



Council of the
European Union

Brussels, 31 October 2019
(OR. en)

10743/19
ADD 1

ENER 396
CLIMA 282
AGRI 522
COMPET 706
ENV 888
ECOFIN 961
RELEX 984
TELECOM 339
CONSOM 291
DELECT 200

COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 31 October 2019

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: SWD(2019) 395 final

Subject: COMMISSION STAFF WORKING DOCUMENT Accompanying the
document COMMISSION DELEGATED REGULATION amending
Regulation (EU) No 347/2013 of the European Parliament and of the
Council as regards the Union list of projects of common interest

Delegations will find attached document SWD(2019) 395 final.

Encl.: SWD(2019) 395 final



Brussels, 31.10.2019
SWD(2019) 395 final

COMMISSION STAFF WORKING DOCUMENT
Accompanying the document

COMMISSION DELEGATED REGULATION

**amending Regulation (EU) No 347/2013 of the European Parliament and of the Council
as regards the Union list of projects of common interest**

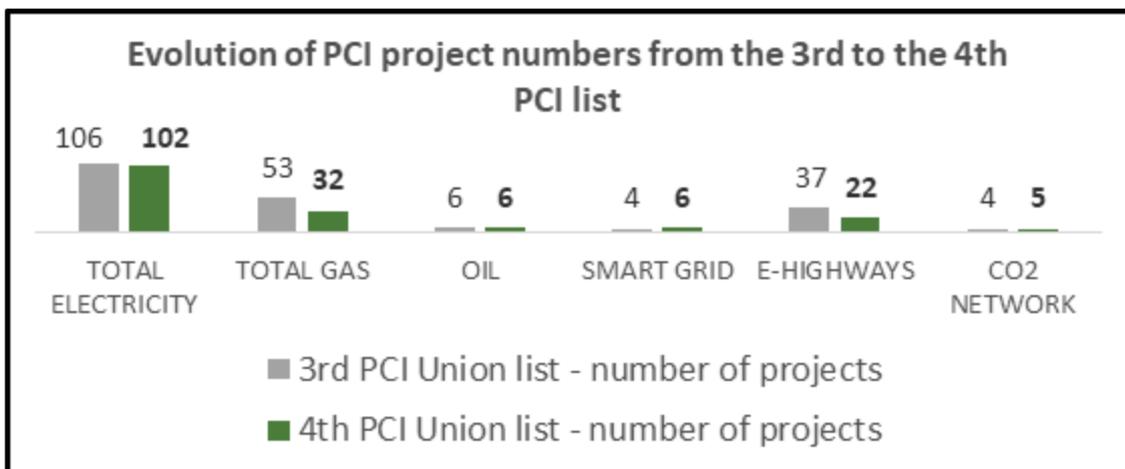
{C(2019) 7772 final}

1. Introduction

A well-interconnected energy infrastructure is a pre-condition for establishing an integrated, competitive and sustainable internal energy market in the European Union. It is also a pre-requisite for a resilient Energy Union which provides EU consumers with secure, sustainable, competitive and affordable energy.

Development in good time of the critical energy infrastructure projects, i.e. projects of common interest (PCI), is indispensable for the achievement of the EU's ambitious climate and energy policy objectives laid down in the Paris Agreement, the 2020 and the 2030 targets and the Energy Union Strategy. The TEN-E Regulation adopted in 2013 provides for a set of tailor-made measures that aim at ensuring timely development of PCIs, in particular by facilitating and accelerating their permit granting process, allowing for early assessment of possible environmental impacts and mitigation measures, and enhancing the involvement of the larger public and local communities in the planning and implementation on the ground, improving regulatory treatment, and providing, under specific conditions, for Union financial assistance under the Connecting Europe Facility (CEF).^{1,2}

A new Union list of PCIs is adopted every two years. So far, four Union lists have been prepared in cooperation by the Commission, Member States, promoters, transmission system operators, regulators and the wider stakeholder community. The (third) Union list of PCIs adopted in 2017 includes 173 PCIs³. The new (fourth) Union list of PCIs adopted in 2019 includes 151 PCIs.



¹ Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure (OJ L 115, 25.4.2013, p.39).

² Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p.129).

