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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on guidelines for trans-European energy infrastructure and repealing Regulation (EU) No 347/2013 - Analysis of the final compromise text with a view to agreement

I. INTRODUCTION

1. On 15 December 2020, the Commission submitted a proposal for a regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Regulation (EU) 347/2013.

2. In the European Parliament, this proposal was referred to the Industry, Research and Energy Committee (ITRE) which appointed on 5 January 2021, Mr. Zdzisław Krasnodębski as rapporteur. The ITRE Committee voted on its report on 30 September 2021.

3. The TTE (Energy) Council adopted on 11 June 2021 a general approach on the above-mentioned proposal and the first informal trilogue, based on the Council general approach, took place on 13 October 2021.

4. Between October and beginning of December, the Presidency held technical meetings and 4 political trilogues with the European Parliament and the Commission. In view of those meetings, the Permanent Representatives Committee approved a revised Council mandate, on 19 November.

5. The fourth and final trilogue on the Regulation was held on 14 December 2021, and following 12 hours of negotiations a provisional agreement was reached on the basis of the text as reflected in the Annex.

II. MAIN ELEMENTS OF THE COMPROMISE

6. **On governance** (Articles 11-13):
   - the stakeholder consultation was strengthened, without creating a stakeholder Committee.
   - the ENTSOs will be asked to submit to the Commission and the Agency a 'progressively integrated model' (instead of interlinked), such model will need to include 'consistent' cost-benefit methodologies. This wording was devised for consistency reasons and to underline the possible future goal of a fully 'integrated model'.
   - ACER will have a stronger involvement in the preparations of methodologies, will provide opinions which will be fully taken into account by the ENTSOs when amending the methodologies. The approval remains with the Commission.
   - The co-legislators also agreed to allow the EU Scientific Advisory Board on Climate Change (the Advisory Board), on its own initiative to provide opinions on draft methodologies, and on the compatibility of scenarios with climate objectives.

7. **Offshore grid planning** (Articles 8.6, 14) - the Council preserved all of its red lines. Member States will plan their offshore grids based on national policies and plans, agreement under this chapter will be voluntary and non-binding. National competent authorities will decide to jointly designate a unique point of contact per project of common interest for project promoters. Such points of contact will be responsible for facilitating exchange of information aiming at facilitating the permitting process of the project. The ENTSO for Electricity will develop and publish, as a separate report but as a part of the Union-wide TYNDP, high-level strategic integrated offshore network development plans, for each sea basin.

8. Within **projects of mutual interest (PMIs)** (Articles 2, 4 and related), key Council prerogatives were maintained. PMIs will need to demonstrate that they bring significant benefits either directly or indirectly (via interconnection with a third country) at the Union level. PMI's should not hinder the capacity of the third country to phase out fossil fuel generation assets for its domestic consumption. Moreover, the third country or countries involved will need to demonstrate legal enforcement mechanisms to support the overall policy objectives of the Union. Limited Union financing for third countries will be possible in accordance with the provisions of the CEF regulation (article 5(2)).

9. In respect to the **smart gas grids** (Articles 2, 4 and related) the Council preserved the language on plurality of low-carbon and particularly renewable gases. The TEN-E framework will support the uptake of innovative and digital solutions. Physical upgrades will be allowed if they are indispensable to the functioning of the equipment and installations for integration of low carbon and particularly renewable gases.

10. The text of **blending** provisions (Article 24a) was preserved closely to Council's General Approach. During a transitional period, dedicated hydrogen assets converted from natural gas assets will be able to be used for transport or storage of a pre-defined blend of hydrogen with natural gas or biomethane. The transitional period will end on 31 December 2029, whereas any eligibility for Union financial assistance will end on 31 December 2027.

11. On **grandfathering of natural gas** projects (Articles 5, 30), the article as proposed by the Parliament was not preserved. However, the issue was solved in articles 5 and 30. First of all, a project which is no longer on the Union list but for which an application file has been accepted for examination by the competent authority shall maintain the rights and obligations arising from Chapter III (permitting), unless it does not comply with Union law. Secondly, projects that were included in the fifth Union list and for which an application file has been accepted for examination by the competent authority will benefit from the rights and obligations arising from Chapter III of this Regulation for a period of 4 years after the entry into force of this Regulation.

12. In the **CO2** (Article 4, Annex II) category storage was included, where CO2 storage projects can be eligible for funding only if they are linked to cross border transport of CO2. Moreover, financing will be possible for fixed facilities for liquefaction, buffer storage and converters of carbon dioxide in view of its further transportation through pipelines and in dedicated modes of transport such as ship, barge, truck, and train.

13. Parliament's additions regarding the new category of **district heating and cooling** (Articles 2, 4 and related) were not preserved. However, associations of heating and cooling stakeholders were added to the stakeholders consultation process.

14. On **electrolysers** (Annex IV), the threshold was lowered to 50 MW, provided by a single electrolyser or by a set of electrolysers that form a single, coordinated project. The wording that life-cycle GHG emission must include indirect emissions was preserved. Electrolyser projects will not be eligible for grant for works.

15. The co-legislators agreed horizontally to use throughout the text the words **'renewable or low carbon',** as appropriate, in the various articles.

16. **Radial connections** (Annex IV) will be able to apply for PCI status and financing, however, only if the project will be designed to transfer electricity from offshore generation sites with capacity of at least 500 MW. In addition, the project will need to be developed in the areas with low penetration of offshore renewable electricity and shall demonstrate a significant positive impact on the EU energy and climate targets, and contribute significantly to the sustainability of the energy system and market integration while not hindering the cross-border capacities and flows.

17. Decision-making in the **Regional Groups** (Article 3, Annex III) will be based on consensus of the Member States and the Commission. The Union list of projects will be composed of the regional lists adopted by the Regional Groups. The Commission will adopt the Union list by combining the regional lists.

18. Regarding eligibility of projects in **islands** (Article 2, Annex I, II, IV), the wording was adjusted to reflect the overall structure of the Regulation, and the eligibility was limited to electricity, hydrogen, electrolysers, and smart electricity grids.

19. **Derogation for Malta and Cyprus** (Article 25a) was kept, however, additional safeguards were added. Cyprus and Malta will be derogated from certain articles of this regulation till they are interconnected to the trans-European gas network with one interconnection per Member State. The project promoters will be obliged to demonstrate how those interconnections will allow access to new energy markets, including hydrogen, in line with the climate objectives of the Union. The projects will need to demonstrate in a roadmap and a timeline, how the asset could become a dedicated hydrogen asset by 2036 if market conditions allow. The derogation will apply until each of the Member States is directly interconnected to the trans-European gas network but not later than 31 December 2029. Any eligibility for Union financing will end on 31 December 2027.

20. A general clause was added regarding **protection of Union finances** (Recital 48c). Projects of common interest will not receive funding if the project promotors, operators or investors are in one of the situations of exclusion referred to in Article 136 of the Financial Regulation, such as in case of conviction for fraud, corruption or conduct related to a criminal organisation. A project of common interest may be removed from the Union list if its inclusion in that list was based on incorrect information which was a determining factor for that inclusion, or the project does not comply with Union law. In addition, in respect to their derogation, Malta and Cyprus should ensure that the PCI projects do not benefit directly or indirectly persons or entities that are in one of the situation of exclusion as referred to in Article 136 of the Financial Regulation.

21. Finally, the co-legislators agreed that by 30 June 2027, the Commission is asked to carry out a **review** (Article 22a) of this Regulation.

III. CONCLUSION

22. The Permanent Representatives Committee is thus invited to:

- endorse the annexed compromise text as agreed in the trilogue, and
- mandate the Presidency to inform the European Parliament that, should the European Parliament adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty, in the form set out in the compromise package contained in the Annex to this document (subject to revision by the legal linguists of both institutions), the Council would, in accordance with Article 294, paragraph 4 of the Treaty, approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position.

ANNEX

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on guidelines for trans-European energy infrastructure and repealing Regulation (EU) No 347/2013

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The Commission has set out, in its Communication of 11 December 2019 entitled 'The European Green Deal'[3] , a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where [ ] **the climate neutrality objective is met at the latest by** 2050 and where economic growth is decoupled from resource use. The Commission's communication on the Climate Target Plan[4] proposing to increase the greenhouse gas emissions' reduction level to at least 55 % by 2030 - an ambition that was endorsed by the European Council on 11 December 2020 - and its underlying impact assessment confirms that the energy mix of the future will be very different from the one of today and underpins the necessity to review and if necessary to revise the energy legislation. The current energy infrastructure investments are clearly insufficient to transform and build the energy infrastructure of the future. That also means infrastructure needs to be in place to support the European energy transition, including rapid electrification, scaling up of renewable **and fossil free** electricity generation, the increased use of renewable and low-carbon gases, energy system integration and a higher uptake of innovative solutions.

[1] OJ C , , p. .
[2] OJ C , , p. .
[3] Commission Communication - The European Green Deal, COM(2019) 640 final of 11 December 2019.
[4] Commission Communication - Stepping up Europe's 2030 climate ambition, Investing in a climate-neutral future for the benefit of our people, COM(2020) 562 final of 17 September 2020

(2) **The current** binding Union level target for renewable energy for 2030 of at least 32 % of final energy consumption and a headline Union level target for energy efficiency of at least 32,5 % **will be revised as part of the Union's increased ambition enshrined in the Regulation (EU) 2021/1119 of the European Parliament and the Council**[5] **and the European Green Deal strategy.**

(3) The 2015 Paris Agreement on climate change following the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (the 'Paris Agreement') sets out a long-term goal to keep the global temperature increase to well below 2 °C above pre-industrial levels and to pursue efforts to keep it to 1.5 °C above pre-industrial levels, and stresses the importance of adapting to the adverse impacts of climate change and making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. On 12 December 2019, the European Council endorsed the objective of achieving a climate-neutral European Union by 2050, in line with the objectives of the Paris Agreement.

(4) Regulation (EU) No 347/2013 of the European Parliament and of the Council[6], the current TEN-E Regulation, lays down rules for the timely development and interoperability of trans-European energy networks in order to achieve the energy policy objectives of the Treaty on the Functioning of the European Union to ensure the functioning of the internal energy market, security of supply and competitive energy markets in the Union, to promote energy efficiency and energy saving and the development of new and renewable forms of energy, and to promote the interconnection of energy networks. Regulation (EU) No 347/2013 puts in place a framework for Member States and relevant stakeholders to work together in a regional setting to develop better-connected energy networks with the aim to connect regions currently isolated from European energy markets, strengthen existing **and promote new** cross-border interconnections, and help integrate renewable energy. By pursuing those objectives, Regulation (EU) No 347/2013 contributes to smart, sustainable and inclusive growth and brings benefits to the entire Union in terms of competitiveness and economic, social and territorial cohesion.

(5) The evaluation of Regulation (EU) No 347/2013 has clearly shown that the framework has effectively improved the integration of Member States' networks, stimulated energy trade and hence contributed to the competitiveness of the Union. Projects of common interest in electricity and gas have strongly contributed to security of supply. For gas, the infrastructure is now **better** [ ] connected and supply resilience has improved substantially since 2013. Regional cooperation in Regional Groups and through cross-border cost allocation is an important enabler for project implementation. However, in many cases the cross-border cost allocation did not result in reducing the financing gap of the project, as intended. While the majority of permitting procedures have been shortened, in some cases the process is still long. The financial assistance from the Connecting Europe Facility (CEF) has been an important factor as grants for studies have helped projects to reduce risks in the early stages of development, while grants for works have supported projects addressing key bottlenecks that market finance could not sufficiently address.

[5] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1.).

[6] Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009, OJ L 115, 25.4.2013, p. 39–75

(5a) In its resolution of 10 July 2020 on the revision of the guidelines for trans-European energy infrastructure, the European Parliament called for a revision of the Regulation (EU) No 347/2013, taking into account, in particular, the Union's energy and climate targets for 2030, the Union's climate neutrality objective and the 'energy efficiency first' principle.

(6) The TEN-E policy is a central instrument in the development of an internal energy market and necessary to achieve the European Green Deal objectives. To achieve climate neutrality by 2050 **at the latest** and higher levels of greenhouse gas emission reductions by 2030, Europe will need a more integrated energy system, relying on higher levels of electrification based on **additional** renewable **and low carbon** sources and the decarbonisation of the gas sector. The TEN-E policy can ensure that the Union energy infrastructure development supports the required energy transition to climate neutrality in line with the energy efficiency first principle **and technological neutrality while considering the respective potential for emission reduction in the end use. It can also ensure interconnections, energy security, market and system integration, and competition for all Member States, as well as energy at an affordable price for households and companies.**

(7) While the objectives of Regulation (EU) No 347/2013 remain largely valid, the current TEN-E framework does not yet fully reflect the expected changes to the energy system that will result from the new political context and in particular the upgraded 2030 targets and the 2050 climate neutrality objective under the European Green Deal. **Therefore, among other aspects, both climate mitigation and climate adaptation objectives need to be adequately reflected in the revised TEN-E framework.** Besides the new political context and objectives, technological development has been rapid in the past decade. That development should be taken into account in the infrastructure categories covered by this Regulation, the projects of common interest selection criteria as well as the priority corridors and thematic areas. **At the same time, the provisions of this Regulation should not affect a Member State's right to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply, in accordance with Article 194 TFEU.**

(8) Directives (EU) 2019/944[7] and 2009/73/EC of the European Parliament and of the Council[8] provide for an energy internal market. While there has been very significant progress in the completion of the internal energy market, there is still room for improvement by a better utilisation of existing energy infrastructure, the integration of the increasing amounts of renewable energy and system integration.

[7] Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU OJ L 158, 14.6.2019, p. 125.
[8] Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.8.2009, p. 94).

(9) The Union's energy infrastructure should be upgraded in order to prevent technical failure and to increase its resilience against such failure, natural or man-made disasters, adverse effects of climate change and threats to its security, in particular as regards European critical infrastructures pursuant to Council Directive 2008/114/EC[9].

(10) The Union's energy infrastructure should be resilient to the unavoidable impacts that climate change is estimated to create in Europe in spite of the mitigation efforts. Hence, strengthening the efforts on climate adaptation **and mitigation**, resilience building, disaster prevention and preparedness is crucial.

(10a) The development of trans-European energy infrastructure should take into account, where technically possible and most efficient, the possibility for repurposing of existing infrastructure and equipment;

(11) Security of supply, as one main driver behind Regulation (EU) No 347/2013, has been significantly improved through projects of common interest. Moreover, the Commission's climate target impact assessment[10] expects the consumption of natural gas to be reduced significantly because its non-abated use is not compatible with carbon-neutrality. On the other hand, the consumption of biogas, renewable and low-carbon hydrogen and synthetic gaseous fuels will increase significantly towards 2050. **For gas, the infrastructure is now better connected and supply resilience has improved substantially since 2013**. The planning of energy infrastructure should reflect this changing gas landscape. However, **not all Member States are yet connected sufficiently to the European gas network and particularly island Member States continue to face significant challenges in terms of security of supply and energy isolation. Although 78 % of gas projects that are projects of common interest (gas PCIs) are expected to be commissioned by the end of 2025, a number of them are experiencing significant delays, including due to permitting problems. The revision of Regulation (EU) No 347/2013 should, therefore, not affect negatively uncompleted projects of common interest. Therefore, by way of derogation, projects of common interest included in the fifth Union list of projects of common interest established pursuant to Regulation (EU) No 347/2013, if already within the permitting procedure provided by Regulation (EU) No 347/2013, should be able to maintain their rights and obligations as regards permitting for a period of four years.**

[9] OJ L 345, 23.12.2008, p. 75.
[10] SWD(2020) 176 final

(12) The importance of smart electricity grids, **which may not in all cases include the crossing of a physical border**, in achieving the Union's energy and climate policy objectives has been acknowledged in the communication from the Commission on energy system integration[11]. The criteria for the category should **be simplified and** include technological developments regarding innovation, digital aspects **and enable energy system integration**. Furthermore, the role of projects promoters should be clarified. Given the expected significant increase in power demand from the transport sector, in particular for electric vehicles along highways and in urban areas, smart grid technologies should also help to improve energy network related support for cross border high capacity recharging to support the decarbonisation of the transport sector.

