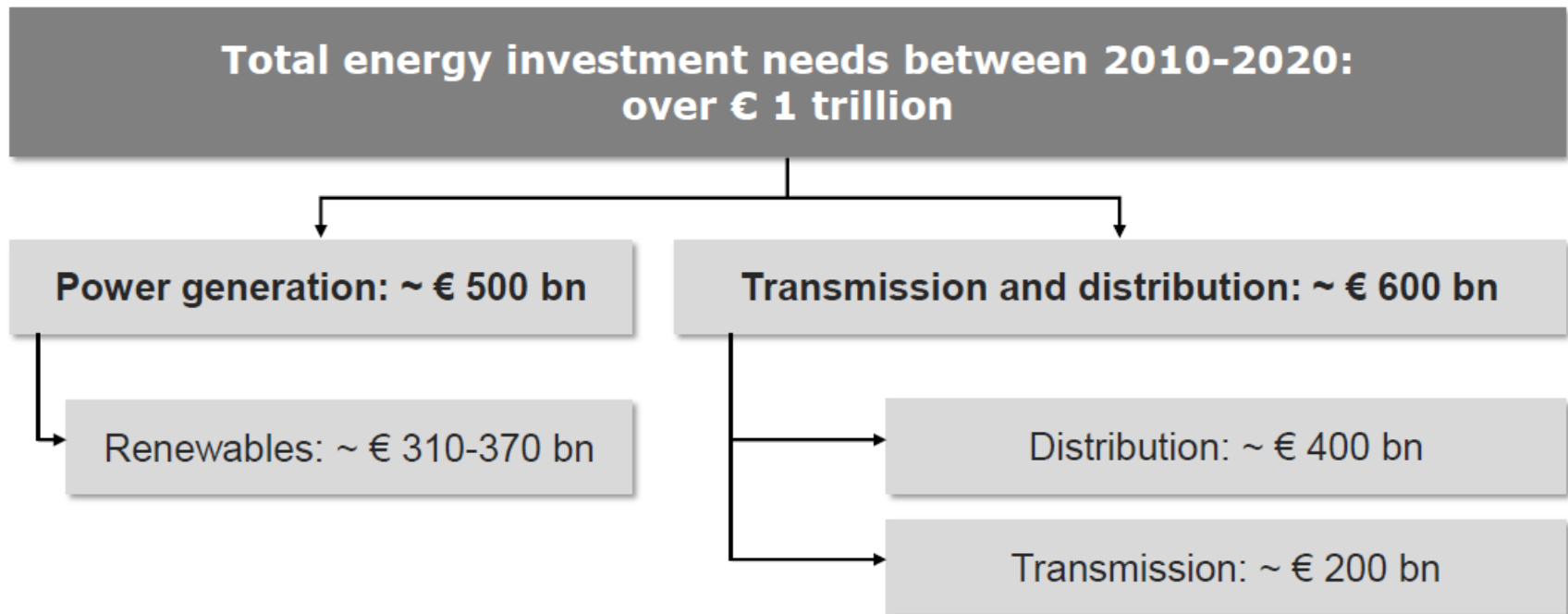


Darstellung der TEN-E Verordnung... **... und der Connecting Europe Facility**

Workshop der WWU Münster / itm
29. Oktober 2014

Sebastian Gras, Policy Officer
European Commission
DG Energy
Internal Market I: Networks and Regional initiatives

Massive investments are required



The investment challenge



Estimated investment need is **EUR 200bn** until 2020 (~20bn/y)

About half of this investment is expected to be hindered by:

- **Permit granting delays**
- **Regulatory obstacles**
- **Financing difficulties**