³ Commission Delegated Regulation (EU) 2018/540 of 23 November 2017 amending Regulation (EU) No 347/2013 of the European Parliament and of the Council as regards the Union list of projects of common interest C/2017/7834, (OJ L 90, 6.4.2018, p. 38–58).

The experience gained in the first six years of the application of the TEN-E Regulation confirms that the legal framework has addressed many of the challenges identified and has delivered tangible results. This could be achieved thanks to the enforcement of the TEN-E Regulation and to the close monitoring of PCIs to ensure their timely implementation. The policy priority in the starting years was to improve energy security, now the focus is shifting towards the accelerated integration of increasing amounts of renewable energy in line with the ambitious energy and climate targets, related energy security and the completion of the internal energy market by addressing remaining bottlenecks.

2. Achievements and Impact

TEN-E policy has enabled over 30 projects to be implemented by the end of 2018 and further 75 projects are expected to be implemented by 2022.

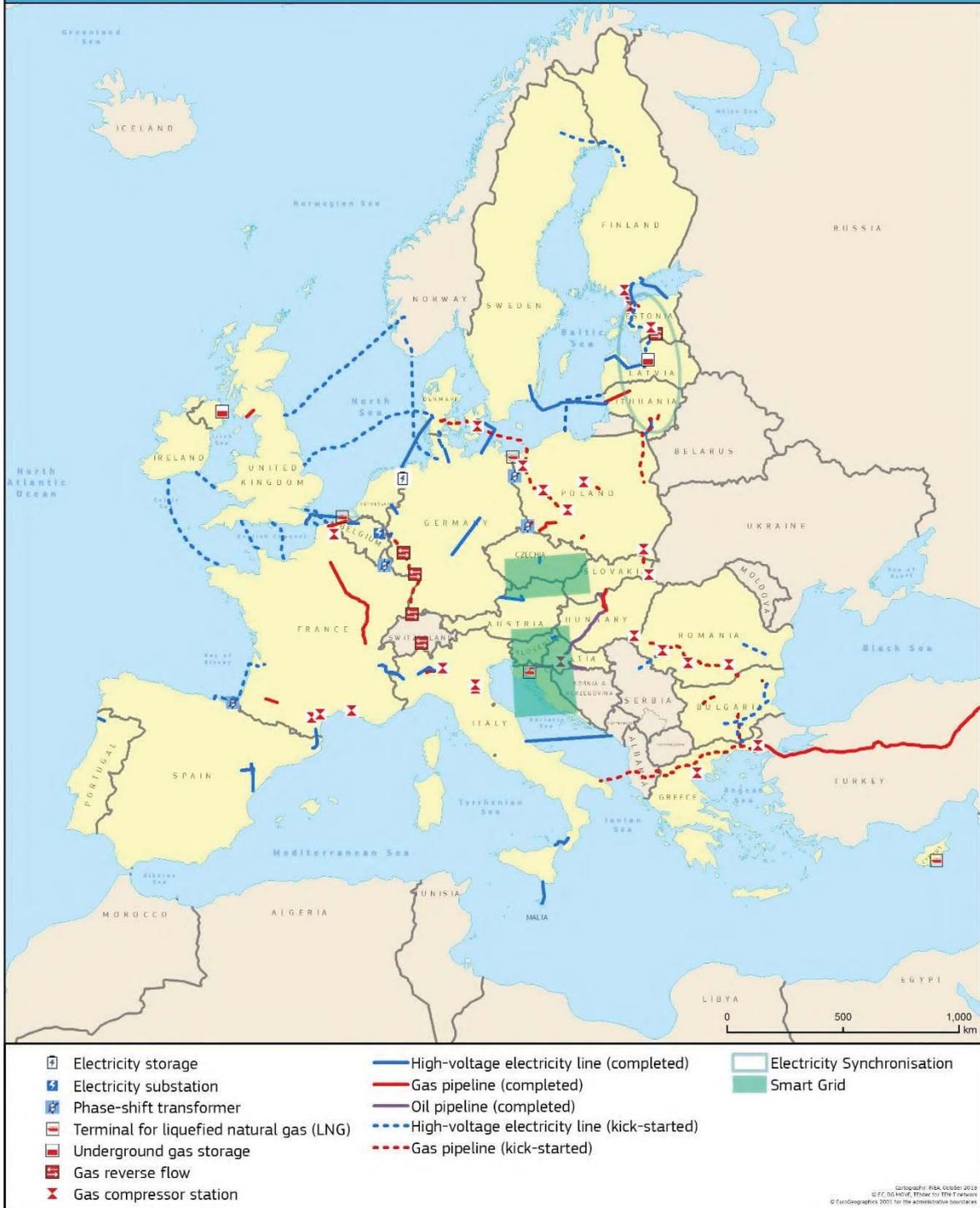
PCIs on the fourth list respond to the upcoming challenges. To meet the **EU's energy and climate policy objectives** and to honour its obligations under the **Paris Agreement**, the energy sector needs to be decarbonised. A strong and resilient electricity network will be vital to enable the necessary shift to low-carbon generation. The energy transition relies on an electricity system to which renewables will contribute over half of the generation by 2030 and that should be fully decarbonised by 2050. Well interconnected and integrated trans-European electricity grids and storages are therefore indispensable to accommodate, via optimised cross-border exchanges, increasing levels of variable renewable sources. Interconnections have also long been identified as key vectors towards affordable electricity prices and security of supply in the internal market. This will require sustained high amounts of investment in the power grid. The high number of electricity PCIs reflects these objectives.