(13) The Commission's communication on energy system integration underlines the need for integrated energy infrastructure planning across energy carriers, infrastructures, and consumption sectors. Such system integration starts from the point of departure of applying the energy efficiency first principle and taking a holistic approach **in policy and** beyond individual sectors. It also addresses the decarbonisation needs of the hard to abate sectors, such as parts of industry or certain modes of transport, where direct electrification is, currently, technically or economically challenging. Such investments include hydrogen and electrolysers, which are progressing towards commercial large-scale deployment. The Commission's Hydrogen Strategy gives priority to hydrogen production from renewable electricity, which is the cleanest solution and is most compatible with the EU climate neutrality objective. In a transitional phase however, other forms of low-carbon hydrogen are needed to more rapidly **decarbonise** existing hydrogen **production focusing on a diverse range of clean technologies and to** kick-start an economy of scale.

(14) Moreover, the Commission's Hydrogen Strategy[12] concluded that for the required deployment of hydrogen a large-scale infrastructure network is an important element that only the Union and the single market can offer. There is currently very limited dedicated infrastructure in place to transport and trade hydrogen across borders, **and to create hydrogen valleys.** Such should consist of a significant extent of assets converted from natural gas, complemented by new assets dedicated to hydrogen. Furthermore, the Hydrogen Strategy sets a strategic goal to increase installed electrolyser capacity to 40 GW by 2030 in order to scale up the production of renewable hydrogen and facilitate the decarbonisation of fossil-fuel dependent sectors, such as industry or transport. Therefore, the TEN-E policy should include new and repurposed hydrogen transmission infrastructure and storage as well as electrolyser facilities. Hydrogen transmission and storage infrastructure should also be included in the Union-wide ten-year network development plan so as to allow a comprehensive and consistent assessment of their costs and benefits for the energy system, including their contribution to sector integration and decarbonisation, with the aim of creating a hydrogen backbone for the Union.

(15) Moreover, a new infrastructure category should be created for smart gas grids to support investments which integrate **a plurality of low-carbon and particularly** renewable gases such as biogas, biomethane, and hydrogen, in the **gas** network and help manage a resulting more complex system, building on innovative digital technologies.

[11] COM(2020) 299 final
[12] A hydrogen strategy for a climate-neutral Europe, COM(2020) 301 final.

(15a) Achieving climate neutrality by 2050 at the latest assumes that there will still be industrial processes that emit carbon dioxide (CO2). Such CO2 is considered to be unavoidable, when its production cannot be avoided despite optimisation, for example through energy efficiency or electrification integrating renewables.

The development of CO2 infrastructure should lead to a significant net reduction of otherwise unavoidable emissions in the absence of reasonable alternatives. CO2 capture is covered by Directive 2010/75/EU for CO2 streams originating from the installations covered by this Directive, and for the purposes of geological storage pursuant to Directive 2009/31/EC.

(16) Regulation (EU) No 347/2013 requires a candidate project of common interest to prove a significant contribution to at least one criterion from a set of criteria in the process for the elaboration of the Union list, which may, but does not need to, include sustainability. That requirement, in line with the specific needs of the internal energy market at the time, enabled development of projects of common interest which addressed only security of supply risks even if they did not demonstrate benefits in terms of sustainability. However, given the evolution of the Union infrastructure needs and the decarbonisation goals, the Conclusions of the 2020 July European Council, according to which "Union expenditure should be consistent with Paris Agreement objectives and the "do no harm" principle of the European Green Deal, sustainability in terms of the integration of renewable energy sources into the grid or the reduction of greenhouse gas emissions, as relevant, should be assessed in order to ensure that TEN-E policy is coherent with energy and climate policy objectives of the Union **taking into account the specificities of each Member State in reaching the climate neutrality objective**. The sustainability of CO2 transport networks is addressed by **total expected project life-cycle greenhouse gas reductions and the absence of alternative technological solutions to achieve the same level of CO2 reduction.**

(17) The Union should facilitate infrastructure projects linking the Union's networks with third-country networks that are mutually beneficial and necessary for the energy transition and the achievement of the climate targets, and which also meet the specific criteria of the relevant infrastructure categories pursuant to this Regulation, in particular with neighbouring countries and with countries with which the Union has established specific energy cooperation. Therefore, this Regulation should include in its scope projects of mutual interest where they are sustainable and able to demonstrate significant net socio-economic benefits **at Union level** and at least one third country. Such projects would be eligible for inclusion in the Union list upon conditions of high level of convergence of the policy framework that should be supported also by **enforcement mechanisms thereof** and upon demonstrating a contribution to the Union's and the third countries' overall energy and climate objectives in terms of security of supply and decarbonisation. Such high level of convergence of the policy framework should be presumed for the European Economic Area or Energy Community Contracting Parties **or can be demonstrated in the case of other third countries through bilateral agreements that include relevant provisions on climate and energy policy objectives on decarbonisation and further assessed by the appropriate Regional Group with the support of the Commission**. In addition, the third country with which the Union cooperates in the development of projects of mutual interest should facilitate a similar timeline for accelerated implementation and other policy support measures, as stipulated in this Regulation. Therefore, in this Regulation, projects of mutual interest should be considered in the same manner as projects of common interest with all provisions relative to projects of common interest applying also to projects of mutual interest, unless otherwise specified. **Significant net socio-economic benefits at Union level should be understood as improving interoperability and the functioning of the internal market, going beyond one Member State.**

As regards projects regarding storage of carbon dioxide, only projects necessary to allow the cross-border transport and storage of CO2 are included and only as long as standards and safeguards preventing any leaks and concerning climate, human health and ecosystems as regards the safety and effectiveness of the permanent storage at least at the same level as in the EU are ensured. EEA countries would be presumed to meet these standards and safeguards.

(17a) Projects of mutual interest should be considered as an additional tool to expand the scope of the Regulation to third countries beyond those Projects of common interest that contribute to implementing priority corridor, or area. Therefore, where a project with a third country contributes to implementing an energy infrastructure priority corridor or area, it should be eligible to apply for the status of a project of common interest under this Regulation. By the same principle, electricity interconnection projects with third countries that had attained the status of project of common interest under Regulation (EU) No 347/2013, may be selected as projects of common interest provided that they undergo the selection process and that they fulfil the criteria for projects of common interest.

(18) Furthermore, to achieve the Union's 2030 and 2050 climate and energy targets and climate neutrality objective, Europe needs to significantly scale up renewable electricity generation. The existing infrastructure categories for electricity transmission and storage are crucial for the integration of the significant increase in renewable electricity generation in the power grid. In addition, that requires stepping up investment in offshore renewable energy[13] **aiming to reach at least 300 GW of offshore wind generation installed in line with the Commission's Offshore Renewable Energy Strategy**. **That includes radial links connecting new offshore wind capacities, as well as hybrid integrated projects.** Coordinating long-term planning and development of offshore and onshore electricity grids should also be addressed. In particular, offshore infrastructure planning should move away from the project-by-project approach towards a coordinated comprehensive approach ensuring the sustainable development of integrated offshore grids in line with the offshore renewable potential of each sea basin, environmental protection and other uses of the sea. **An approach based on voluntary cooperation between Member States should be supported. Member States should remain responsible for approving the projects of common interest which are related to their territory and the related costs, and to should be able to independently determine their energy mix in accordance with the Article 194 TFEU.**

(19) Relevant Member States should be able to assess the benefits and costs of the **priority offshore grid corridors** for renewable energy and carry out a preliminary cost sharing analysis at **priority offshore grid corridor level** to underpin joint political commitments for offshore renewable energy development. The Commission **together with the Member States and the relevant TSO's and NRA's** should develop **guidance** for a **specific** cost-benefit and cost-sharing for the deployment of the integrated offshore network development plans which should enable Member States to carry out an adequate assessment.

[13] Offshore Strategy Communication

(20) The Union-wide ten-year network development plan process as basis for the identification of projects of common interest in the categories of electricity and gas has proven to be effective. However, while the European Network of Transmission System Operators for Electricity and for Gas (ENTSOs) and transmission system operators have an important role to play in the process, more scrutiny is required, in particular as regards defining the scenarios for the future, identifying long-term infrastructure gaps and bottlenecks and assessing individual projects, to enhance trust in the process. Therefore, due to the need for independent validation, the Agency for the Cooperation of Energy Regulators ('the Agency') and the Commission should have an increased role in the process, including in the process for drawing up the Union-wide ten-year network development plan pursuant to Regulation (EU) 2019/943 of the European Parliament and of the Council[14] and Regulation (EC) No 715/2009 of the European Parliament and of the Council[15]. **The Union-wide ten-year network development plan process should benefit from the objective, science-based input from an independent scientific body such as the European Scientific Advisory Board on Climate Change (the 'Advisory Board'). That process should be organised in the most effective manner to avoid duplication.**

(20ab) In carrying out their tasks preceding to the adoption of the Union-wide ten-year network development plan, the ENTSO for Electricity and ENTSO for gas should conduct an extensive consultation process involving all relevant stakeholders. The consultation should be open, transparent and organized in a timely manner to allow for stakeholders' feedback in the preparation of key phases of the Union-wide ten-year network development plan, such as the scenario development, infrastructure gaps identification and the cost-benefit analysis methodology for project assessment. ENTSOs should give due consideration to the input received from stakeholders during consultations and justify how it was taken into account.

(20a) In line with the conclusions of the 2020 Energy Infrastructure Forum, it is necessary to ensure that all relevant sectors, such as gas, electricity, and transport, are considered in an integrated perspective in the planning processes of all onshore and offshore, transmission and distribution infrastructure. In order to comply with the Paris Agreement and to achieve Union's 2030 climate objectives, the 2040 offshore energy development objectives and in line with the target of climate neutrality at the latest by 2050, TEN-E framework should rely on a smarter, more integrated, long-term and optimized "one energy system" view through deployment of a framework that enables greater coordination of infrastructure planning across different sectors and creates opportunity to optimally integrate various coupling solutions involving different network elements between various infrastructures. This should be secured by developing a progressively integrated model that will enable consistency between single sector methodologies based on common assumptions and will reflect interdependencies.

[14] Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (OJ L 158, 14.6.2019, p. 54).

[15] Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ L 211, 14.8.2009, p. 36).

(21) It is important to ensure that only infrastructure projects for which no reasonable alternative solutions exist may receive the status of project of common interest. **To that end, the 'energy efficiency first' principle, as elaborated in the revised Energy Efficiency Directive and 'The 'energy efficiency first' principle - practical implementation guidelines for decision makers" published by the Commission, should be taken into account in the** infrastructure gaps identification **report developed in line with this Regualtion and the work of the regional groups in establishing the regional lists of proposed projects of common interest and projects of mutual interest. In line with** 'energy efficiency first' principle all relevant **alternatives to new infrastructure for ensuring the future infrastructure needs that could contribute** to address the **infrastructure gap identification should be considered**. **The Regional Groups, assisted by the national regulatory authorities, should consider the assumptions and outcomes of the infrastructure gaps assessment developed in line with this Regulation and ensure that the 'energy efficiency first' principle is fully reflected in the PCI selection process.** In addition, during project implementation, project promoters should report on the compliance with environmental legislation and demonstrate that projects do no significant harm to the environment in accordance with Article 17 of Regulation (EC) 2020/852[16]. For existing projects of common interest having reached sufficient maturity, this will be taken into account during project selection for subsequent Union list by the regional groups.

(22) To ensure voltage and frequency stability, particular attention should be given to the stability of the European electricity network under the changing conditions, especially in view of the growing share of **flexibility options, such as sustainable energy storage, and** renewable electricity. **Efforts to maintain and guarantee a satisfactory level of planned low-carbon energy production, in order to ensure security of supply for citizens and businesses, should be given particular priority.**

(23) Following close consultations with all Member States and stakeholders, the Commission has identified **14** trans-European energy infrastructure priorities, the implementation of which is essential for the achievement of the Union's 2030 and 2050 energy and climate policy targets. Those priorities cover different geographic regions or thematic areas in the field of electricity transmission and storage, offshore grids for renewable energy, hydrogen transmission and storage, electrolysers, smart gas grids, smart electricity grids, and carbon dioxide transport **and storage**.

(24) Projects of common interest should comply with common, transparent and objective criteria in view of their contribution to the energy policy objectives. In order to be eligible for inclusion in the Union lists, electricity, and hydrogen projects should be part of the latest available Union-wide ten-year network development plan. As hydrogen infrastructure is not currently included in the Union-wide ten-year network development plan, this requirement for hydrogen projects should only apply as of 1 January 2024 for the purposes of the second Union list drawn pursuant to this Regulation.

[16] Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, OJ L 198, 22.6.2020, p. 13

(25) Regional groups should be established for the purpose of proposing and reviewing projects of common interest, leading to the establishment of regional lists of projects of common interest. In order to ensure broad consensus, those regional groups should ensure close cooperation between Member States, national regulatory authorities, project promoters and relevant stakeholders. In the context of that cooperation, national regulatory authorities should, where necessary, advise the regional groups, inter alia on the feasibility of the regulatory aspects of proposed projects and on the feasibility of the proposed timetable for regulatory approval.

(25a) In order to increase efficiency of the process, the cooperation between the regional groups should be strengthened and further encouraged. It is necessary that the Commission plays an important role in facilitating that cooperation with a view to addressing possible impacts of projects on other regional groups.

(26) A new Union list of project of common interest ('Union list') should be established every two years. Projects of common interest that are completed or that no longer fulfil the relevant criteria and requirements as set out in this Regulation should not appear on the next Union list. For that reason, existing projects of common interest that are to be included in the next Union list should be subject to the same selection process for the establishment of regional lists and for the establishment of the Union list applied to proposed projects. However the resulting administrative burden should be reduced as much as possible, for example by using to the extent possible information submitted previously, and by taking account of the annual reports of the project promoters. To that end, existing projects of common interest that have made significant progress should benefit from a streamlined inclusion process in the Union-wide ten-year network development plan.

(27) Projects of common interest should be implemented, **while duly respecting the requirements for stakeholder participation and environmental legislation**, as quickly as possible and should be closely monitored and evaluated, while [ ] keeping the administrative burden for project promoters to a minimum. The Commission should nominate European coordinators for projects facing particular difficulties **or delays**. The progress in the implementation of the specific projects as well as the fulfilment of the obligations pertaining to this Regulation should be taken into account in the selection process for subsequent Union lists for the respective projects.

(28) The process of permit granting should neither lead to administrative burdens which are disproportionate to the size or complexity of a project, nor create barriers to the development of the trans-European networks and market access.

(29) The planning and implementation of Union projects of common interest in the areas of energy, transport and telecommunication infrastructure should be coordinated to generate synergies whenever it is feasible from an overall economic, technical, environmental, climate or spatial planning point of view and with due regard to the relevant safety aspects. Thus, during the planning of the various European networks, it should be possible to give preference to integrating transport, communication and energy networks in order to ensure that as little land as possible is taken up. **A common vision on the networks is necessary for energy system integration in the different sectors**, whilst ensuring, where possible, that existing or disused routes are reused, in order to reduce to a minimum any negative social, economic, environmental, climate and financial impact.

(30) Projects of common interest should be given 'priority status' at national level to ensure rapid administrative treatment and should be considered by competent authorities as being in the public interest. For reasons of overriding public interest, projects which have an adverse impact on the environment should be authorised where all the conditions set out in Council Directive 92/43/EEC[17] and Directive 2000/60/EC of the European Parliament and of the Council[18] are met.

(31) Projects of common interest should also be given 'priority status' at national level to ensure urgent treatment in all judicial and dispute resolution procedures relating to them.

(31a) It is essential that stakeholders, including civil society, are provided with information and consulted, in order to ensure the success of projects and to limit objections against them.

(32) In order to reduce complexity, increase efficiency and transparency and help enhance cooperation among Member States there should be a competent authority or authorities integrating or coordinating all permit granting processes ('one-stop shop').

(33) In order to simplify and expedite the permitting process for offshore **networks** for renewable energy, unique points of contact should be designated for cross-border offshore projects of common interest and projects of mutual interest **reducing administrative burden for project developers, and** the **unique points of contact** should reduce complexity, increase efficiency and speed up the permitting process of offshore transmission assets often crossing many jurisdictions.