~1% of electricity bill

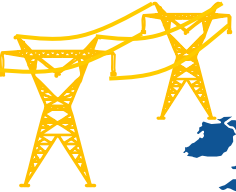
The regional groups

*Smart
grids*

*Electricity
highways*

CO₂

Oil



*Northern Seas
Offshore Grid*



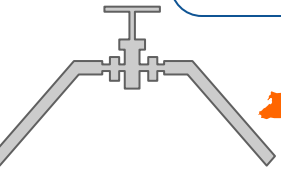
*North-South
interconnections
West*



*North-South
interconnections
East*



BEMIP



*North-South
interconnections
West*



*North-South
interconnections
East*



BEMIP: 15 PCIs



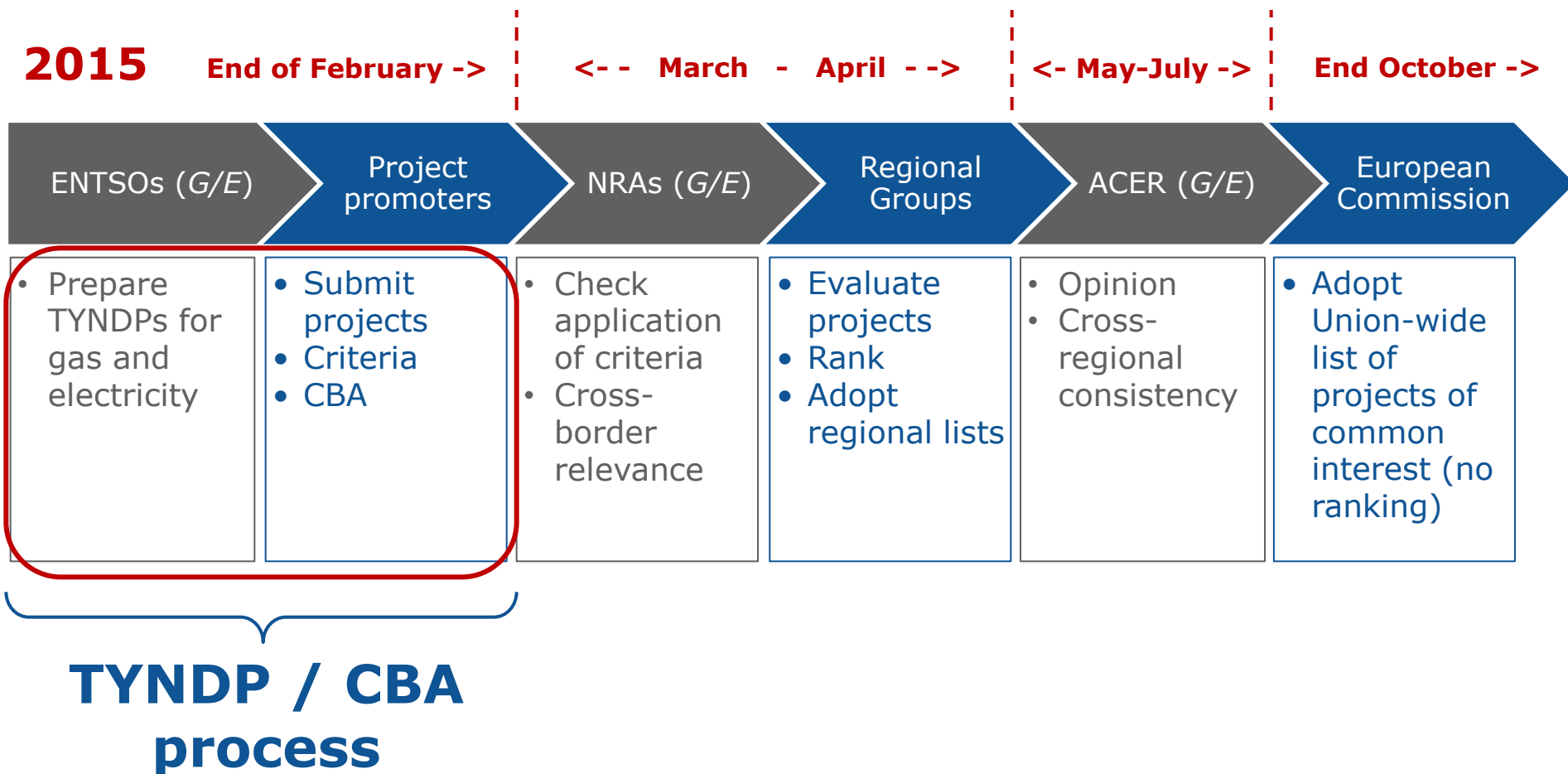
*Southern Gas
Corridor*

Composition of the Regional Groups



Commission, Member States, TSOs/project promoters, Regulators, ENTSO-E, ACER. Ad-hoc participation of third countries, observers such as Energy Community secretariat, and other stakeholders: NGO's, experts,..