Electricity PCIs will also contribute to reaching the 10% **electricity interconnection target** for 2020 and to meeting the 2030 interconnection target of at least 15%, as set in Regulation (EU) 2018/1999 on the governance of the Energy Union and Climate action. The Commission has been assisting Member States reaching these targets, notably by facilitating close regional cooperation. The well-established four regional High-Level Groups ('Baltic energy market interconnection plan', 'Central-Europe & South-Eastern Europe Energy Connectivity', 'South-West Europe' and 'Northern Seas Energy Cooperation') provide a suitable context to enhance regional cooperation underpinned by the highest political support. The EU's macro-regional strategies⁴ can also contribute to enhancing regional cooperation in the field of energy connectivity.

⁴ https://ec.europa.eu/regional_policy/en/policy/cooperation/macro-regional-strategies/

Infrastructure that connects

Projects of common interest completed and kick-started during 2015-2019



2.1. Main achievements

While the challenges remain important for peripheral or isolated Member States (e.g. Spain, Portugal, Ireland, Cyprus), the situation has greatly improved in several parts of the EU. For example:

- The interconnection capacity between Spain and France has doubled with the INELFE project completed in 2014 and will again double with Biscay Bay project⁵.
- The Celtic Interconnector between France and Ireland will establish the first electricity interconnection between Ireland and the continent and prevent that Ireland would be fully isolated with no direct electricity interconnection to the EU energy market after the United Kingdom leaves the EU. In October 2019, CEF Energy financial assistance of €530 million was awarded to build the Celtic Interconnector by the mid-2020s. The implementation of this PCI will also enhance the development and integration of more renewable energy in Ireland.
- The isolation of Malta's power grid from the European network was ended in 2015 with the inauguration of its interconnector to Italy.
- Thanks to the completion of key interconnectors, including Nordbalt (Lithuania–Sweden; 700 MW), Litpol Link (Lithuania–Poland; 500 MW) and Estlink 1 and 2 (Estonia–Finland, 350 MW, 650 MW) the Baltic region has become one of the most interconnected regions in Europe. Moreover, the completion of the third and final stage of the Kurzeme Ring reinforcements in Western Latvia has considerably increased the security of supply in the region and the robustness of the electricity grid.
- 2019 marked the completion of Kriegers Flak Combined Grid Solution PCI between Ishøj / Bjæverskov in Denmark and Bentwisch in Germany via offshore windparks, tapping into the offshore wind potential of the Baltic Sea.
- As regards gas, the EU gas grid has developed considerably following the 2009 gas crises – also thanks to political support and funding from the European Commission. Several reverse flow projects were rapidly implemented to better connect the networks between Member States in the West and East.
- Furthermore, a number of PCI projects have already been completed, such as the Trans Anatolian Pipeline (TANAP), which brings gas from Azerbaijan to the European continent contributing to the diversification of gas sources.
- The Balticconnector has ended the gas isolation of Finland.
- The “Val de Saône project” has removed congestions on the French gas network and established an essential link to improve the fluidity of transmission between the gas markets of the North and the South of Europe.