(34) Despite the existence of established standards ensuring the participation of the public in environmental decision-making procedures, which apply fully to projects of common interest, additional measures are still required under this Regulation to ensure the highest possible standards of transparency and public participation in all relevant issues in the permit granting process for projects of common interest. Where already covered by national rules under the same or higher standards as in this Regulation, the pre-consultation ahead of the permitting procedure should become optional and avoid duplication of legal requirements.

[17] Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).
[18] Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Union action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

(35) The correct and coordinated implementation of Directives 2011/92/EU[19] and 2001/42/EC of the European Parliament and of the Council[20] and where applicable, of the Convention on access to information, public participation in decision-making and access to justice in environmental matters, signed in Aarhus on 25 June 1998[21] (the 'Aarhus Convention'), and of the Espoo Convention on environmental impact assessment in a transboundary context (the 'Espoo Convention') should ensure the harmonisation of the main principles for the assessment of environmental and climate effects, including in a cross-border context. The Commission has issued guidance to support Member States in defining adequate legislative and non-legislative measures to streamline the environmental assessment procedures for energy infrastructure and to ensure the coherent application of environmental assessment procedures required under Union law for projects of common interest[22]. Member States should coordinate their assessments for projects of common interest, and provide for joint assessments, where possible. Member States should be encouraged to exchange best practice and administrative capacity-building in the permit granting processes.

(36) It is important to streamline and improve the process of permit granting, while respecting to the extent possible with due regard to the principle of subsidiarity, national competences and procedures for the construction of new infrastructure. Given the urgency of developing energy infrastructures, the simplification of the process of permit granting should set out a clear time limit for the decision of the respective authorities regarding the construction of the project. That time limit should stimulate a more efficient definition and handling of procedures, and should under no circumstances compromise the high standards for the protection of the environment in line with environmental legislation and public participation. This Regulation should establish maximum time limits, however Member States can strive to achieve shorter time limits where feasible and, in particular, as regards projects like smart grids, which may not require a complex permitting processes as that for transmission infrastructure. The competent authorities should be responsible for ensuring compliance with the time limits.

(37) Member States can include in comprehensive decisions, where appropriate, decisions taken in the context of negotiations with individual landowners to grant access to, ownership of, or a right to occupy property, spatial planning which determines the general land use of a defined region, including other developments such as highways, railways, buildings and nature protection areas, which is not undertaken for the specific purpose of the planned project and granting of operational permits. In the context of the permit granting process, a project of common interest can include related infrastructure to the extent that it is essential for the construction or functioning of the project. This Regulation, in particular the provisions on permit granting, public participation and the implementation of projects of common interest, should apply without prejudice to international and Union law, including provisions to protect the environment and human health, and provisions adopted under the Common Fisheries and Maritime Policy, in particular Directive 2014/89/EU of the European Parliament and of the Council[23].

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[19] Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).
[20] Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30).
[21] OJ L 124, 17.5.2005, p. 4.
[22] Guidance Document "Streamlining environmental assessment procedures for energy infrastructure 'Projects of Common Interest' (PCIs)", https://ec.europa.eu/environment/eia/pdf/PCI_guidance.pdf.
[23] Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014 establishing a framework for maritime spatial planning, OJ L 257, 28.8.2014, p. 135

(38) The costs for the development, construction, operation and maintenance of projects of common interest should in general be fully borne by the users of the infrastructure. **The cost allocation should ensure that end-users are not disproportionately burdened, especially if that could lead to energy poverty**. Projects of common interest should be eligible for cross-border cost allocation where an assessment of market demand or of the expected effects on the tariffs indicate that costs cannot be expected to be recovered by the tariffs paid by the infrastructure users.

(39) The discussion on the appropriate allocation of costs should be based on the analysis of the costs and benefits of an infrastructure project carried out on the basis of a harmonised methodology for energy-system-wide analysis, using **all relevant scenarios established** in the framework of the Union-wide ten-year network development plans prepared by the European Networks of Transmission System Operators pursuant to Regulation (EU) 2019/943 and (EC) No 715/2009, and reviewed by the Agency **and other scenarios for network development planning, allowing a robust analysis of the contribution of the project of common interest to the Union energy policy of decarbonisation, market integration, competition, sustainability and security of supply**. That analysis can take into consideration indicators and corresponding reference values for the comparison of unit investment costs. **Where additional scenarios are used, those should be consistent with the Union energy and climate policy goals and targets and the climate neutrality objective and undergo a comprehensive consultation and scrutiny process.**

(40) In an increasingly integrated internal energy market, clear and transparent rules for cost allocation across borders are necessary in order to accelerate investment in cross-border infrastructure **and projects with cross-border impacts**. It is essential to ensure a stable financing framework for the development of projects of common interest while minimising the need for financial support**, and at the same time to encourage interested investors, with appropriate incentives and financial mechanisms**. In deciding on cross-border cost allocation, national regulatory authorities should allocate **efficiently incurred investment costs, as relevant in view of their national approaches and methodologies for similar infrastructure**, across borders in their entirety and include them in the national tariffs, and, afterwards, **if relevant**, determine whether their impact on national tariffs could represent a disproportionate burden for consumers **in their respective Member States**. The national regulatory authorities should avoid the risks of double support for projects by taking into account actual or estimated charges and revenues. Those charges and revenues should be taken into account only insofar as they relate to the projects and designed to cover the costs concerned.

(40a) There is a need for cross-border projects that have a positive effect on the Union's power grid, such as smart electricity grids or electrolysers, without involving a physical common border.

(41) The internal energy market legislation requires that tariffs for access to networks provide appropriate incentives for investment. However, several types of projects of common interest are likely to bring externalities that can possibly not be fully captured in and recovered through the regular tariff system. In applying the internal energy market legislation, national regulatory authorities should ensure a stable and predictable regulatory and financial framework with incentives for projects of common interest, including long-term incentives, that are commensurate with the level of specific risk of the project. That should apply in particular to cross-border projects, innovative transmission technologies for electricity allowing for large scale integration of renewable energy, of distributed energy resources or of demand response in interconnected networks, and energy technology and digitalisation projects which are likely to incur higher risks than similar projects located within one Member State, or, promise higher benefits for the Union. Moreover, projects with high operational expenditure should also have access to appropriate incentives for investment. In particular, offshore grids for renewable energy which serve the dual functionality of electricity interconnectors and connecting renewable offshore generation projects, are likely to incur higher risks than comparable onshore infrastructure projects, due to their intrinsic connection to generation assets which brings regulatory risks, financing risks such as the need for anticipatory investments, market risks and risks pertaining to the use of new innovative technologies.

(42) This Regulation should apply only to the granting of permits for projects of common interest, public participation therein and their regulatory treatment. Member States can nevertheless adopt national provisions to apply the same or similar rules to other projects that do not have the status of projects of common interest within the scope of this Regulation. As regards the regulatory incentives, Member States can adopt national provision to apply the same or similar rules to projects of common interest falling under the category of electricity storage.

(43) Member States that currently do not attribute the highest national significance possible to energy infrastructure projects as regards the process of permit granting, should be encouraged to consider introducing such a high national significance, in particular by evaluating whether that would lead to a quicker permit granting process.

(44) Member States that do not currently have in place accelerated or urgent judicial procedures applicable to energy infrastructure projects should be encouraged to consider introducing such procedures, in particular by evaluating whether that would lead to a quicker implementation of such projects.

(45) Regulation (EU) No 347/2013 has demonstrated the added value of leveraging private funding through significant Union financial assistance to allow the implementation of projects of European significance. In the light of the economic and financial situation, and budgetary constraints, targeted support, through grants and financial instruments, should continue under the multiannual financial framework, in order **to maximise the benefits to Union citizens and to** attract new investors into the energy infrastructure priority corridors and areas, while keeping the budgetary contribution of the Union to a minimum.

(46) Projects of common interest should be eligible to receive Union financial assistance for studies and, under certain conditions, for works pursuant to Regulation (EU)… [on a Connecting Europe Facility as proposed by COM(2018)438] in the form of grants or in the form of innovative financial instruments to ensure that tailor-made support can be provided to those projects of common interest which are not viable under the existing regulatory framework and market conditions. It is important to avoid any distortion of competition, in particular between projects contributing to the achievement of the same Union priority corridor. Such financial assistance should ensure the necessary synergies with the Structural Funds, in order to finance smart energy distribution networks and with the Union renewable energy financing mechanism pursuant to Commission Implementing Regulation (EU) 2020/1294[24]. A three-step logic should apply to investments in projects of common interest. First, the market should have the priority to invest. Second, if investments are not made by the market, regulatory solutions should be explored, if necessary the relevant regulatory framework should be adjusted, and the correct application of the relevant regulatory framework should be ensured. Third, where the first two steps are not sufficient to deliver the necessary investments in projects of common interest, it should be possible to grant Union financial assistance where the project of common interest fulfils the applicable eligibility criteria. Projects of common interest may also be eligible under the InvestEU programme, which is complementary to grant financing.

(46a) The Union should facilitate energy projects in disadvantaged, less connected, peripheral, outermost or isolated regions so as to enable access to the Trans-European energy networks in order to accelerate the decarbonisation process and reduce dependency on fossil fuels.

46b). Where there is no TSO in a Member State, the references to TSOs throughout this regualtion apply *mutatis mutandis* to DSOs.

(47) Grants for works related to projects of mutual interest should be available **under the same conditions as for other categories where they contribute to the overall energy and climate policy objective of the Union and where the third country has decarbonisation objectives consistent with the Paris Agreement.**

(48) Regulations (EC) No 715/2009, (EU) 2019/942[25], and (EU) 2019/943 of the European Parliament and of the Council[26] and Directives 2009/73/EC and (EU) 2019/944 of the European Parliament and of the Council should therefore be amended accordingly.

[24] Commission Implementing Regulation (EU) 2020/1294 of 15 September 2020 on the Union renewable energy financing mechanism (OJ L 303, 17.9.2020, p. 1).
[25] Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (OJ L 158, 14.6.2019, p. 22).
[26] Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity, OJ L 158, 14.6.2019, p. 54

(48a) Whereas the repurposing of the natural gas infrastructure aims to decarbonise the gas networks, allowing dedicated use of pure hydrogen, a transitional period could allow for transport or storage of a pre-defined blend of hydrogen with natural gas or biomethane. Blending of hydrogen with natural gas or biomethane could be used in scaling up the hydrogen production capacity and facilitating transport of hydrogen. To ensure the transition, the project promoter should demonstrate including through commercial contracts how, by the end of this transitional period, the natural gas assets will become dedicated hydrogen assets, as well as the increased use of hydrogen enabled during the transitional period. In the context of the monitoring exercise the Agency should verify the timely transition of the project to a dedicated hydrogen asset.

Should the project receive any financing from the Connecting Europe Facility during this transitional period, the respective grant agreement should include a condition obliging to the repayment of the financing should there be a doubt of the timely transition of the project to a dedicated hydrogen asset and adequate provisions allowing for the enforcement of this condition.

(48b) In line with the European Council conclusions of 4 February 2011, that "no EU Member State should remain isolated from the European gas and electricity networks after 2015 or see its energy security jeopardized by lack of the appropriate connections", this Regulation aims to ensure access to the trans-European energy networks by ending the energy isolation of Cyprus and Malta, that are still not interconnected to the trans-European gas network. This objective should be attained by allowing projects under development or planning, that have been granted the Project of Common Interest status under Regulation (EU) 347/2013, to maintain their Project of Common Interest status until Cyprus and Malta are interconnected to the trans-European gas network. Apart from contributing to the development of the renewable energy market, the flexibility and resilience of the energy system, and the security of energy supply, these projects will ensure access to future energy markets, including hydrogen, and contribute to achieving the Union's decarbonisation and climate targets.

(48c) Projects of common interest should not be eligible for Union financial assistance where the project promoters, operators or investors are in one of the situations of exclusion referred to in Article 136 of the Financial Regulation, such as in case of conviction for fraud, corruption or conduct related to a criminal organisation.

A project of common interest may be removed from the Union list in accordance with the procedure set out in Article 3(4) if its inclusion in that list was based on incorrect information which was a determining factor for that inclusion, or the project does not comply with Union law.

For a project of common interest located in the Member States benefiting from a derogation under Article 25a, those Member States should ensure, when supporting any applications for financing from the Connecting Europe Facility for such projects, that the projects do not benefit directly or indirectly persons or entities that are in one of the situation of exclusion as referred to in Article 136 of the Financial Regulation.

(48d) In order to ensure the timely development of essential energy infrastructure projects for the Union, the 5th Union list of projects of common interest should continue to be in force until the 6th Union list of projects of common interest and projects of mutual interest in line with this Regulation enters into force. Moreover, to enable the development, monitoring and financing of the projects of common interest on the 5th Union list, a series of provisions of the Regulation (EU) 347/2013 should also remain in force and produce effects until the entry into force of the 6th Union list of projects of common interest and projects of mutual interest.

(49) Regulation (EU) No 347/2013 should therefore be repealed.

(50) In order to ensure that the Union list of projects of common interest is limited to projects which contribute the most to the implementation of the strategic energy infrastructure priority corridors and thematic areas, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission:

- to amend annexes to this Regulation so as to adopt and review the Union list of projects of common interest, while respecting the right of the Member States and third countries to approve projects of common interest or projects of mutual interest related to their territory.

Taking into account the need to ensure the achievement of the objectives of this Regulation, in view of the number of project on Union lists so far, the total number of projects of common interest should remain manageable, and therefore should not significantly exceed 220. The Commission, when preparing and drawing up delegated acts, should ensure the simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council. Where they consider this necessary, the European Parliament and the Council may each send experts to meetings of the Commission expert groups dealing with the preparation of delegated acts to which Member States' experts are invited. The discussions in the regional groups are instrumental for the Commission to adopt the delegated acts establishing the lists of projects of common interest. Therefore, it is appropriate, to the extent possible and compatible with the framework of this Regulation, that the European Parliament and Council are informed about and may send experts to the meetings of regional groups in line with the 2016 Interinstitutional Agreement on Better Law Making[27].

(52) Since the objectives of this Regulation, namely the development and interoperability of trans-European energy networks and connection to such networks **and infrastructure that contribute to the Union's 2030 climate and energy targets, the climate neutrality objective at the latest by 2050 and energy security, market integration and competition for all Member States, as well as affordability of energy prices for households** cannot be sufficiently achieved by the Member States and can therefore be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

[27] OJ L 123, 12.5.2016, p. 1–14. Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making.

HAVE ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter and scope

1. This Regulation lays down guidelines for the timely development and interoperability of the priority corridors and areas of trans-European energy infrastructure set out in Annex I ('energy infrastructure priority corridors and areas') that contribute **to ensuring climate change mitigation and, in particular,** achieving the Union's 2030 climate and energy targets the climate neutrality objective **at the latest by 2050 and to ensure interconnections energy security, market and system integration and competition for all Member States, as well as affordability of energy prices**.

2. In particular, this Regulation:

(a) addresses the identification of projects of common interest necessary to implement priority corridors and areas falling under the energy infrastructure categories [ ] set out in Annex II ('energy infrastructure categories');

(aa) addresses the identification of projects of mutual interest.

(b) facilitates the timely implementation of projects of common interest **and projects of mutual interest** by streamlining, coordinating more closely, and accelerating permit granting processes and by enhancing **transparency and** public participation;

(c) provides rules [ ] for the cross-border allocation of costs and risk-related incentives for projects of common interest **and projects of mutual interest**;

(d) determines the conditions for eligibility of projects of common **interest and projects of mutual interest** for Union financial assistance.