Process to identify projects of common interest



Criteria as proposed in the Guidelines

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

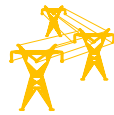
GHG avoidance

→ *Cost-benefit analysis*

(in TYNDP by ENTSOs)

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

248 Projects of Common Interest



132 electricity
2 smart grids



107 gas
7 oil

benefit from

Accelerated permit granting

3.5
years

One
Stop
Shop

Public
Partici-
pation

Improved Regulatory treatment

Risk-
related
incentives

Cross-
Border
Cost
Allocation

Financial support

Access to
Financial
Instru-
ments

Grants for
Works and
for Studies

Time-limits

- Pre-application phase: From start of permit granting process to acceptance of submitted application file by the competent authority (indicative period of 2 years)
- Statutory permit granting procedure: From the date of acceptance of the submitted application file until the comprehensive decision is taken. (max 1.5 years)
- The combined duration of the two phases shall not exceed a period of 3.5 years, with a possible 9-month extension.
- Close monitoring of the time limits by the Regional Groups

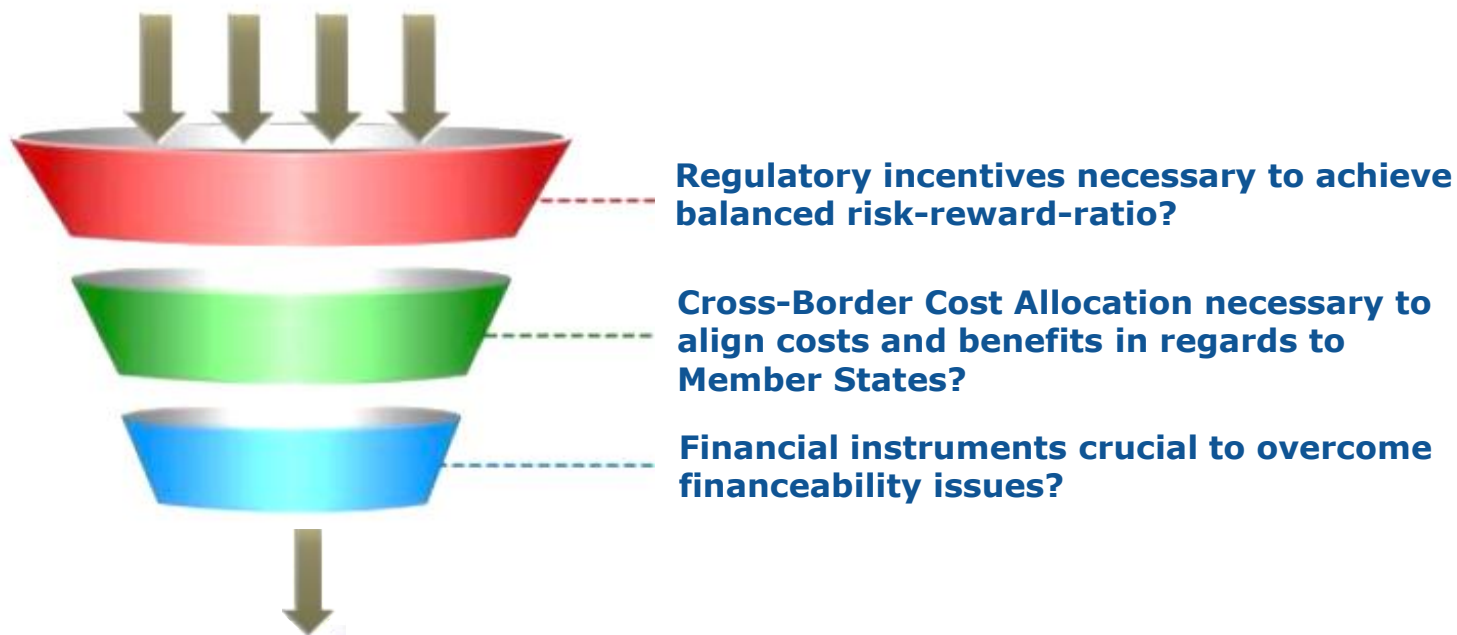
Designation of the competent authority

- One-stop shop crucial for timely implementation of PCIs:
 - sole contact point
 - setting time limit
 - monitor time limits
 - decision (under integrated and coordinated scheme)
 - reporting to the Regional Groups
- Designation of one national competent authority by 16th November 2013 (Art. 8)
- 11 MS designated; formal clarification process for others

Manual of procedures/streamlining

- Obligation for competent authorities or MS to publish manual of procedures for PCIs by 16th May 2014 (Art. 9)
- Commission guidance for streamlining of environmental assessment procedures for PCIs was issued and presented to MS on 24th July 2013 and was sent to MS on 24th September 2013
(COM guidance available under http://ec.europa.eu/energy/infrastructure/environmental_assesment_en.htm)
- By 24th June 2014 MS shall take non-legislative / by 24th September 2015 MS shall take legislative measures to streamline environmental assessment procedures for PCIs

Tool-Box



Do we really need grants for works ;-) ?

Financing – Connecting Europe Facility 2014-2020



- **Budget 5.8 billion € 2014-20**
- **Eligibility criteria (in guidelines):**
 - Grants for studies and financial instruments – available to all PCIs
 - In exceptional cases, grants for works for PCIs where:
 - CBA shows positive externalities
 - Commercially not viable
 - Cost-allocation decision done

No financial assistance for oil projects

No grants for works for hydro-pump storages and projects exempted from TPA or tariff regulation

CEF energy overall indicative budget distribution

	2014	2015	2016	2017	2018	2019	2020	Total
Grants	366	437	665	767	826	960	1 192	5 213
Fin. instr.	41	49	74	85	92	107	133	581
Total	407	486	739	852	918	1 067	1 325	5 794