⁵ The EUR 578 million grant agreement for the Biscay Bay project that was signed at the Lisbon Summit in July 2018 – the largest Connecting Europe Facility-Energy grant ever awarded. Once completed, by 2025, this new interconnector will double the interconnection capacity between Spain and France to 5000 MW.

2.2. Remaining challenges

Despite good track record in implementing the regulation, a number of challenges remain for the years to come:

- The **synchronisation of the three Baltic States' electricity grid with the continental European network** remains a key political priority. In 2018, Heads of State and Governments of the three Baltic States, Poland and the President of the European Commission signed a *Political Roadmap on the synchronisation of the Baltic States' electricity networks with the Continental European Network via Poland* agreeing on a process and a solution for synchronising through the existing double-circuit AC line between Lithuania and Poland known as 'LitPol Link', complemented with an additional direct current submarine cable between Poland and Lithuania known as 'Harmony Link', as well as other optimization measures. In June 2019, the Parties reconfirmed their political commitment to achieving the synchronisation by signing a *Political Roadmap on implementing the synchronisation of the Baltic States' electricity networks with the Continental European Network via Poland*. This Implementing Roadmap recognizes the progress achieved and sets clear milestones and objectives for achieving the synchronisation by 2025. The European Commission remains committed to support the Baltic States to this effect. The Commission has granted financial assistance for the internal reinforcements in the Baltic States' grid under the Connecting Europe Facility amounting to EUR 323 million.
- Whereas gas grids in Western Europe are closely interlinked (as a result of which there remain only three gas PCIs in Western Europe), poorly interconnected gas networks in the **Central European and South-East European** countries and their historical dependence on Russian gas imports made them vulnerable to supply shocks and hindered their full integration into the EU internal energy market.

In addition to the success stories described in section 2.1, a number of key PCIs are currently in an advanced stage of implementation, in particular in the region that was most affected by past gas crises: the Trans-Adriatic Pipeline (TAP), the liquefied natural gas (LNG) terminal in Krk in Croatia, the Bulgaria-Romania-Hungary-Austria (BRUA) pipeline corridor, the gas interconnector between Poland and Lithuania (GIPL), the Interconnector Greece-Bulgaria (IGB) and others. These projects will help vulnerable countries to diversify their gas supply and give them access to three sources of gas.

- Some further bottlenecks, however, exist and may necessitate targeted infrastructure developments, in particular infrastructure giving access to a liquid global LNG market and new gas sources in EU countries (e.g. offshore gas fields in the Eastern Mediterranean and the Black Sea).

A well-interconnected gas infrastructure will thus remain necessary. Demand for natural gas is projected to decrease as the EU moves towards a carbon-neutral economy. At the same time, biogas and renewable hydrogen are expected to play an important role in the future EU energy mix. In the implementation of the gas PCI's, it should be ensured that they are future proof (i.e. ready for transporting low carbon gases such as e-gases, biogas, or hydrogen, as appropriate).

Based on the above developments and considerations, the number of gas projects was gradually reduced over the years: while the first PCI list had 104 gas projects, the third list included 53, and the fourth PCI list includes only 32. The new, streamlined gas PCI list is in line with the agreed EU energy and climate goals and objectives. It contains the elements that will ensure a competitive and secure gas supply for EU companies and citizens, while avoiding the risk of creating large scale stranded fossil fuel assets.

By the early 2020s, when the gas PCIs currently under implementation will be in operation, Europe should achieve a well-interconnected and shock-resilient gas grid and all Member States will have access to at least three gas sources or the global liquefied natural gas (LNG) market. 23 Member States will have access to the global LNG market with increasing liquidity which is a key element to improve the Union's energy security through the diversification of gas sources.

3. CEF Energy to support the development of PCIs

EU financing under the Connecting Europe Facility has helped the development of PCIs which may otherwise not be implemented or with significant delay. CEF Energy may provide financial support for studies and the construction of PCIs.

Since its launch in 2014, CEF Energy financial assistance of EUR 3.7 billion has been provided to 139 actions supporting the development and implementation of more than 90 projects of common interest. When allocating CEF Energy financial assistance the Commission has given due consideration to electricity projects, with the aim of making the major part of the CEF Energy financial assistance available to these projects over the period 2014 and 2020 with **the majority of CEF financial assistance allocated so far to electricity projects (including smart grids) (59%)**. Around 40% of CEF Energy financial assistance was provided to gas projects.