Article 2

Definitions

In addition to the definitions in Directives 2009/73/EC, (EU) 2018/2001[28] and (EU) 2019/944 of the European Parliament and of the Council and in Regulations (EC) No 715/2009, (EU) 2019/942, **(EU) 2018/1999** and (EU) 2019/943, the following definitions shall apply for the purposes of this Regulation;

(1) 'energy infrastructure' means any physical equipment or facility falling under the energy infrastructure categories which is located within the Union, or linking the Union and one or more third countries;

(2) 'comprehensive decision' means **the** decision or set of decisions taken by a Member State authority or authorities, not including courts or tribunals, that determines whether or not a project promoter is authorised to build the energy infrastructure to realise a project of common interest or a project of mutual interest by having the possibility to start, or procure and start, the necessary construction works ('ready-to-build status') without prejudice to any decision taken in the context of an administrative appeal procedure;

(3) 'project' means one or several lines, pipelines, facilities, equipment or installations falling under the energy infrastructure categories;

(4) 'project of common interest' means a project necessary to implement the energy infrastructure priority corridors and areas set out in Annex I and which is part of the Union list of projects of common interest referred to in Article 3

(5) project of mutual interest' means a project promoted by the Union in cooperation with third countries **pursuant the letters of support from the governments of the directly affected countries expressing their support for the project or other non-binding agreements, that falls under one of the categories set out in point 1(a), 1(e), 3(a), 5(a) or 5(ba) of Annex II, that contributes to the Union's overall energy and climate objectives as referred in Article 1(1) and that is part of the Union list of projects referred to in Article 3**

(6) 'energy infrastructure bottleneck' means limitation of physical flows in an energy system due to insufficient transmission capacity, which includes inter alia the absence of infrastructure;

[28] Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, OJ L 328, 21.12.2018, p. 82

(7) ‘project promoter’ means one of the following:

(a) a transmission system operator (TSO), distribution system operator **(DSO)** or other operator or investor developing a project of common interest **or a project of mutual interest;**

(b) where there are several TSOs, [ ] **DSOs**, other operators, investors, or any group thereof, the entity with legal personality under the applicable national law, which has been designated by contractual arrangement between them and which has the capacity to undertake legal obligations and assume financial liability on behalf of the parties to the contractual arrangement;

(8) ‘smart electricity grid’ means an electricity network, **including in islands that are not interconnected or not sufficiently connected to the trans-European energy networks that enables the integration, in a cost efficient manner and active control of the behaviour and actions of all users connected to it, including generators, consumers and prosumers, in order to ensure an economically efficient and sustainable power system with low losses and high levels of renewable sources integration, security of supply and safety, and in which** the grid operator can digitally monitor the actions of the users connected to it, and information and communication technologies (ICT) for communicating with related grid operators, generators, **energy storage facilities**, and consumers and/or prosumers, with a view to transmitting **and distributing** electricity in a sustainable, cost-efficient and secure way

(9) ‘smart gas grid’ means a gas network that makes use of innovative **and** digital solutions to integrate in a cost efficient manner a plurality of low-carbon and **particularly renewable** gas sources in accordance with consumers’ needs and gas quality requirements in order to reduce the carbon footprint of the related gas consumption, enable an increased share of renewable and low-carbon gases, and create links with other energy carriers and sectors, **including the related physical upgrades if indispensable to the functioning of the equipment and installations for integration of low carbon and particularly renewable gases**;

(9a) ‘repurposing’ means the technical upgrade or modification of existing natural gas infrastructure dedicated for the use of pure hydrogen;

(10) ‘authorities concerned’ means authorities that, under national law, are competent to issue different permits and authorisations related to the planning, design and construction of immovable assets, including energy infrastructure;

(11) ‘works’ means the purchase, supply and deployment of components, systems and services including software, the carrying out of development, **repurposing** and construction and installation activities relating to a project, the acceptance of installations and the launching of a project;

(12) ‘studies’ means activities needed to prepare project implementation, such as preparatory, feasibility, evaluation, testing and validation studies, including software, and any other technical support measure including prior action to define and develop a project and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package;

(13) ‘national regulatory authority’ means a national regulatory authority designated in accordance with Article 39(1) of Directive 2009/73/EC or Article 57(1) of Directive (EU) 2019/944 or;

(14) ‘commissioning’ means the process of bringing a project into operation once it has been constructed;

(14a) ‘dedicated hydrogen assets’ means infrastructure ready to accommodate pure hydrogen without further adaptation works, including pipeline networks or storage. The assets may be newly constructed assets or assets repurposed from natural gas assets, or a combination of the two

(15) ‘relevant national regulatory authorities’ means the national regulatory authorities in the Member States **hosting the projects and in Member States** to which the project provides a significant positive impact;

(16) ‘climate adaptation’ is a process that ensures that the resilience to the potential adverse impacts of climate change of energy infrastructure is ensured through a climate vulnerability and risk assessment, including through relevant adaptation measures;

(17) ‘competing projects’ are projects which address the same identified infrastructure gap or regional infrastructure need in full or in part.

CHAPTER II

PROJECTS OF COMMON INTEREST AND PROJECTS OF MUTUAL INTEREST

Article 3

Union list of projects of common interest and projects of mutual interest

1. Regional groups shall be established ('Groups') as set out in Section 1 of Annex III. The membership of each Group shall be based on each priority corridor and area and their respective geographical coverage as set out in Annex I. Decision-making powers in the Groups shall be restricted to Member States and the Commission, who shall, for those purposes, be referred to as the decision-making body of the Groups. **Decision-making in the Regional Groups is based on consensus of the Member States and the Commission.**

2. Each Group shall adopt its own rules of procedure, having regard to the provisions set out in Annex III.

3. The decision-making body of each Group shall adopt a regional list of projects of common interest **and projects of mutual interest** drawn up in accordance with the process set out in Section 2 of Annex III, the contribution of each project to implementing the energy infrastructure priority corridors and areas and their fulfilment of the criteria set out in Article 4.

Where a Group draws up its regional list:

(a) each individual proposal for a project of common interest shall require the approval of the states, to whose territory the project relates; where a state does not [ ] give its approval, it shall present its substantiated reasons for doing so to the Group concerned;

(b) it shall take into account the advice from the Commission that is aimed at having a manageable total number of projects of common interest **and projects of mutual interest.**

4. The Commission shall be empowered to adopt delegated acts in accordance with Article **20** of this Regulation [ ] in order to establish the 'Union list' **(including projects of common interest and projects of mutual interest)** [ ], subject to the second paragraph of Article 172 of the Treaty on the Functioning of the European Union.

In exercising its power, the Commission shall ensure that the Union list is established every two years, on the basis of the regional lists adopted by the decision-making bodies of the Groups as established in point (2) of Section 1 of Annex III, following the procedure set out in paragraph 3 of this Article.

The first Union list pursuant to this Regulation shall be adopted by 30 November 2023 at the latest.

5. The Commission shall, when adopting the Union list **by combining** the regional lists, **taking due account of the deliberations in the Regional Groups**:

(a) ensure that only those projects that fulfil the criteria referred to in Article 4 are included;

(b) ensure cross-regional consistency, taking into account the opinion of the Agency for the Cooperation of Energy Regulators ('the Agency') as referred to in point (12) of Section 2 of Annex III;

(c) take into account the opinions of Member States as referred to in point (9) of Section 2 of Annex III;

(d) aim for a manageable total number of projects of common interest on the Union list.

6. Projects of common interest included on the Union list pursuant to paragraph 4 of this Article under the energy infrastructure categories set out in points (1)(a), **(aa)** (b), (c) and (e) of Annex II, shall become an integral part of the relevant regional investment plans under Article 34 of Regulation (EU) 2019/943 [ ] and of the relevant national 10-year network development plans under Article 51 of Directive (EU) 2019/944 [ ] and other national infrastructure plans concerned, as appropriate. Those projects shall be conferred the highest possible priority within each of those plans. This paragraph shall not apply to **competing projects, to projects that have not reached a sufficient degree of maturity to provide a project specific cost-benefit analysis in line with Annex III, Section 2, point (1)(c) or** to projects of mutual interest.

(6) Projects of common interest included on the Union list pursuant to paragraph 4 of this Article under the energy infrastructure categories set out in points (1)(a), (aa) (b), (c) and (e) of Annex II that are competing projects or projects that have not reached a sufficient degree of maturity to provide a project specific cost-benefit analysis in line with Annex III, Section 2, point (1)(c) may be included in the relevant regional investment plans, the national ten-year network development plans and other national infrastructure plans, as appropriate, as projects under consideration.

CHAPTER II

PROJECTS OF COMMON INTEREST AND PROJECTS OF MUTUAL INTEREST

Article 4

Criteria for projects of common interest and projects of mutual interest

1. Projects of common interest shall meet the following general criteria:

(a) the project is necessary for at least one of the energy infrastructure priority corridors and areas;

(b) the potential overall benefits of the project, assessed according to the respective specific criteria in paragraph 3, outweigh its costs, including in the longer term;

(c) the project meets any of the following criteria:

(i) involves at least two Member States by directly **or indirectly (via interconnection with a third country)** crossing the border of two or more Member States;

(ii) is located on the territory, **either inland or offshore including islands**, of one Member State and has a significant cross-border impact as set out in point (1) of Annex IV.

2. Projects of mutual interest shall meet the following general criteria:

(a) the project contributes significantly to the [ ] Union's **climate and energy policy objectives expressed in Article 1 paragraph 1** and those of the third country, **in particular by not hindering the capacity of the third country to phase out fossil fuel generation assets for its domestic consumption**, and to sustainability, including through the integration of renewable energy into the grid and the transmission **and distribution** of renewable generation to major consumption centres and storage sites, and;

As regards carbon-dioxide storage projects, falling under the category 5(ba) of Annex II, the project needs to be necessary to allow the cross-border transport and storage of CO2, and the third country, where the project is located, shall have an adequate legal framework based on demonstrated effective enforcement mechanisms to ensure the application of standards and safeguards to the project preventing any leaks and concerning climate, human health and ecosystems as regards the safety and effectiveness of the permanent storage of the carbon-dioxide at least at the same level as provided by EU law.

(b) the potential overall benefits of the project, assessed in accordance with the respective specific criteria in paragraph 3 **at the European level**, outweigh its costs **within the European Union**, including in the longer term;

(c) the project is located on the territory of at least one Member State and on the territory of at least one third country and has a significant cross-border impact as set out in point (2) of Annex IV;

(d) for the part located on **Member State** territory, the project is in line with Directives 2009/73/EC and (EU) 2019/944 where it falls within the infrastructure categories described in points (1) and (3) of Annex II;

(e) the third country or countries involved have a high level of convergence **of the policy framework and demonstrate legal enforcement mechanisms** to support the policy objectives of the Union, in particular to ensure:

i) a well-functioning internal energy market;

(ii) security of energy supplies based **among others** on **diverse sources**, cooperation and solidarity,

iii) an energy system, including production, transmission and distribution, [ ] towards **the objective of climate neutrality** [ ] in line with the Paris Agreement and the Union's climate objectives; and, in particular, avoiding carbon leakage.

(f) the third country or countries involved support the priority status of the project, as set out in Article 7, and commit to comply with a similar timeline for accelerated implementation and other policy and regulatory support measures as applicable to projects of common interest in the Union.

3. The following specific criteria shall apply to projects of common interest falling within specific energy infrastructure categories:

(a) for electricity transmission, **distribution** and storage projects falling under the energy infrastructure categories set out in points (1)(a), **(aa)** (b), (c) and (e) of Annex II, the project is to contribute significantly to sustainability through the integration of renewable energy into the grid, ~~and~~ the transmission **or distribution** of renewable generation to major consumption centres and storage sites, and **contribute to reduce energy curtailment, where applicable, and** at least one of the following specific criteria:

(i) market integration, including through lifting the **energy** isolation of at least one Member State and reducing energy infrastructure bottlenecks; competition, **interoperability** and system flexibility;

(ii) security of supply, including through interoperability, system flexibility, cybersecurity, appropriate connections and secure and reliable system operation.

(b) for smart electricity grid projects falling under the energy infrastructure category set out in point (1)(d) of Annex II, the project is to contribute significantly to sustainability through the integration of renewable energy into the grid, and at least two of the following specific criteria:

(i) security of supply, including through efficiency and interoperability of electricity transmission and distribution in day-to-day network operation, avoidance of congestion, and integration and involvement of network users;

(ii) market integration, including through efficient system operation and use of interconnectors;

(iii) network security, flexibility and quality of supply, including through higher uptake of innovation in balancing, **flexibility markets**, cybersecurity, monitoring, system control and error correction;

(iv) smart sector integration, either in the energy system through linking different energy carriers and sectors, or in a wider way, favouring synergies and coordination between the energy, transport and telecommunication sectors;

(c) for carbon dioxide transport **and storage** projects falling under the energy infrastructure categories set out in point (5) of Annex II, the project is to contribute significantly to **sustainability through reducing carbon dioxide emissions in the connected industrial installations. Furthermore, the project is to contribute to** all of the following specific criteria:

(i) avoid carbon dioxide emissions while maintaining security of energy supply;

(ii) increase the resilience and security of carbon dioxide transport **and storage**;

(iii) efficient use of resources, by enabling the connection of multiple carbon dioxide sources and storage sites via common infrastructure and minimising environmental burden and risks;;

(d) for hydrogen projects falling under the energy infrastructure categories set out in point (3) of Annex II the project is to contribute significantly to sustainability, including by reducing greenhouse gas emissions, by enhancing the deployment of renewable or low carbon hydrogen, with emphasis to hydrogen from **renewable sources in particular in end-use applications, such as hard-to-abate sectors, in which more energy efficient solutions are not feasible,** [ ] and supporting variable renewable power generation by offering flexibility and/or storage solutions. Furthermore, the project is to contribute significantly to at least one of the following specific criteria:

(i) market integration, including by connecting existing or emerging hydrogen networks of Member States, or otherwise contributing to the emergence of an Union-wide network for the transport and storage of hydrogen, and ensuring interoperability of connected systems;

(ii) security of supply and flexibility, including through appropriate connections and facilitating secure and reliable system operation;

(iii) competition, including by allowing access to multiple supply sources and network users on a transparent and non-discriminatory basis;

(e) for electrolysers falling under the category set out in point (4) of Annex II, the project is to contribute significantly to all of the following specific criteria:

(i) sustainability, including by reducing greenhouse gas emissions and enhancing the deployment of renewable **or low carbon** hydrogen **in particular from renewable sources, as well as synthetic fuels of those origins**;

(ii) security of supply, including by contributing to secure, efficient and reliable system operation, or by offering storage and/or flexibility solutions, such as demand side response and balancing services;

(iii) **enabling flexibility services such as demand response and storage by** facilitating smart energy sector integration through **the creation of links to other** [ ] energy carriers and sectors;

(f) for smart gas grid projects falling under the energy infrastructure category set out in point (2) of Annex II, the project is to contribute significantly to sustainability by [ ] **ensuring** the integration of [ ] **a plurality of** low-carbon **and particularly renewable** gases, **including where these are locally sourced**, such as biomethane, or renewable hydrogen, into the gas distribution, [ ] transmission **and storage system** [ ] in order to reduce greenhouse gas emissions. Furthermore, the project is to contribute significantly to at least one of the following specific criteria:

(i) network security and quality of supply by improving the efficiency and interoperability of gas transmission and distribution **or storage systems** in day-to-day network operation by, among others, addressing challenges resulting from the injection of gases of different qualities

(ii) market functioning and customer services;

(iii) facilitating smart energy sector integration through the creation of links to other energy carriers and sectors and enabling demand response.

4. For projects falling under the energy infrastructure categories set out in points (1) to **(5)** of Annex II, the contribution to the criteria listed in paragraph 3 of this Article shall be assessed in accordance with the indicators set out in points (3) to (**8**) of Annex IV.

5. In order to facilitate the assessment of all projects that could be eligible as projects of common interest and that could be included in a regional list, each Group shall assess each project's contribution to the implementation of the same priority corridor or area in a transparent and objective manner. Each Group shall determine its assessment method on the basis of the aggregated contribution to the criteria referred to in paragraph 3. That assessment shall lead to a ranking of projects for internal use of the Group. Neither the regional list nor the Union list shall contain any ranking, nor shall the ranking be used for any subsequent purpose except as described in point (**14**) of Section 2 of Annex III.

In assessing projects, **in order to ensure a consistent assessment approach among different Groups**, each Group shall give due consideration to:

(a) the urgency **and the contribution** of each proposed project in order to meet the Union energy **and climate** policy **objectives**, market integration, competition, sustainability, and security of supply;

(b) the complementarity **of each proposed project with** other proposed projects, **including competing or potentially competing ones**;

(ba) possible synergies with priority corridors and thematic areas identified under trans-European networks for transport and telecommunications;

(c) for proposed projects that are, at the time, projects of common interest, the progress of the project implementation and its compliance with the reporting and transparency obligations.