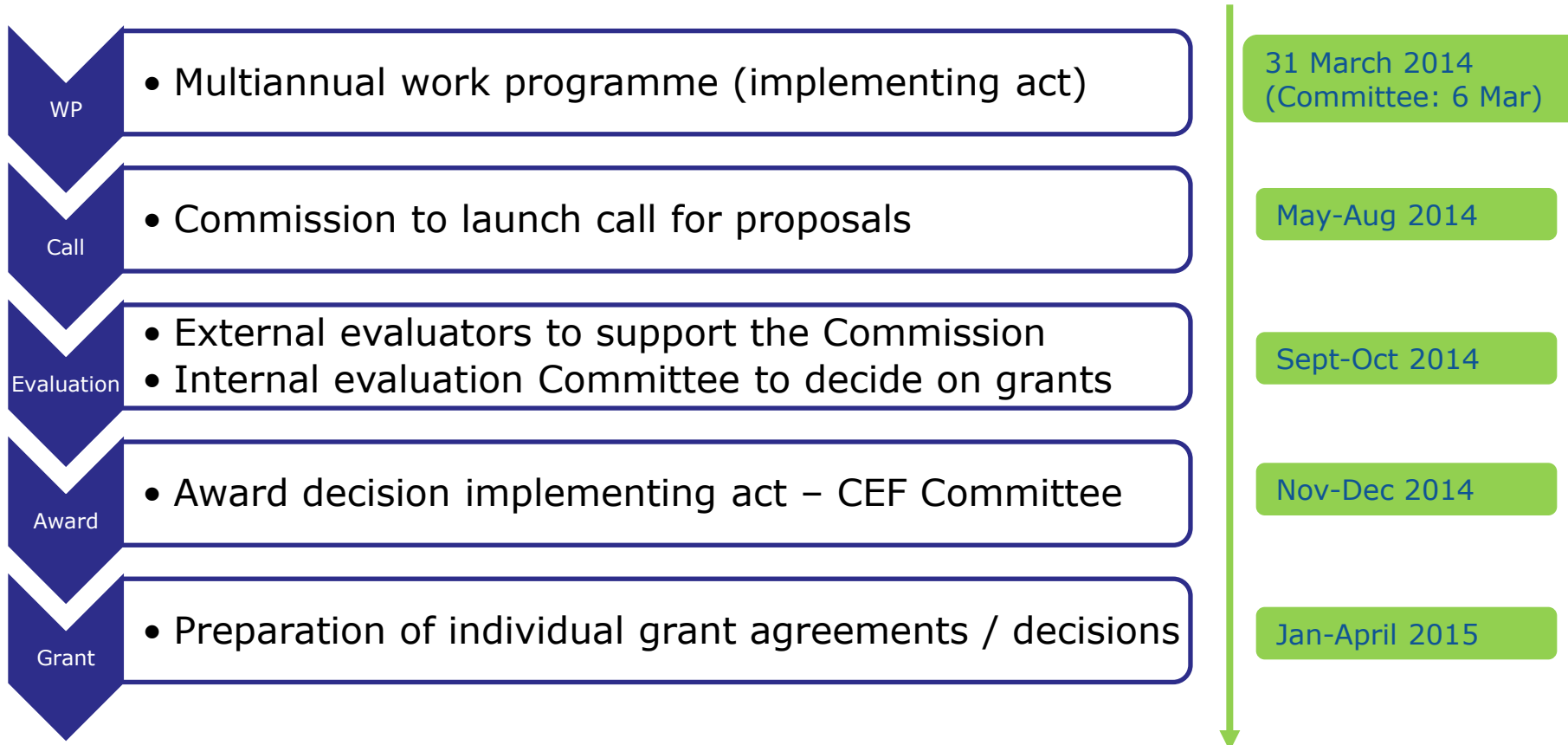
Fixed

Indicative

Annual budget fixed year-by-year

EUR million

Indicative timetable for first grants under CEF energy



Eligibility criteria for projects

- All PCIs are eligible for grants for studies
- PCIs are eligible for grants for works if:
 - ✓ CBA shows positive externalities AND
 - ✓ Commercially not viable AND
 - ✓ Cost-allocation decision done *(not applicable for smart grids and electricity storage)*
- *Oil projects are not eligible for any financial assistance*
- *Hydro-pump storages and projects exempted from third party access or tariff regulation are not eligible for grants for works, but remain eligible for grants for studies*

Selection criteria

- Financial capacity:
 - Assumed to be fulfilled for MS and certified TSOs
 - For other applicants: to be demonstrated, submission of annual accounts
- Operational capacity:
 - Assumed to be fulfilled for MS and certified TSOs
 - For other applicants: to be demonstrated by such as activity reports or proof of experience

Award criteria

- **Maturity** of the action with regard to the stage of development of the project, based on the implementation plan (Article 5(1) of the TEN-E Regulation);
- **Cross-border dimension** of the action, area of impact and number of Member States contributing to the action;
- The extent of the **positive externality** (such as security of supply and solidarity among Member States) provided by the action involving works;
- **Complementarity** between actions of common interest;

Continued

Award criteria *Continued*

- **Priority and urgency** of the action, will the project remove bottlenecks, end energy isolation and contribute to the implementation of the internal energy market;
- The **need to overcome financial obstacles**, the impact on solidarity;
- **Stimulating effect** of the CEF financial assistance on the completion of the action;
- **Quality** of the application, the clarity and the completeness of the proposal;

In line with the past practice, the weights of the criteria will be established and published in the Call document by May 2014

Maximum co-financing rates

CEF Article 10(3) and 10(5):

- Studies:
 - **max 50% of eligible costs**
- Works:
 - **max 50% of eligible costs or**
 - **max 75% of eligible costs for PCIs that provide high degree of regional or Union-wide security of supply, strengthen the solidarity of the Union or comprise highly innovative solutions**
- **+10% for synergies**

Subject to the availability of budget