4. The fourth Union list of PCIs

The fourth Union list identifies 151 PCIs which are deemed necessary to implement the TEN-E priority corridors and the priority thematic areas, including 102 electricity projects, 32 gas projects, 6 oil projects, 6 smart grid projects, and 5 cross-border carbon dioxide network projects. Furthermore, in total 22 electricity projects have been labelled as electricity highways.

The selected electricity PCIs will address the specific infrastructure needs of the priority regions, as follows:

- (a) In the Northern Seas region the projects will further integrate the markets around the North Sea, which used to act as a natural barrier to interconnection. The expected future development of significant additional offshore wind capacity further underlines the importance to ensure that power can flow freely throughout the region.

The interconnector between Ireland and France (Celtic Interconnector) will provide a first connection between Ireland and Continental Europe. The interconnectors between Denmark and Germany and the related internal grid reinforcements in Northern Germany will further enable the integration of significant amounts of offshore wind. A number of storage projects will increase system flexibility.

- (b) In Western Europe the electricity PCIs will further help complete the integration of the Iberian Peninsula with the European electricity market and thus help reach the European energy and climate objectives. The implementation of the Biscay Bay interconnector will be instrumental in this respect. It demonstrates a consequent implementation of the objectives agreed in the Madrid Declaration and confirmed in the Lisbon Declaration in July 2018.

The internal German lines will contribute to a better integration of renewable energy and will enhance security of supply through increased grid resilience and flexibility.

Other PCIs will contribute to a better market integration by increasing electricity exchange capacity between Portugal and Spain, Italy and France, as well as Ireland and Northern Ireland. Several storage projects will increase system flexibility.

- (c) In Central Eastern and South Eastern Europe the electricity PCIs will strengthen the existing electricity grid and provide for additional cross-border transmission capacity needed for the integration of renewable energy sources.

To address the issue of uncontrolled energy flows ("loop-flows"), projects in Poland and the Czech Republic are underway. The implementation of HVDC cables linking the north and south of Germany (SuedLink and SuedOstLink) will create additional capacity for transporting renewable power within Germany and reduce the pressure on the neighbouring countries's electricity grids.

In South Eastern Europe several clusters of projects containing interconnectors as well as internal reinforcements will increase cross-border transmission capacity and increase the stability and resilience of the national grids, e.g. between Bulgaria and Greece (Black Sea Corridor), from Italy to Romania via the Balkans (East-West corridor comprising of 3 project clusters), and the new interconnectors between Hungary and Slovenia and Hungary and Slovakia. New interconnections between Italy and Austria and Italy and Slovenia aim to alleviate the congestion on the Northern Italian border, allowing for the

better integration of renewable electricity and enabling more cross-border trade for the benefit of consumers.

- (d) In the Baltic Sea region (BEMIP) the key objective of electricity PCIs is to further integrate the three Baltic States into the European networks, inter alia by synchronising them with the continental European network and to remove the existing bottlenecks on the borders between them. The insufficient transmission capacity creates congestions and efficiency losses also on the Northern border, especially between Finland and Sweden and determines high price differences between the two areas. The third interconnection Finland – Sweden will add up to 800 MW capacity on the border, decreasing the existing bottleneck and increasing the security of supply in Finland. Increasing transmission capacity will also be achieved by completing the Estonia-Latvia third electricity interconnection and building internal reinforcements in Poland and Sweden, which are necessary for the full utilisation of the LitPol Link (between Lithuania and Poland) and the Nordbalt interconnections (between Lithuania and Sweden). Two hydro-pump storage projects in Estonia and Lithuania will provide further balancing and flexibility services and improve the security of supply and system stability in the Baltic region in view of the synchronisation with the European continental grid.

The synchronisation of the Baltic States' electricity systems with the European networks by the end of 2025 has been a long-term objective of the Baltic States in view of achieving independence in the operation of their electricity systems. A cluster of PCIs aiming at the integration of the Baltic States' electricity network into the European networks and their synchronisation will contribute to reinforcing the Baltic system and implementing the technical conditions required for the formal extension of the continental European network to the Baltic States.