As regards smart electricity grids and smart gas grids projects falling under the energy infrastructure category set out in points (1)(d) and point (2) of Annex II, ranking shall be carried out for those projects that affect the same two Member States, and due consideration shall also be given to the number of users affected by the project, the annual energy consumption and the share of generation from non-dispatchable resources in the area covered by those users.

Article 5

Implementation and monitoring

1. Project promoters shall draw up an implementation plan for projects of the **Union list,** including a timetable for each of the following:

(a) feasibility and design studies including, as regards, climate adaptation and compliance with environmental legislation and with the principle of "do no significant harm";

(b) approval by the national regulatory authority or by any other authority concerned;

Technical mistake - this line should be deleted, this am is already in line 194.

(c) construction and commissioning;

(d) the permit granting schedule referred to in Article 10(5)(b).

2. TSOs, **DSOs** and other operators shall co-operate with each other in order to facilitate the development of projects of common interest in their area.

3. The Agency and the Groups concerned shall monitor the progress achieved in implementing the projects of common interest and, where necessary, make recommendations to facilitate the implementation of projects of common interest. The Groups may request that additional information be provided in accordance with paragraphs 4, 5 and 6, convene meetings with the relevant parties and invite the Commission to verify the information provided on site.

4. By 31 December of each year following the year of inclusion of a project of common interest on the Union list pursuant to Article 3, project promoters shall submit an annual report, for each project falling under the categories set out in points (1) to (**5**) of Annex II, to the competent authority referred to in Article 8.

That report shall include details of:

(a) the progress achieved in the development, construction and commissioning of the project, in particular with regard to permit granting and consultation procedures as well as compliance with environmental legislation, with the principle that the project "does not do significant harm" to the environment, and climate adaptation measures taken;

(b) where relevant, delays compared to the implementation plan, the reasons for such delays and other difficulties encountered;

(c) where relevant, a revised plan aiming at overcoming the delays.

5. **By the end of February, each year, following the year in which the project promoter has to submit the report referred to in paragraph 4 of this article**, the competent authorities referred to in Article 8 shall submit to the Agency and to the respective Group the report referred to in paragraph 4 of this Article supplemented with information on the progress and, where relevant, on delays in the implementation of projects of common interest located on their respective territory with regard to the permit granting processes, and on the reasons for such delays. The contribution of the competent authorities to the report shall be clearly marked as such and drafted without modifying the text introduced by the project promoters.

6. By 30 April of each year when a new Union list should be adopted, the Agency shall submit, to the Groups a consolidated report for the projects of common interest subject to the competency of national regulatory authorities, evaluating the progress achieved, **and expected changes in project costs**, and make, where appropriate, recommendations on how to overcome the delays and difficulties encountered. That consolidated report shall also evaluate, in accordance with Article 5 of Regulation (EU) 2019/942, the consistent implementation of the Union-wide network development plans with regard to the energy infrastructure priority corridors and areas.

6a. The Agency may request in duly justified cases additional information necessary for carrying out the Agency's tasks set out in paragraph 6.

7. Where the commissioning of a project of common interest is delayed when compared to the implementation plan, other than for overriding reasons beyond the control of the project promoter, the following measures shall apply:

(a) in so far as measures referred to in Article 51(7)(a), (b) or (c) of Directive (EU) 2019/944 and Article 22(7)(a), (b) or (c) of Directive 2009/73/EC are applicable according to respective national laws, national regulatory authorities shall ensure that the investment is carried out;

(b) if the measures of national regulatory authorities pursuant to point (a) are not applicable, the project promoter shall choose a third party to finance or construct all or part of the project. The project promoter shall do so before exceeding a two year delay when compared to the date of commissioning in the implementation plan;

(c) if a third party is not chosen according to point (b), the Member State or, when the Member State has so provided, the national regulatory authority may, within two months of the expiry of the period referred to in point (b), designate a third party to finance or construct the project which the project promoter shall accept;

(d) where the delay compared to the date of commissioning in the implementation plan exceeds two years and two months, the Commission, subject to the agreement and with the full cooperation of the Member States concerned, may launch a call for proposals open to any third party capable of becoming a project promoter to build the project according to an agreed timeline;

(e) where points (c) or (d) are applied, the system operator in whose area the investment is located shall provide the implementing operators or investors or third party with all the information needed to realise the investment, shall connect new assets to the transmission network **or, where applicable, the distribution network** and shall generally make its best efforts to facilitate the implementation of the investment and the secure, reliable and efficient operation and maintenance of the project of common interest.

8. A project of common interest may be removed from the Union list in accordance with the procedure set out in Article 3(4) if its inclusion in that list was based on incorrect information which was a determining factor for that inclusion, or the project does not comply with Union law.

9. Projects which are no longer on the Union list shall lose all rights and obligations linked to the status of project of common interest arising from this Regulation.

However, a project which is no longer on the Union list but for which an application file has been accepted for examination by the competent authority shall maintain the rights and obligations arising from Chapter III, except where the project is no longer on the list for the reasons set out in paragraph 8.

10. This Article shall be without prejudice to any Union financial assistance granted to any project of common interest prior to its removal from the Union list.

Article 6

European coordinators

1. Where a project of common interest encounters significant implementation difficulties, the Commission may designate, in agreement with the Member States concerned, a European coordinator for a period of up to one year renewable twice.

2. The European coordinator shall:

(a) promote the projects, for which he or she has been designated European coordinator and the cross-border dialogue between the project promoters and all concerned stakeholders;

(b) assist all parties as necessary in consulting concerned stakeholders, **discussing alternative routing, where appropriate,** and obtaining necessary permits for the projects;

(c) where appropriate, advise project promoters on the financing of the project;

(d) ensure that appropriate support and strategic direction by the Member States concerned are provided for the preparation and implementation of the projects;

(e) submit every year, and where appropriate, upon completion of their mandate, a report to the Commission on the progress of the projects and on any difficulties and obstacles which are likely to significantly delay the commissioning date of the projects. The Commission shall transmit the report to the European Parliament and the Groups concerned.

3. The European coordinator shall be chosen **following an open, non-discriminatory and transparent process and** on the basis of a **candidate's** experience with regard to the specific tasks assigned to him or her for the projects concerned.

4. The decision designating the European coordinator shall specify the terms of reference, detailing the duration of the mandate, the specific tasks and corresponding deadlines, and the methodology to be followed. The coordination effort shall be proportionate to the complexity and estimated costs of the projects.

5. The Member States concerned shall fully cooperate with the European coordinator in his or her execution of the tasks referred to in paragraphs 2 and 4.

CHAPTER III

PERMIT GRANTING AND PUBLIC PARTICIPATION

Article 7

'Priority status' of Union's list projects

1.The adoption of the Union list shall establish, for the purposes of any decisions issued in the permit granting process, the necessity of those projects from an energy policy **and climate** perspective, without prejudice to the exact location, routing or technology of the project. **This paragraph does not apply to competing projects or to projects that have not reached a sufficient degree of maturity to provide a project specific cost-benefit analysis in line with Annex III, Section 2, point (1)(c).**

2. For the purpose of ensuring efficient administrative processing of the application files related to projects of common interest, project promoters and all authorities concerned shall ensure that those files are treated in the most rapid way possible **according to national and Union law.**

3. Without prejudice to obligations resulting from Union law, where such status exists in national law, projects of common interest shall be granted the status of the highest national significance possible and be appropriately treated in the permit granting processes — and if national law so provides, in spatial planning — including those relating to environmental assessments, in the manner such treatment is provided for in national law applicable to the corresponding type of energy infrastructure.

4. All dispute resolution procedures, litigation, appeals and judicial remedies related to projects of common interest in front of any national courts, tribunals, panels, including mediation or arbitration, where they exist in national law, shall be treated as urgent**, if and to the extent to which national law provides for such urgency procedures.**

5. Member States shall assess, taking due account of the existing guidance issued by the Commission on streamlining the environmental assessment procedures for projects of common interest, which legislative and non-legislative measures are necessary to streamline the environmental assessment procedures and to ensure their coherent application and shall inform the Commission of the result.

6. By [1 September 2022], Member States shall take the non-legislative measures that they have identified under paragraph 5.

7. By [1 January 2023], Member States shall take the legislative measures that they have identified under paragraph 5. Those measures shall be without prejudice to obligations resulting from Union law.

8. Provided that all the conditions set out in these Directives are fulfilled, with regard to the environmental impacts addressed in Article 6(4) of Directive 92/43/EEC and Article 4(7) of Directive 2000/60/EC, projects of common interest shall be considered as being of public interest from an energy policy perspective, and may be considered as having an overriding public interest.

Should the opinion of the Commission be required in accordance with Directive 92/43/EEC, the Commission and the competent authority referred to in Article 9 of this Regulation shall ensure that the decision with regard to the overriding public interest of a project is taken within the time limit set out in Article 10(1) of this Regulation. **This paragraph does not apply to competing projects or to projects that have not reached a sufficient degree of maturity to provide a project specific cost-benefit analysis in line with Annex III, Section 2, point (1)(c).**

Article 8

Organisation of the permit granting process

1. By [1 January 2022], at the latest, each Member State shall update, where necessary, the designation of one national competent authority which shall be responsible for facilitating and coordinating the permit granting process for projects of common interest.

2. The responsibility of the competent authority referred to in paragraph 1 and/or the tasks related to it may be delegated to, or carried out by, another authority, per project of common interest or per particular category of projects of common interest, provided that:

(a) the competent authority notifies the Commission of that delegation and the information therein is published by either the competent authority or the project promoter on the website referred to in Article 9(7);

(b) only one authority is responsible per project of common interest, and it is the sole point of contact for the project promoter in the process leading to the comprehensive decision for a given project of common interest, and coordinates the submission of all relevant documents and information.

The competent authority may retain the responsibility to establish time limits, without prejudice to the time limits set in Article 10.

3. Without prejudice to relevant requirements under international Union **and, to the extent it does not contradict them, national law,** the competent authority shall facilitate the issuing of the comprehensive decision **as defined in article 2 (2).** [ ] The comprehensive decision shall be issued within the time limit referred to in Article 10(1) and (2) and in accordance with one of the following schemes:

(a) integrated scheme: the comprehensive decision shall be issued by the competent authority and shall be the sole legally binding decision resulting from the statutory permit granting procedure. Where other authorities are concerned by the project, they may, in accordance with national law, give their opinion as input to the procedure, which shall be taken into account by the competent authority;

(b) coordinated scheme: the comprehensive decision comprises multiple individual legally binding decisions issued by several authorities concerned, which shall be coordinated by the competent authority. The competent authority may establish a working group where all concerned authorities are represented in order to draw up a permit granting schedule in accordance with Article 10(**5**)(b), and to monitor and coordinate its implementation. The competent authority shall, in consultation with the other authorities concerned, where applicable in accordance with national law, and without prejudice to time limits set in accordance with Article 10, establish on a case-by-case basis a reasonable time limit within which the individual decisions shall be issued. The competent authority may take an individual decision on behalf of another national authority concerned, where the decision by that authority is not delivered within the time limit and where the delay cannot be adequately justified; or, where provided under national law, and to the extent that this is compatible with Union law, the competent authority may consider that another national authority concerned has either given its approval or refusal for the project where the decision by that authority is not delivered within the time limit. Where provided under national law, the competent authority may disregard an individual decision of another national authority concerned if it considers that the decision is not sufficiently substantiated with regard to the underlying evidence presented by the national authority concerned; in doing so, the competent authority shall ensure that the relevant requirements under international and Union law are respected and shall duly justify its decision;

(c) collaborative scheme: the comprehensive decision shall be coordinated by the competent authority. The competent authority shall, in consultation with the other authorities concerned, where applicable in accordance with national law, and without prejudice to time limits set in accordance with Article 10, establish on a case-by-case basis a reasonable time limit within which the individual decisions shall be issued. It shall monitor compliance with the time limits by the authorities concerned.

Member States shall implement the schemes in a manner which, according to national law, contributes to the most efficient and timely issuing of the comprehensive decision.

The competence of the authorities concerned could either be incorporated into the competence of the national competent authority designated in line with Article 8(1) or they would maintain, to a certain extent, their independent competence in line with the respective permitting scheme chosen by the Member State in line with this paragraph to facilitate the issuing of the comprehensive decision and cooperate with the national competent authority accordingly.

Where an authority concerned does not expect to deliver an individual decision within the set time limit, that authority shall inform the competent authority without delay duly justifying the delay. Subsequently, the competent authority shall set another time limit within which that individual decision shall be issued, in compliance with the overall time limits set out in Article 10.

Acknowledging the national specificities in planning and permit granting processes, Member States may choose among the three schemes referred to in points (a), (b) and (c) of the first subparagraph to facilitate and coordinate their procedures and shall opt to implement the most effective scheme. Where a Member State chooses the collaborative scheme, it shall inform the Commission of its reasons therefor.

4. Member States may apply different schemes set out in paragraph 3 to onshore and offshore projects of common interest.

5. Where a project of common interest requires decisions to be taken in two or more Member States, the respective competent authorities shall take all necessary steps for efficient and effective cooperation **and communication** among themselves, including the steps referred to in Article 10(5). Member States shall endeavour to provide joint procedures, particularly with regard to the assessment of environmental impacts.

6. National competent authorities in Member States belonging to a group of two or more states that are involved in a project of common interest as referred to in paragraph 5, shall agree to jointly designate a unique point of contact per project of common interest for project promoters, which shall be responsible for facilitating exchange of information between the national authorities on the permit granting for offshore grids for renewable energy projects of common interest, between involved national competent authorities in Member States aiming at facilitating the permitting process of the project and the issuance of the decisions for the project by the relevant national competent authorities. The unique point of contact may act as a repository aggregating the existing documents pertaining to the projects.

Article 9

Transparency and public participation

1. By [1 May 2023], the Member State or competent authority shall, where applicable, in collaboration with other authorities concerned, publish an updated manual of procedures for the permit granting process applicable to projects of common interest to include at least the information specified in point (1) of Annex VI. The manual shall not be legally binding, but it **shall** refer to or quote relevant legal provisions. The national competent authorities **shall where relevant cooperate and find synergies with the authorities of neighbouring countries with a view to exchanging good practices and facilitating the permit-granting process, in particular for the development of the manual of procedures.**

2. Without prejudice to environmental law, and any requirements under the Aarhus and Espoo Conventions and relevant Union law, all parties involved in the permit granting process shall follow the principles for public participation set out in of point (3) of Annex VI.

3. The project promoter shall, within an indicative period of three months following the start of the permit granting process pursuant to Article 10(1)(a), draw up and submit a concept for public participation to the competent authority, following the process outlined in the manual referred to in paragraph 1 and in line with the guidelines set out in Annex VI. The competent authority shall request modifications or approve the concept for public participation within three months of receipt. In so doing, the competent authority shall take into consideration any form of public participation and consultation that took place before the start of the permit granting process, to the extent that such public participation and consultation has fulfilled the requirements of this Article.

Where the project promoter intends to make significant changes to an approved concept, it shall inform the competent authority thereof. In that case the competent authority may request modifications.

4. Where it is not already required under national law at the same or higher standards, at least one public consultation shall be carried out by the project promoter, or, where required by national law, by the competent authority, before submission of the final and complete application file to the competent authority pursuant to Article 10(1)(a). That public consultation shall be without prejudice to any public consultation to be carried out after submission of the request for development consent pursuant to Article 6(2) of Directive 2011/92/EU. The public consultation shall inform the stakeholders referred to in point (3)(a) of Annex VI about the project at an early stage and shall help to identify the most suitable location, trajectory **or technology**, also in view of adequate climate adaptation considerations for the project **where relevant** and **all impacts relevant under Union and national law** and the relevant issues to be addressed in the application file. The public consultation shall comply with the minimum requirements set out in point (5) of Annex VI. **Without prejudice to the procedural and transparency rules in Member States** the project promoter shall publish on the website referred to in paragraph 7 of this Article a report explaining how the opinions expressed in the public consultations were taken into account by showing the amendments made in the location, trajectory and design of the project or by justifying why such opinions have not been taken into account.