When compared to the previous Union lists, the fourth Union list provides for fewer, but better focused **gas** projects addressing the critical infrastructure bottlenecks.

In line with the Union's ambitious 2030 decarbonisation objectives, and to provide for consistency with regard to the underlying scenarios used for the assessment of projects in the electricity and gas sector, the gas regional groups have assessed benefits of the candidate gas PCIs against one scenario, the so-called "distributed generation" scenario. The "distributed generation" scenario is one of the three assessment scenarios presented in the TYNDP 2018, which results in the lowest gas demand by 2030. Furthermore, the gas regional groups took due account of the analysis by ENTSOG indicating that the current gas infrastructure is in general already today well equipped to face the challenges of the future, it allows for a wide range of supplies and is resilient to a number of disruption cases. The remaining and already well-identified infrastructure needs primarily in the Eastern Baltic Sea region, the Central and South-Eastern part of Europe and in the Iberian Peninsula can be effectively addressed by a limited number of projects.

The good state of the infrastructure (particularly in the Western part of Europe), together with the potentially decreasing gas demand, high investment and operating costs of new infrastructure, and long lifetime of (large-scale) energy infrastructure projects require a cautious approach to new investments in the gas sector in order to avoid over-investment and additional costs for consumers. Priority should be given to the more efficient use of the existing infrastructure at regional level and to better enforcement of the existing market and regulatory-based measures, including the gas network codes. At the same time, priority should be given to the projects which have been carefully planned, considering the EU's long term energy and climate policy objectives and which can prove technological readines for transporting low carbon gases such as e-gases, biogas, hydrogen (i.e. which are future proof infrastructure).

The selected gas PCIs will contribute significantly to meeting the EU's key energy policy objectives and will address the remaining infrastructure bottlenecks identified by the Regional Groups. They will end the gas isolation of the three Baltic States and Finland. They will provide for further diversification of sources and routes by developing the Southern Gas Corridor and the Norwegian Corridor. The gas PCIs will develop missing or enhance existing interconnections to increase security of gas supply, cross-border trade and competition. Concerning the gas projects giving connection to new sources of gas, the benefits of supply diversification should be balanced with the risk of lock-in, which would not be in line with the EU's long term energy and climate policy objectives.

The selected gas PCIs will address the specific infrastructure needs of the priority regions, as follows:

- (a) In Western Europe gas interconnections will increase short-term gas deliverability and further diversify routes of supply.

PCIs include the Shannon LNG terminal and connecting pipeline in Ireland that will diversify supply sources and enhance energy security as well as enhance competition. In addition, a pipeline project between Malta and Italy was identified in view of Malta's physical isolation from the European gas network.

Furthermore, the adaptation from low- to high-calorific gas in France and Belgium will address energy security related challenges in that region due to the decreasing low calorific gas production from the Groeningen gas field in the Netherlands.

- (b) In Central Eastern and South Eastern Europe the PCI projects address important challenges such as security of supply, market integration and competition. The PCIs include priority projects agreed within the High-Level Group on Central and South Eastern Europe Energy Connectivity (CESEC) that was established to speed up the construction of missing gas infrastructure links and to tackle the remaining technical and regulatory issues, to improve market functioning and ensure access to three supply sources for the consumers in the region.

Gas PCIs, such as LNG terminals in Croatia (Krk) and Poland will address the limited diversity of gas supply sources in the region. Other projects, such as the Poland-Slovakia, Romania-Hungary (BRUA) and Greece-Bulgaria (IGB) interconnectors will expand the existing transmission capacity and diversify gas supply, including by giving access to new offshore gas fields in the Black Sea. These missing infrastructure links and the underground storage projects will enable a closer integration of the region's markets which is necessary in the shift from long-term contracts towards shorter-term and liquid supply arrangements, offer a secure and competitive gas supply to consumers and increase resilience to possible external gas supply shocks.

- (d) In the Southern Gas Corridor PCIs will allow the EU energy market to connect to new sources of gas in the Caspian region, Central Asia and the eastern Mediterranean.

In particular the integrated system of gas pipelines including a trans-Caspian pipeline (between the shores of Turkmenistan and Azerbaijan), the expansion of South-Caucasus Pipeline (linking Azerbaijan, Georgia and Turkey), Trans Anatolian Natural Gas Pipeline (east-west across Turkey) and Trans-Adriatic Pipeline (stretching from the Greek-Turkish border, across Albania to Italy) will give the EU access to natural gas from the fields in the gas-rich Caspian Sea region. The construction works are almost complete and the first gas from Azerbaijan will reach the EU in 2020.

With the Eastern Mediterranean region now emerging as an important producer of natural gas, the EU is looking to further diversify its supply sources. The primarily offshore pipeline between Cyprus and Greece (EastMed Pipeline) allows the EU to tap into the EastMed gas resources.

Furthermore, together with the development of gas transmission infrastructure in Cyprus, the PCIs will end the isolation of the island from the EU gas market and allow the country to reduce its carbon footprint from electricity production.

- (c) In the Baltic Sea region (BEMIP) the key objective of PCIs is to end the gas isolation of the three Baltic States and Finland by connecting their networks with the Continental European gas grid. First accomplishments have been already achieved as the Balticconnector and the interconnection between Latvia and Estonia will be complete by the end of 2019. The most relevant integration with the European continental grid will be achieved notably by building the gas interconnection between Poland and Lithuania (GIPL) as well as by reinforcing existing gas interconnection between Lithuania and Latvia. The Baltic Pipe will bring gas from the North Sea directly to the region further adding to its diversification and enhancing market liquidity. In recognition of the significant regional benefits to be brought by GIPL, the Baltic Pipe and the strengthening of the interconnection between Lithuania and Latvia, the Commission is supporting their construction with grants under the CEF programme.

The six **oil PCIs** will address the need of the Central Eastern European region for diversified oil supplies. These projects enhance the energy security of the countries in the region by (a) interconnecting the Eastern and Western European crude oil pipeline systems; (b) increasing

the capacity of sea imports of crude oil from the Baltic Sea, Adriatic Sea and the Black Sea; (c) linking the different arms of the Druzhba pipeline and, (d) creating South-North pipeline connections. Oil PCI's are not eligible for funding under CEF.

The six **smart grids** projects involving eight Member States have different focus areas and reached different status of maturity. In general, they will allow for more resilience of the networks, the deployment of more renewable generation, and involvement of demand response.

The fourth Union list also includes five PCIs that aim at developing **carbon dioxide transport infrastructure** between Member States and neighbouring third countries. CO₂ transport infrastructure is a vital chain in carbon dioxide capture and storage and, so far, in Europe, no transport infrastructure for CO₂ has been developed. The projects are all located around the North Sea and involve Belgium, the Netherlands, the United Kingdom and Norway.

Although the PCI status signifies the importance of a project for the attainment of the Union's ambitious climate and energy policy objectives and implies its significant regional socio-economic benefits, the status itself does not guarantee the successful development of that project. In the PCI selection process some PCIs were identified as being able to address the same infrastructure needs. These projects are marked on the (fourth) Union list as (potentially or fully) competing, and the market is to decide if and which of them will be developed. Furthermore, each of the PCIs needs to successfully undergo a full permit granting process, including environmental impact assessments and public consultations, as well as obtaining all necessary regulatory approvals. All PCIs must be developed in full compliance with the EU *acquis*, including internal energy market legislation, environmental rules, public procurement and competition law. The selection of a given project as a PCI does not prejudice in anyway the outcome of these processes.

3. The work leading to the (fourth) Union list of PCIs

The Union list adopted end October was prepared following a rigorous, open, transparent and inclusive process involving numerous organisations.

The identification and selection process of PCIs is based on regional cooperation and it was managed by the regional groups established under the TEN-E Regulation. The regional groups for electricity, smart grids, and gas comprise of representatives of the Commission, the Member States, national regulatory authorities (NRAs), transmission system operators (TSOs), European Networks of Transmission System Operators for gas and electricity (ENTSOG and ENTSO-E), the Agency for the Cooperation of Energy Regulators (ACER), and the Commission. The regional groups for oil and carbon dioxide transport projects comprise representatives of the Commission, the Member States, and project promoters. All parties involved in the PCI process brought their knowledge and expertise with regard to the underlying methodologies for assessing regional infrastructure needs and individual candidate projects against these needs from a Union energy policy perspective.

The PCIs process was launched in October 2018 ending in October 2019 with the adoption of the delegated regulation that will be submitted to the the European Parliament and the Council who will have 2 months time to accept or to object to the list. This 2 months period can be extended by another 2 months.