The project promoter shall prepare a report summarising the results of activities related to the participation of the public prior to the submission of the application file, including those activities that took place before the start of the permit granting process.

The project promoter shall submit the reports referred to in first and second subparagraphs together with the application file to the competent authority. The comprehensive decision shall take due account of the results of these reports.

5. For cross-border projects involving two or more Member States, the public consultations pursuant to paragraph 4 in each of the Member States concerned shall take place within a period of no more than two months from the date on which the first public consultation started.

6. For projects likely to have significant transboundary impacts in one or more neighbouring Member States, where Article 7 of Directive 2011/92/EU and the Espoo Convention are applicable, the relevant information shall be made available to the competent authority of the neighbouring Member States concerned. The competent authority of the neighbouring Member States concerned shall indicate, in the notification process where appropriate, whether it, or any other authority concerned, wishes to participate in the relevant public consultation procedures.

7. The project promoter shall establish and regularly update a dedicated project website with relevant information about the project of common interest, which shall be linked to the Commission website and the transparency platform referred to in Article **[22]** and which shall meet the requirements specified in point (6) of Annex VI. Commercially sensitive information shall be kept confidential.

Project promoters shall also publish relevant information by other appropriate information means open to the public.

Article 10

Duration and implementation of the permit granting process

1. The permit granting process shall consist of two procedures:

(a) the pre-application procedure, covering the period between the start of the permit granting process and the acceptance of the submitted application file by the competent authority, shall take place within an indicative period of two years.

The pre-application procedure shall include the preparation of any environmental reports by the project promoters, as necessary, including the climate adaptation documentation.

For the purpose of establishing the start of the permit granting process, the project promoters shall notify the project to the competent authority of the Member States concerned in written form, and shall include a reasonably detailed outline of the project. No later than three months following the receipt of the notification, the competent authority shall acknowledge or, if it considers the project is not mature enough to enter the permit granting process, reject the notification in written form, including on behalf of other authorities concerned. In the event of a rejection, the competent authority shall justify its decision, including on behalf of other authorities concerned. The date of signature of the acknowledgement of the notification by the competent authority shall mark the start of the permit granting process. Where two or more Member States are concerned, the date of the acceptance of the last notification by the competent authority concerned shall mark the start of the permit granting process.

The competent authorities shall ensure that permit granting is accelerated in line with this Chapter for each category of projects of common interest. To that end, the competent authorities shall adapt their requirements for the start of the permit granting process and for the acceptance of the submitted application file, to make them fit for projects, that due to their nature, **dimension or lack of requirement for environmental assessment under national law**, may require less authorisations and approvals for reaching the ready-to-build phase. **Member States may decide that the pre-application procedure referred to in article 9 and article 10 paragraph 4 is optional for the projects referred to herein.**

(b) the statutory permit granting procedure, covering the period from the date of acceptance of the submitted application file until the taking of the comprehensive decision, shall not exceed one year and six months. Member States may set an earlier time-limit, where considered appropriate.

2. The competent authority shall ensure that the combined duration of the two procedures referred to in paragraph 1 does not exceed a period of three years and six months. However, where the competent authority considers that one or both of the two procedures of the permit granting process will not be completed within the time limits set out in paragraph 1, it may decide, before their expiry and on a case by case basis, to extend one or both of those time limits. **In principle, the competent authority shall only extend the deadline for both procedures combined by a maximum of nine months.**

When an extension of the deadline occurs, the competent authority shall inform the Group concerned and present it with the measures taken or to be taken for the conclusion of the permit granting process with the least possible delay. The Group may request **that** the competent authority reports regularly on progress achieved in that regard **and reasons for any delays.**

3. Any valid studies conducted and permits or authorisations issued for a given project of common interest, before entering the permit granting process in line with this Article, shall be taken into consideration by the competent authorities in the permit granting process and no longer required.

4. In Member States where the determination of a route or location undertaken solely for the specific purpose of a planned project, including the planning of specific corridors for grid infrastructures, cannot be included in the process leading to the comprehensive decision, the corresponding decision shall be taken within a separate period of six months, starting on the date of submission of the final and complete application documents by the promoter.

In that case, the extension period referred to in paragraph 2 **sentence 3** shall be reduced to six months, including for the procedure referred to in this paragraph.

5. The pre-application procedure shall comprise the following steps:

(a) **As soon as possible and no later than 6 months** the notification pursuant to point (a) of paragraph 1, the competent authority shall determine, on the basis of the checklist referred to in point (1)(e) of Annex VI, and in close cooperation with the other authorities concerned, and where appropriate on the basis of a proposal by the project promoter, the scope of the reports and documents and the level of detail of information to be submitted by the project promoter, as part of the application file, to apply for the comprehensive decision;

(b) the competent authority shall draw up, in close cooperation with the project promoter and other authorities concerned and taking into account the results of the activities carried out under point (a), a detailed schedule for the permit granting process in line with the guidelines set out in point (2) of Annex VI;

(c) upon receipt of the draft application file, the competent authority shall, where necessary, on its own behalf or on behalf of other authorities concerned, request the project promoter to submit missing information relating to the requested elements referred to in point (a). Within three months of the submission of the missing information, the competent authority shall accept for examination the application in written form **or digital platforms**. Requests for additional information may only be made where they are justified by new circumstances.

6. The project promoter shall ensure that the application file is complete and adequate and seek the competent authority's opinion on that matter as early as possible during the pre-application procedure. The project promoter shall cooperate fully with the competent authority to meet deadlines.

7. **Member States shall endeavour to ensure that any changes to the national law do not lead to prolonging** any permit granting procedure started before the entry into force of those amendments. With a view of maintaining an accelerated permit granting process for each PCI and PMI, competent authorities shall adequately adapt the schedule established in line with Article 10(5)(b) to ensure **to the extent possible** that the permitting time-limits in this Article are not exceeded.

8. The time limits laid down in this Article shall be without prejudice to obligations arising from international and Union law, and without prejudice to administrative appeal procedures and judicial remedies before a court or tribunal.

The time limits laid down in this Article for any of the permitting procedures shall be without prejudice to any shorter time limits set by Member States.

CHAPTER IV

CROSS-SECTORAL INFRASTRUCTURE PLANNING

Article 11

Energy system wide cost-benefit analysis

1. By [16 November 2022], **after having gathered inputs from the relevant stakeholders as described in this article**, the European Network of Transmission System Operators (ENTSO) for Electricity and the ENTSO for Gas shall publish and submit to Member States, the Commission and the Agency their respective **consistent single sector draft** methodologies **based on common assumptions allowing for project comparison**, including **on** the network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union level for projects of common interest **and projects of mutual interest** falling under the categories set out in points (1)(a), **(aa)** (c) and (e) and point (3) of Annex II.

Those methodologies shall be applied for the preparation of each subsequent Union– wide ten-year network development plans developed by the ENTSO for Electricity or the ENTSO for Gas pursuant to Article 8 of Regulation (EC) No 715/2009 and Article 30 of Regulation (EU) 2019/943. Those methodologies shall be drawn up in line with the principles laid down in Annex V and be consistent with **mid-and long-term Union climate and energy goals and** the rules and indicators set out in Annex IV. **They shall be amended after submission of the energy market and network model referred to in paragraph 8.**

Prior to submitting their respective methodologies, the ENTSO for Electricity and the ENTSO for Gas shall conduct an extensive consultation process **and seek recommendations from Member States** and at least the organisations representing all relevant stakeholders, including the entity of distribution system operators in the Union ('EU DSO entity'), **associations involved in electricity, gas and hydrogen markets, heating and cooling, CCS/U stakeholders, independent aggregators, demand-response operators, organisations involved in energy efficiency solutions and, energy consumer associations, civil society representatives,** and, where it is deemed appropriate the national regulatory authorities and other national authorities.

The European Scientific Advisory Board on Climate Change may, on its own initiative submit an opinion to the draft methodologies.

1a. Within three months of the publication of the draft methodologies any stakeholders mentioned under paragraph 1 can submit a recommendation.

Where applicable, Member States, ESABCC and stakeholders mentioned under paragraph 1 of this Article shall submit their recommendations and any opinions to the Agency and, as applicable, to the ENTSO for Electricity or the ENTSO for Gas. They shall make these recommendation and any opinions publicly available.

The consultation shall be open, timely and transparent. The ENTSO for Electricity and the ENTSO for Gas shall prepare and make public a report on the consultation.

The ENTSO for Electricity and the ENTSO for Gas shall duly justify, when they have not, or only partly, taken into account the recommendations from Member States, the stakeholder input, as well as from national authorities, or the opinion of the European Scientific Advisory Board on Climate Change.

2. Within three months of the receipt of the **draft** methodologies together with the input received in the consultation process and **the** report on **the consultation**, the Agency shall provide an opinion to **the ENTSO for Electricity, the ENTSO for Gas. The Agency shall notify the opinion** to the ENTSO for Electricity, the ENTSO for Gas, the Member States and the Commission, and publish it on the Agency website.

The draft methodologies shall be submitted, together with the opinion of the Agency to the Commission for the final approval.

3. **Within three months of the receipt of the methodologies, Member States and stakeholders may deliver their opinions to** the ENTSO for Electricity and the ENTSO for Gas **and the Commission**. **To facilitate the consultation, the Commission may organize specific meetings of the Groups to discuss the draft methodologies**.

[ ]

5. No later than three months of the day of receipt of **the Agency's and Member Sates' opinions, as referred to in paragraphs 2 and 3** the ENTSO for Electricity and the ENTSO for Gas shall **amend** their respective methodologies **to fully take into account the opinions of the Agency and the Member States** and submit them **together with the opinion of the Agency** to the Commission for its approval. **The Commission shall issue its decision within three months from the day of the ENTSO for Electricity and ENTSO for Gas submissions.**

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[ ]

8. Within two weeks of the approval by the **Commission** in accordance with paragraphs 4, the ENTSO for Electricity and the ENTSO for Gas shall publish their respective methodologies on their websites. They shall publish the corresponding input data and other relevant network, load flow and market data in a sufficiently accurate form **subject to restrictions under** national law and relevant confidentiality agreements. **The Commission, the Agency and any other entity shall ensure the confidential treatment of the data received, by themselves and by any party carrying out analytical work on the basis of those data.**

9. The methodologies shall be updated **and improved** regularly following the procedure described in paragraphs 1 to [6]. The Agency, on its own initiative or upon a duly reasoned request by national regulatory authorities or stakeholders, and after formally consulting the organisations representing all relevant stakeholders **mentioned under paragraph 1 of this Article** and the Commission, may request such updates and improvements with due justification and timescales. The Agency shall publish the requests by national regulatory authorities or stakeholders and all relevant non-commercially sensitive documents leading to a request from the Agency for an update or improvement.

9a. For projects of common interest falling under the categories (1b), (1d), (2), (4) and (5) of Annex II, methodologies for a harmonised energy system-wide cost-benefit analysis at Union level shall be elaborated. The European Commission shall assign responsibilities for developing these methodologies, which shall be compatible with the methodologies developed by the ENTSO for Electricity and the ENTSO for Gas in terms of benefits and costs. The Agency, with the support of National Regulatory Authorities, shall promote consistency of these methodologies with the methodologies elaborated by ENTSO for Electricity and the ENTSO for Gas. The methodologies shall be developed in a transparent manner, including extensive consultation of Member States and of all relevant stakeholders.

10. Every three years, the Agency shall establish and make publicly available a set of indicators and corresponding reference values for the comparison of unit investment costs for comparable projects of the infrastructure categories included in points (1), **(2),** and (3) of Annex II. Those reference values may be used by the ENTSO for Electricity and the ENTSO for Gas for the cost-benefit analyses carried out for subsequent Union-wide ten-year network development plans. The first of such indicators shall be published by [1 November 2022] **to the extent that data is available to calculate robust indicators and values. For the other categories of Annex II the indicators shall be developed and published by [1 November 2024] Project promoters shall provide the requested data to the national regulatory authorities and to the Agency.**

11. By [31 December **2024**], **following an extensive consultation process of stakeholders mentioned under paragraph 1 of this Article**, the ENTSO for Electricity and the ENTSO for Gas shall jointly submit to the Commission and the Agency a consistent and **progressively integrated model that will provide consistency between single sector methodologies based on common assumptions** including electricity, gas and hydrogen transmission infrastructure as well as storage, LNG and electrolysers, covering the energy infrastructure priority corridors and the areas drawn up in line with the principles laid down in Annex V.

12. The model referred to in paragraph 9 **including consistent cost-benefit methodologies** shall cover at least the respective sectors' interlinkages at all stages of infrastructure planning, specifically scenarios**, technologies and spatial resolution**, infrastructure gaps identification in particular with respect to cross-border capacities, and projects assessment.

13. After approval of the model referred to in paragraph **9** by the Commission in accordance with the procedure set out in paragraphs 1 to **4**, it shall be included in the methodologies referred to in paragraph 1, **that should be amended accordingly**.

14. As needed and at least every five years starting from its approval according to paragraph 10, the model and the consistent single sector cost-benefit methodologies shall be updated according to the procedure described in paragraph 8 to 10.

Article 12

Scenarios for the ten-Year Network Development Plans

1. By [31 July 2022], the Agency, after having conducted an extensive consultation process involving the Commission, **the Member States, ENTSO for Electricity, the ENTSO for Gas, the Union DSO entity** and at least the organisations representing**, associations involved in electricity, gas and hydrogen markets, heating and cooling, CCS/U stakeholders, independent aggregators, demand-response operators, organisations involved in energy efficiency solutions, energy consumer associations, civil society representatives**, shall publish the framework guidelines for the joint scenarios to be developed by ENTSO for Electricity and ENTSO for Gas. Those guidelines shall be regularly updated as found necessary.

The guidelines shall establish criteria for a transparent, non-discriminatory and robust development of scenarios taking into account best practices in the field of infrastructures assessment and network development planning. The guidelines shall **also aim to ensure** that the underlying ENTSO for Electricity and ENTSO for Gas scenarios **are fully in line with the energy efficiency first principle and with the Union's 2030 climate and energy targets and the climate neutrality objective by 2050** and **take into account** the latest available Commission scenarios, **as well as, when relevant, the National Energy and Climate Plans.**

The European Scientific Advisory Board on Climate Change may, on its own initiative, provide input on how to ensure compliance of scenarios with Union's climate and energy objectives. The Agency shall take dully into account that input in the framework guidelines referred in paragraph 1.

The Agency shall duly justify, when they have not, or only partly, taken into account the recommendations from Member States, stakeholders and the European Scientific Advisory Board on Climate Change.

2. The ENTSO for Electricity and ENTSO for Gas shall follow the Agency's framework guidelines when developing the joint scenarios to be used for the Union-wide ten-year network development plans.

The joint scenarios shall also include a long- term perspective until 2050 and include intermediary steps as appropriate.

3. The ENTSO for Electricity and ENTSO for Gas shall invite the organisations representing all relevant stakeholders, including the Union DSO entity, **associations involved in electricity, gas and hydrogen markets, heating and cooling, CCS/U stakeholders, independent aggregators, demand-response operators, organisations involved in energy efficiency solutions and energy consumer associations, civil society representatives, to participate in the scenarios development process, in particular on key elements such as assumptions and how they are reflected in the scenarios data**.

4. The ENTSO for Electricity and the ENTSO for Gas shall publish and submit the draft joint scenarios report to the Agency, **the Member States** and the Commission for their opinion.

The ESABCC may, on its own initiative provide an opinion on the joint scenarios report.

5. Within three months from the receipt of the draft joint scenarios report together with the input received in the consultation process and a report on how it was taken into account, the Agency shall submit its opinion **on compliance of the scenarios with the framework guidelines referred to in paragraph 1, including possible recommendations for amendments**, to the ENTSO for Electricity, ENTSO for gas, Member States and the Commission.

Within the same timeframe, the ESABCC may, on its own initiative provide an opinion on the compatibility of scenarios with climate objectives.

[ ]

7. **Within three months of receipt of the opinion and the assessment referred to in paragraph 5, the Commission taking into account of the opinions of the Agency and Member States shall approve or request the** ENTSO for Electricity and the ENTSO for Gas shall adapt their **to amend the draft** joint scenarios report.