The PCIs identification process started with the identification of the specific and most pressing infrastructure needs and bottlenecks in the electricity and gas priority corridors that could not be effectively addressed by more efficient use of the existing infrastructure and/or market measures, and thus require an investment in a new infrastructure. The lists of the infrastructure needs prepared and agreed by the regional groups with the involvement of the broad spectrum of stakeholders, constituted the basis of the 2019 assessment process of the PCI candidates.

The calls for gas and electricity PCI candidates took place between 15 October - 15 November 2018 and 20 November 2018 - 16 February 2019, respectively, resulting in numerous submissions. PCIs candidates in the electricity and gas sectors originated from the 2018 10-year network development plans (TYNDP) developed by ENTSO-E and ENTSG. For oil PCIs, a call for candidate projects took place in June 2019. For Smart Grid candidate projects the call was announced on 19 December 2018 and ended on 7 March 2019.

Each regional group carried out a comprehensive assessment of candidate PCIs proposed for its priority corridor. Projects were assessed with regard to their compliance with the general criteria - laid down in Articles 4(1) of the TEN-E Regulation – including, their contribution to the objectives of the corridor and their cross-border dimension. Subsequently, the regional groups assessed the projects' contributions to the specific criteria - laid down in Article 4(2) of the TEN-E Regulation - according to the dedicated assessment methodologies agreed by the regional groups. The needs identification methodology and the project candidates' assessment was done using the same methodologies for the gas and electricity groups respectively, resulting in a consistent identification and assessment of the projects in each sector.

For the assesment and comparison of projects, electricity and gas candidate PCIs were subject to cost-benefit analyses (CBA) carried out according to the methodologies developed by ENTSO-E and ENTSG. In the priority thematic area of smart grid deployment, the cost-benefit analysis was prepared by the Commission's Joint Research Center on the basis of input from the promoters in accordance with the agreed assessment framework.

The process of assessing the PCI candidates in all the priority corridors and priority thematic areas was concluded on 4 October 2019 with the adoption of the regional lists of the PCI candidates by the (high-level) decision-making bodies of the regional groups.

Recognising the important role of the energy regulators in the process of developing energy infrastructure, the Commission invited ACER and the NRAs – being members of the regional groups – to actively engage into the process. The process granted the regulators possibility to

provide input at every stage of the process, including at the infrastructure needs identification, at the development of the PCI assessment methodologies, and at the assessment of the PCI candidates on the basis of the CBA analysis.

Detailed findings of ACER and the NRAs were presented to the regional groups and were taken into account by the latter in the process of agreeing on the regional lists.⁶

The 2019 PCI identification process provided for greater transparency. In addition to the defined members of the regional groups, the process involved relevant stakeholders acting in the field of energy, such as consumer and environmental protection organisations that actively participated in the regional group meetings. Meetings of the regional groups were open to stakeholders and were made remotely accessible by webstreaming, allowing organisations to be involved in the process at every stage, to obtain information on the PCI candidates and to provide feedback. In addition, in line with the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making and the Framework Agreement on relations between the European Parliament and the European Commission, the meetings of regional groups have been open to the European Parliament and information related to the preparation of the delegated act containing the fourth Union list of PCIs were shared before adoption.

Public consultations were organised to obtain the views of stakeholders and the larger public on the necessity of the candidate projects from the European Union's energy policy perspective. The public consultations were organised in line with the Commission's better-regulation principles. A public consultation on electricity candidate PCIs was carried out between 22 November 2018 and 28 February 2019, on gas between 26 February and 29 March 2019, on smart grids on cross-border carbon dioxide transport projects between 18 March and 9 June 2019, whilst on oil the consultation was held between 4 July and 26 September 2019.

In addition to the online consultation process, several meetings were held between the interested stakeholders and project promoters which allowed for in-depth and constructive discussions on the projects characteristics and their potential impact on the society and environment.

The increased transparency of the PCI process, and the greater involvement of stakeholders, allowed consumer and environmental protection organisations to prepare several position papers that were shared with the regional groups.

⁶ http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Opinions/Opinions/ACER%20Opinion%2013-2017.pdf
http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Opinions/Opinions/ACER%20Opinion%2014-2017.pdf