The ENTSOs shall duly justify how any request for amendments from the Commission has been addressed.

In the event the Commission does not approve the joint scenarios report, it shall provide a reasoned opinion to the ENTSOs.

8. Within two weeks of the approval of the joint scenarios report by the Commission in accordance with paragraph 7, the ENTSO for Electricity and the ENTSO for Gas shall publish their joint scenarios report on their websites. They shall publish the corresponding input and output data in a sufficiently **clear and** accurate form, **for a third party to reproduce the results**, taking due account of the national law and relevant confidentiality agreements **and sensitive information.**

Article 13

Infrastructure Gaps Identification

1. Every two years, **within six months of the approval of the joint scenarios report by the Commission pursuant to Article 12(7),** the ENTSO for Electricity and the ENTSO for Gas shall publish [ ] the infrastructure gaps reports developed within the framework of the Union-wide ten-year network development plans.

When assessing the infrastructure gaps the ENTSO for Electricity and the ENTSO for Gas shall **base their analysis on all the scenarios established under Article 12**, implement the energy efficiency first principle and consider with priority all relevant **alternatives to new infrastructure. When considering new infrastructures solutions, the infrastructures gaps assessment shall take into account all relevant costs, including network reinforcements**.

They shall, in particular, focus on those infrastructure gaps potentially affecting the fulfilment of the Union's medium and long-term climate and energy goals.

Prior to **publishing** their respective reports, the ENTSO for Electricity and the ENTSO for Gas shall conduct an extensive consultation process involving all relevant stakeholders, including the Union DSO entity, **associations involved in electricity, gas and hydrogen markets, heating and cooling, CCS/U stakeholders, independent aggregators, demand-response operators, organisations involved in energy efficiency solutions and, energy consumer associations, civil society representatives, the Agency** all the Member States representatives part of the priority corridors defined in Annex I.

2. The ENTSO for Electricity and the ENTSO for Gas shall submit their respective draft infrastructure gaps report to the Agency and the Commission **and Member States** for their opinion.

3. Within three months following receipt of the infrastructure gaps report together with the input received in the consultation process and a report on how it was taken into account, the Agency shall submit its opinion to the ENTSO for Electricity or ENTSO for Gas and the Commission **and Member States and make it publicly available.**

4. **Within three months of receipt of the** Agency's opinion referred to in paragraph 3, **the Commission with input from the Member States, taking that opinion into account**, shall draft and submit its opinion to the ENTSO for Electricity or the ENTSO for Gas.

5. The ENTSO for Electricity and the ENTSO for Gas shall adapt their infrastructure gaps reports taking due account of the Agency's opinion and in line with the Commission's **and Member States** opinion before the publication of the final infrastructure gaps reports.

CHAPTER V

OFFSHORE GRIDS FOR RENEWABLE INTEGRATION

Article 14

Offshore grid planning

1. By [31 July 2022], Member States, with the support of the Commission, within their specific priority offshore grid corridors, set out in point (2) of Annex I, taking into account the specificities and development in each region, shall agree to cooperate on **goals for** offshore renewable generation to be deployed within each sea basin by 2050, with intermediate steps in 2030 and 2040, **in line with** their national energy and climate plans and the offshore renewable potential of each sea basin.

That **non-binding** agreement shall be made in writing as regards each sea basin linked to the territory of the **Member States. The Commission will provide guidance for that work in the Regional Groups. That non-binding agreement shall be without prejudice of the Member States right to develop projects on their territorial sea and exclusive economic zone.**

2. By [31 July 2023] the ENTSO for Electricity with the involvement of the relevant TSOs, the national regulatory authorities, **Member States**, of the Commission and in line with the non-binding agreement referred to in paragraph 1, **shall develop and publish, as a separate report part of the Union-wide TYNDP, high-level strategic integrated offshore network development plans**, for each sea basin, in line with the priority offshore grid corridors referred to in Annex I, taking into account environmental protection and other uses of the sea.

In the development of the high-level strategic integrated offshore network development plans for the time horizons specified in paragraph 1, the ENTSO for Electricity shall consider the non-binding agreements referred to in paragraph 1 of Article 14 for the development of the Union-wide TYNDP scenarios.

Those **strategic** plans shall provide a high-level outlook on **offshore generation capacities potential and resulting** offshore grid needs, including the potential needs for interconnectors, hybrid projects, **radial connections, reinforcements**, and hydrogen infrastructure. The plans should thereafter be updated every two years.

3. The **high-level strategic** integrated offshore network development plans shall be **consistent** with **regional investment plans published pursuant to Article 34(1) of Regulation (EU) 2019/943 and integrated within the** Union-wide ten-year network development plans in order to ensure coherent development of onshore and offshore grid planning **and the necessary reinforcements**.

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Article 15

Offshore grids for renewable energy cross-border cost sharing

1. **[By 1 January 2024],** the Commission shall, **together with the Member States and relevant TSO's, ACER and NRA's**, develop **guidance** for a specific cost-benefit and cost-sharing methodology–for the deployment of the **sea-basin** integrated offshore network development as defined in Article 14(2) **in accordance with the non-binding agreement referred to in Article 14(1)**. **This guidance shall be compatible with Article 16(1). The Commission shall update its guidance when appropriate, taking into account the results of its implementation.**

2. **[By 1 January 2025],** the ENTSO for Electricity, with the involvement of the relevant TSOs, **ACER**, the national regulatory authorities and the Commission, shall present the results of the application of the **cost benefit and** cost-sharing to the priority offshore grid corridors.

3. **[By 1 July 2024 and then every two years],** the Member States, shall update their **non-binding** written agreement referred to in Article 14(1) **also in view of the results of the application of the cost benefit and cost-sharing to the priority offshore grid corridors**.

4. **After** the **non-binding** written agreements **have been updated in accordance with** paragraph 3, for each sea basin, the ENTSO for Electricity shall update the **high level strategic integrated plan within the next Union TYNDP** as set out in Article 14(2) [ ].

CHAPTER VI

REGULATORY FRAMEWORK

Article 16

Enabling investments with cross-border impacts

1. The efficiently incurred investment costs, which excludes maintenance costs, related to a project of common interest falling under the categories set out in points (1)(a), **(aa)** (b), (c) and (e) of Annex II and projects of common interest falling under the category set out in point (3) of Annex II, where they fall under the competency of national regulatory authorities **in each Member State concerned**, shall be borne by the relevant TSO or the project promoters of the transmission infrastructure of the Member States which the project provides a net positive impact, and, to the extent not covered by congestion rents or other charges, be paid for by network users through tariffs for network access in that or those Member States.

2. The provisions of this Article shall apply to a project of common interest falling under the categories set out in points (1)(a), **(aa)** (b), (c), (e) **and point (3)** of Annex II where at least one project promoter requests the relevant national authorities their application for the costs of the project. [ ]

Projects falling under the category set out in points (1) **(d)** and (2) of Annex II may benefit from the provisions of this Article where at least one project promoter requests its application to the relevant national authorities.

Where a project has several project promoters, the relevant national regulatory authorities shall without delay request all project promoters to submit the investment request jointly in accordance with paragraph 3.

3. For a project of common interest to which paragraph 1 applies, the project promoters shall keep all relevant national regulatory authorities regularly informed, at least once per year, and until the project is commissioned, of the progress of that project and the identification of costs and impacts associated with it.

As soon as such a project of common interest has reached sufficient maturity, and is estimated to be ready to start the construction phase within the next 36 months, the project promoters, after having consulted the TSOs from the Member States which receive a significant net positive impact from it, shall submit an investment request. That investment request shall include a request for a cross-border cost allocation and shall be submitted to all the relevant national regulatory authorities concerned, accompanied by the following:

(a) up-to-date project-specific cost-benefit analysis consistent with the methodology drawn up pursuant to Article 11 and taking into account benefits beyond the borders of the Member States on the territory of which the project is located by **considering at least the joint scenarios established for network development planning referred to in Article 12. Where additional scenarios are used, those need to be consistent with the Union energy and climate policy goals and targets and the climate neutrality objective and undergo a consultation and scrutiny process at the same standards as the process provided in Article 12. The Agency shall be responsible for assessing any additional scenarios and ensuring their compliance with this paragraph;**

(b) a business plan evaluating the financial viability of the project, including the chosen financing solution, and, for a project of common interest falling under the category referred to in point (3) of Annex II, the results of market testing;

(c) where the project promoters agree, a substantiated proposal for a cross-border cost allocation.

Where a project is promoted by several project promoters, they shall submit their investment request jointly.

The national regulatory authorities shall, upon receipt, transmit to the Agency, without delay, a copy of each investment request, for information purposes.

The national regulatory authorities and the Agency shall preserve the confidentiality of commercially sensitive information.

4. Within six months of the date on which the last investment request is received by the relevant national regulatory authorities, those national regulatory authorities shall, after consulting the project promoters concerned, take joint coordinated decisions on the allocation of **efficiently incurred** investment costs to be borne by each system operator for the project, as well as their inclusion in tariffs, **or on the rejection of the investment request or a part of the project if the common analysis of national regulatory authorities concludes that the project or a part of it fails to provide a significant net benefit in any of the Member States of the NRAs assessing the investment request**. The national regulatory authorities shall include [ ] the **relevant** efficiently incurred investment costs in tariffs, **as defined in the recommendation referred to in paragraph 10 of this Article**, in line with the allocation of investment costs to be borne by each system operator for the project. The national regulatory authorities, **for projects in the territories of their respective Member State**, shall thereafter assess, where appropriate, whether any affordability issues might arise due to the inclusion of the investment costs in tariffs.

In allocating the costs, the national regulatory authorities shall take into account actual or estimated:

- (a) congestion rents or other charges,
- (b) revenues stemming from the inter-transmission system operator compensation mechanism established under Article 49 of Regulation (EU) 2019/943.

The allocation of costs across borders shall take into account, the economic, social and environmental costs and benefits of the projects in the Member States concerned and the need to ensure a stable financing framework for the development of projects of common interest while minimising the need for financial support.

In allocating costs across borders, the relevant national regulatory authorities, in consultation with the TSOs concerned, shall seek a mutual agreement based on, but not limited to, the information specified in paragraphs 3(a) and (b). Their assessment shall **consider all the relevant scenarios referred to in Article 12 and other scenarios for network development planning, allowing a robust analysis** of the Union list where **contribution of** the project of common interests is listed **interest to the Union energy policy of decarbonisation, market integration, competition, sustainability and security of supply. Where additional scenarios are used, those need to be consistent with the Union energy and climate policy goals and targets and the climate neutrality objective and undergo a consultation and scrutiny process at the same standards as the process provided in Article 12**.

Where a project of common interest mitigates negative externalities, such as loop flows, and that project of common interest is implemented in the Member State at the origin of the negative externality, such mitigation shall not be regarded as a cross-border benefit and shall therefore not constitute a basis for allocating costs to the TSO of the Member States affected by those negative externalities.

5. National regulatory authorities shall, on the basis of the cross-border cost allocation referred to in paragraph 4 of this Article, take into account actual costs incurred by a TSO or other project promoter as a result of the investments when fixing or approving tariffs in accordance with Article 59(1)(a) of Directive (EU) 2019/944 and Article 41(1)(a) of Directive 2009/73/EC, insofar as those costs correspond to those of an efficient and structurally comparable operator.

The cost allocation decision shall be notified, without delay, by the national regulatory authorities to the Agency, together with all the relevant information with respect to the decision. In particular, the cost allocation decision shall set out detailed reasons for the allocation of costs among Member States, including the following:

(a) an evaluation of the identified impacts on each of the concerned Member States, including those concerning network tariffs;

(b) an evaluation of the business plan referred to in paragraph 3(b);

(c) regional or Union-wide positive externalities, such as security of supply, system flexibility, solidarity or innovation, which the project would generate;

(d) the result of the consultation of the project promoters concerned.

The cost allocation decision shall be published.

6. Where the relevant national regulatory authorities have not reached an agreement on the investment request within six months of the date on which the request was received by the last of the relevant national regulatory authorities, they shall inform the Agency without delay.

In that case or upon a **joint** request from the relevant national regulatory authorities, the decision on the investment request including cross-border cost allocation referred to in paragraph 3 shall be taken by the Agency within three months of the date of referral to the Agency.

Before taking such a decision, the Agency shall consult the relevant national regulatory authorities and the project promoters. The three-month period referred to in the second subparagraph may be extended by an additional period of two months where further information is sought by the Agency. That additional period shall begin on the day following receipt of the complete information.

The assessment of the Agency shall **consider all relevant scenarios established under article 12 and other scenarios for network development planning, allowing a robust analysis of the contribution of the project of common interest to the Union energy policy targets of decarbonisation, market integration, competition, sustainability and security of supply. Where additional scenarios are used, those need to be consistent with the Union energy and climate policy goals and targets and the climate neutrality objective and undergo a consultation and scrutiny process at the same standards as the process provided in Article 12**.

The Agency shall leave the way investment costs are included in the tariffs in line with the cross-border cost allocation prescribed for the determination of the relevant national authorities at the moment of the implementation of the decision in accordance with national law.

The decision on the investment request including cross-border cost allocation shall be published. Articles 25(3), 28 and 29 of Regulation (EU) 2019/942 shall apply.

7. A copy of all cost allocation decisions, together with all the relevant information with respect to each decision, shall be notified, without delay, by the Agency to the Commission. That information may be submitted in aggregate form. The Commission shall preserve the confidentiality of commercially sensitive information.

8. Cost allocation decisions shall not affect the right of TSOs to apply and of national regulatory authorities to approve charges for access to networks in accordance with Article 6 of Directive (EU) 2019/944, Article 32 of Directive 2009/73/EC, Article 18(1) and 18(3) to (6) of Regulation (EU) 2019/943, and Article 13 of Regulation (EC) No 715/2009.

9. This Article shall not apply to projects of common interest which have received an exemption:

(a) from Articles 32, 33 and 34 and Article 41(6), (8) and (10) of Directive 2009/73/EC pursuant to Article 36 of that Directive;

(b) from Article 19(2) and (3) of Regulation (EU) 2019/943 or Articles 6, 59(7) and 60(1) of Directive (EU) 2019/944 pursuant to Article 63 of Regulation (EU) 2019/943;

(c) from unbundling or third party access rules pursuant to Article 64 of Regulation (EU) 2019/943 and Article 66 of Directive (EU) 2019/944; or

(d) pursuant to Article 17 of Regulation (EC) No 714/2009.

10. [By [31 December 2022], the **Agency** shall adopt a **Recommendation to identify good practices for the treatment of investment requests for Projects of Common Interest. The recommendation shall be regularly updated as found necessary and for consistency with the principles on** the offshore grids for renewable energy cross-border cost sharing as referred to in Article 15(1). In adopting or amending the **Recommendation, the Agency shall carry out and extensive consultation process, involving all relevant** stakeholders.

11. Projects of mutual interest shall be assimilated with projects of common interest and be eligible for cross-border cost allocation decisions.

Article 17

Regulatory Incentives

1. Where a project promoter incurs higher risks for the development, construction, operation or maintenance of a project of common interest falling under the competency of national regulatory authorities, when compared to the risks normally incurred by a comparable infrastructure project, Member States and national regulatory authorities **may** ensure that appropriate incentives are granted to that project in accordance with Article 58(f) of Directive (EU) 2019/944, Article 41(8) of Directive 2009/73/EC, Article 18(1) and (3) to (6) of Regulation (EU) 2019/943, and Article 13 of Regulation (EC) No 715/2009.

The first subparagraph shall not apply where the project of common interest has received an exemption:

(a) from Articles 32, 33, and 34 and Article 41(6), (8) and (10) of Directive 2009/73/EC pursuant to Article 36 of that Directive;

(b) from Article 19(2) and (3) of Regulation (EU) 2019/943 or an exemption from Articles 6, 59(7) and 60(1) of Directive (EU) 2019/944 pursuant to Article 63 of Regulation (EU) 2019/943;

(c) pursuant to Article 36 of Directive 2009/73/EC ;

(d) pursuant to Article 17 of Regulation (EC) No 714/2009.

2. **In case of decision to grant** the incentives referred to in paragraph 1, national regulatory authorities shall consider the results of the cost-benefit analysis on the basis of the methodology drawn up pursuant to Article 11 and in particular the regional or Union-wide positive externalities generated by the project. The national regulatory authorities shall further analyse the specific risks incurred by the project promoters, the risk mitigation measures taken and the justification of the risk profile in view of the net positive impact provided by the project, when compared to a lower-risk alternative. Eligible risks shall in particular include risks related to new transmission technologies, both onshore and offshore, risks related to under-recovery of costs and development risks.

3. The decision shall take into account the specific nature of the risk incurred and may grant incentives covering, inter alia, the following measures:

(a) the rules for anticipatory investment;

(b) the rules for recognition of efficiently incurred costs before commissioning of the project;

(c) the rules for providing additional return on the capital invested for the project;

(d) any other measure deemed necessary and appropriate.

4. By [31 July 2022], each national regulatory authority shall submit to the Agency its methodology and the criteria used to evaluate investments in energy infrastructure projects and the higher risks incurred by them, updated in view of latest legislative, policy, technological and market developments. Such methodology and criteria shall also expressly address the specific risks incurred by offshore grids for renewable energy referred to in point (1)(e) of Annex II and by projects, which, while having low capital expenditure, incur significant operating expenditure.

5. By [31 December 2022], taking due account of the information received pursuant to paragraph 4 of this Article, the Agency shall facilitate the sharing of good practices and make recommendations in accordance with Article 6 of Regulation (EU) 2019/942 regarding:

(a) the incentives referred to in paragraph 1 on the basis of a benchmarking of best practice by national regulatory authorities;

(b) a common methodology to evaluate the incurred higher risks of investments in energy infrastructure projects.

6. By [31 March 2023], each national regulatory authority shall publish its methodology and the criteria used to evaluate investments in energy infrastructure projects and the higher risks incurred by them.

7. Where the measures referred to in paragraphs 5 and 6 are not sufficient to ensure the timely implementation of projects of common interest, the Commission may issue guidelines regarding the incentives laid down in this Article.

CHAPTER VII

FINANCING

Article 18

Eligibility of projects for Union financial assistance under Regulation (EU)… [on a Connecting Europe Facility as proposed by COM(2018)438]

1. Projects of common interest falling under the categories set out **in Article 25a and** Annex II are eligible for Union financial assistance in the form of grants for studies and financial instruments.

2. Projects of common interest falling under the categories set out **in Article 25a and** in points (1)(a), **(aa)** (b), (c) and (e) of Annex II and point (3) of Annex II, are also eligible for Union financial assistance in the form of grants for works where they fulfil all of the following criteria:

(a) the project specific cost-benefit analysis pursuant to Article 16(3)(a) provides evidence concerning the existence of significant positive externalities, such as, security of supply, system flexibility **solidarity** or innovation;

(b) the project has received a cross-border cost allocation decision pursuant to Article 16 or, as regards projects of common interest falling under the category set out in point (3) of Annex II, where they do not fall under the competency of national regulatory authorities, and therefore they do not receive a cross-border cost allocation decision, the project aims at providing services across borders, bring technological innovation and ensure the safety of cross-border grid operation;

(c) the project cannot be financed by the market or through the regulatory framework according to the business plan and other assessments carried out, in particular by potential investors or creditors or the national regulatory authority. In case of the decision on incentives and its justification referred to in Article 17(2), it shall be taken into account when assessing the project's need for Union financial assistance.

3. Projects of common interest carried out in accordance with the procedure referred to in Article 5(7)(d) shall also be eligible for Union financial assistance in the form of grants for works where they fulfil the criteria set out in paragraph 2 of this Article.

4. Projects of common interest falling under the categories set out in points (1)(d), (2) and (5) of Annex II shall also be eligible for Union financial assistance in the form of grants for works, where the concerned project promoters, **in an evaluation carried out by the relevant national authority or, where applicable, the national regulatory authority**, can clearly demonstrate significant positive externalities, such as security of supply, system flexibility, **solidarity** or innovation, generated by the projects and provide clear evidence of their lack of commercial viability, in accordance with the cost-benefit analysis, the business plan and assessments carried out, in particular by potential investors or creditors or, where applicable, a national regulatory authority.

5. Projects of mutual interest shall be assimilated with projects of common interest and be eligible for Union financial assistance **under conditions set out in Article 5(2) of the Regulation 2021/1153[29] also in the form of grants for works, where they fulfil the criteria set out in paragraph 2 and the project contributes to the energy and climate objectives of the Union.**

Article 19

Guidance for the award criteria of Union financial assistance

The specific criteria set out in Article 4(3) and the parameters set out in Article 4(5) shall apply for the purpose of establishing award criteria for Union financial assistance in in Regulation (EU)… [on a Connecting Europe Facility as proposed by COM(2018)438]. **For the projects of common interest falling under Article 25a, the criteria of market integration, security of supply, competition and sustainability shall apply.**

[29] Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014:
Article 5(2). Without prejudice to Article 8 of Regulation (EU) No 1315/2013, the third countries referred to in paragraph 1 of this Article, and entities established in those countries, may not receive financial assistance under this Regulation except where it is indispensable to the achievement of the objectives of a given project of common interest or a project in accordance with Article 7(1) of this Regulation and under the conditions set in the work programmes referred to in Article 20 of this Regulation.

CHAPTER VIII

FINAL PROVISIONS

Article 20

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 3 shall be conferred on the Commission for a period of seven years from [1 January 2022]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the seven-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 3 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 3 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

6. If the delegated act adopted by the Commission for a particular Union list cannot enter into force due to an objection expressed either by the European Parliament or the Council, the Commission shall immediately convene the Groups in order to draw up new regional lists taking into account the reasons for the objection. The Commission will adopt a new delegated act establishing the Union list of projects of common interest and projects of mutual interest as soon as possible.

Article 22

Reporting and evaluation

Not later than 31 December 2027, the Commission shall publish a report on the implementation of projects of common interest **and projects of mutual interest**, and submit it to the European Parliament and the Council. That report shall provide an evaluation of:

(a) the progress achieved in the planning, development, construction and commissioning of projects of common interest **and projects of mutual interest**, selected pursuant to Article 3, and, where relevant, delays in implementation and other difficulties encountered;

(b) the funds engaged and disbursed by the Union for projects of common interest **and projects of mutual interest**, [ ] compared to the total value of funded projects of common interest;

(c) the progress achieved in terms of integration of renewable energy sources **(including offshore)** and reduced greenhouse gas emissions through the planning, development, construction and commissioning of projects of common interest **and projects of mutual interest**, selected pursuant to Article 3;

[ ]

(e) for the electricity and **renewable or low carbon gases including** hydrogen sectors, the evolution of the interconnection level between Member States, the corresponding evolution of energy prices, as well as the number of network system failure events, their causes and related economic cost;

(f) the process of permit granting and public participation, in particular:

(i) the average and maximum total duration of the permit granting process for projects of common interest **and projects of mutual interest**, including the duration of each step of the pre-application procedure, compared to the timing foreseen by the initial major milestones referred to in Article 10(5);

(ii) the level of opposition faced by projects of common interest **and projects of mutual interest**, in particular the number of written objections during the public consultation process and the number of legal recourse actions;

(iii) an overview of best and innovative practices with regard to stakeholder involvement;

(iiia) an overview of best and innovative practices with regard to mitigation of environmental impact, including climate adaptation, during permit granting processes and project implementation;

(iv) the effectiveness of the schemes foreseen in Article 8(3) regarding compliance with the time limits set out in Article 10;

(g) regulatory treatment, in particular:

(i) [no change] the number of projects of common interest having been granted a cross-border cost allocation decision pursuant to Article 16;

(ii) the number and type of projects of common interest which received specific incentives pursuant to Article 17;

(h) the effectiveness of this Regulation in contributing to the climate and energy targets for 2030, and, in the longer term, to the achievement of climate neutrality **at the latest by** 2050.

Article 22a

Review

By 30 June 2027, the Commission shall carry out a review of this Regulation, on the basis of the results of the reporting and evaluation provided for in Article 22, as well as the implementation and evaluation reports carried out pursuant to Articles 22 and 23 of Regulation (EU) 2021/1153 of the European Parliament and of the Council[30].

Article 23

Information and publicity

The Commission shall establish and maintain a transparency platform easily accessible to the general public through the internet. The platform shall be regularly updated with information from the reports referred to in Article 5(1) and the website referred to in Article 9(7). The platform shall contain the following information:

(a) general, updated information, including geographic information, for each project of common interest;

(b) the implementation plan as set out in Article 5(1) for each project of common interest **and projects of mutual interest**, [ ] presented in a manner that allows the assessment of the progress in implementation at any moment in time;

(c) the main expected benefits **and contribution to objectives referred to in Article 1** and the costs of the projects except for any commercially sensitive information;

(d) the Union list;

[30] Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249, 14.7.2021, p. 38.).

(e) the funds allocated and disbursed by the Union for each project of common interest;

(f) the links to the national manual of procedures mentioned in article 9;

(g) existing sea basin studies and plans for each priority offshore grid corridor, without affecting any intellectual property rights.

Article 24

Transitional provisions

This Regulation shall not affect the granting, continuation or modification of financial assistance awarded by the Commission pursuant to Regulation (EU) No 1316/2013 of the European Parliament and of the Council[32]. **For projects of common interest in the permit granting process for which a project promoter has submitted an application file before 16 November 2013, the provisions of Chapter III shall not apply.**

Article 24a

Transitional period

1. During a transitional period, dedicated hydrogen assets converted from natural gas assets falling under the energy infrastructure category set out in point (3) of Annex II could be used for transport or storage of a pre-defined blend of hydrogen with natural gas or biomethane.

2. During the transitional period, the project promoters shall closely cooperate on project design and implementation in order to ensure interoperability of neighbouring networks.

3. This transitional period shall end on 31 December 2029, whereas any eligibility for Union financial assistance under Article 18 shall end on 31 December 2027. The project promoter shall demonstrate, including through commercial contracts, how by the end of this transitional period, the assets referred to in paragraph 1 will cease to be natural gas assets and become dedicated hydrogen assets, as set out in point (3) of Annex II, as well as on the increased use of hydrogen enabled during the transitional period. Such proof shall include an assessment of the supply and demand of renewable or low carbon hydrogen as well as a calculation of the greenhouse gas emissions reduction enabled by the project. In the context of the monitoring of progress achieved in implementing the projects of common interest exercise in line with referred to in Article 5(3), the Agency shall verify the timely transition of the project to a dedicated hydrogen asset as set out in point (3) of Annex II.

Article 25a

Derogation

1. **By way of derogation from Articles 3, 4 (1) (a), 4 (1) (b), 4 (5), 16 (3) (a), and ANNEXES I, II, III, in the case of Cyprus and Malta, and without prejudice to Article 30(2) that are still not interconnected to the trans-European gas network, one interconnection per Member State under development or planning that has been granted the Project of Common Interest status under Regulation (EU) 347/2013 and is necessary to secure permanent interconnection of Cyprus and Malta to the trans-European gas network, shall maintain its Project of Common Interest status under this Regulation with all relevant rights and obligations. These projects shall ensure in the future the ability to access new energy markets, including hydrogen.**

2. **The project promoters shall demonstrate how the interconnections referred to in paragraph 1 will allow access to new energy markets, including hydrogen, in line with the climate objectives of the Union. Such proof shall include an assessment of the supply and demand of renewable or low carbon hydrogen as well as a calculation of the greenhouse gas emissions reduction enabled by the project, which are both regularly verified together with the timely implementation by the Commission.**

3. **In addition to the specific criteria set out in Article 19 for Union financial assistance, the interconnections referred to in paragraph 1 shall ensure that they are readily designed in view of ensuring access to future energy markets, including hydrogen, they do not lead to a prolongation of the lifetime of natural gas and that interoperability of neighbouring networks across borders is ensured.**

4. **Any request for Union financial assistance for works shall clearly demonstrate in the roadmap with a clear timeline aiming at becoming a dedicated hydrogen asset by 2036 if market conditions allow.**

5. **This derogation shall apply until each of the Member States is directly interconnected to the trans- European gas network but not later than 31 December 2029. Any eligibility for Union financial assistance under Article 18 shall end on 31 December 2027.**

Article 25

Amendment to Regulation (EC) No 715/2009

In Article 8(10) of Regulation (EC) No 715/2009, the first subparagraph is replaced by the following:

> 'The ENTSO for Gas shall adopt and publish a Union-wide network development plan referred to in point (b) of paragraph 3 every two years. The Union-wide network development plan shall include the modelling of the integrated network, including hydrogen networks, scenario development, a European supply adequacy outlook and an assessment of the resilience of the system'.

Article 26

Amendment to Directive 2009/73/EC

In Article 41(1) of Directive 2009/73/EC, point (v) is added:

> '(v) carry out the obligations laid out in Articles 3, 5(7), Articles 14, 15, 16, **17** of [the TEN-E Regulation as proposed by COM(2020)824];'

Article 27

Amendment to Directive (EU) 2019/944

In Article 59(1) of Directive (EU) 2019/944, point (zz) is added:

> '(zz) carry out the obligations laid out in Articles 3, 5 (7), Articles 14, 15, 16, **17** of [the TEN-E Regulation as proposed by COM(2020)824];'

Article 28

Amendment to Regulation (EU) 2019/943

The first sentence of Article 48 of Regulation (EC) 2019/943 is replaced by the following:

> 'The Union-wide network development plan referred to under point (b) of Article 30(1) shall include the modelling of the integrated network, including scenario development and an assessment of the resilience of the system. **Relevant input parameters for the modelling such as assumptions on fuel and carbon prices or installation of renewables** it shall be fully consistent with the European resource adequacy assessment developed pursuant to Article 23. '

Article 29

Amendment to Regulation (EU) 2019/942

Points (c) and (d) of Article 11 of Regulation (EU) 2019/942 are replaced by the following:

> (c) carry out the obligations laid out in Articles 5, Articles 11(2), 11(8), 11(9), 11(10), Articles 12, 13, **17** and in point (12) **of Section 2** of Annex III of [the TEN-E Regulation as proposed by COM(2020)824];
>
> (d) take decisions on investment requests including cross-border cost allocation pursuant to Article 16(6) of [TEN-E Regulation as proposed by COM(2020)824].

Article 30

Repeal

1. Regulation (EU) No 347/2013 is repealed from [1 January 2022]. No rights shall arise under the present Regulation for projects listed in the Annexes to Regulation (EU) 347/2013.

2. Notwithstanding the paragraph above, the Annex to Regulation (EU) 347/2013 containing the 5th Union list of projects of common interest [add reference after publication in OJ] as well as Articles 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13 and 14, and Annexes I, II, III, IV and VI will continue to remain in force and produce effects as regards the 5th Union list and projects thereon until the entry into force of the 6th Union list of projects of common interest and projects of mutual interest in line with this Regulation.

3. Notwithstanding the second sentence of Article 30, projects that were included in the fifth Union list established pursuant to Regulation (EU) No 347/2013 and for which an application file has been accepted for examination by the competent authority while the project was included on the fifth Union's list, shall benefit from the rights and obligations arising from Chapter III of this Regulation for a period of 4 years after the entry into force of this Regulation.

Article 31

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from [1 January 2022].

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

The President

[…]

ANNEX I

ENERGY INFRASTRUCTURE PRIORITY CORRIDORS AND AREAS

1. PRIORITY ELECTRICITY CORRIDORS

(1) North-South electricity interconnections in Western Europe ('NSI West Electricity'): interconnections between Member States of the region and with the Mediterranean area including the Iberian peninsula, notably to integrate electricity from renewable energy sources reinforce internal grid infrastructures to foster market integration in the region **and to end isolation of Ireland, and to ensure the necessary onshore prolongations of offshore grids for renewable energy and the domestic grid reinforcements necessary to ensure an adequate and reliable transmission grid and to supply electricity generated offshore to landlocked Member States.**

Member States concerned: Austria, Belgium, **Denmark**, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Malta, Portugal and Spain;

(2) North-South electricity interconnections in Central Eastern and South Eastern Europe ('NSI East Electricity'): interconnections and internal lines in North-South and East-West directions to complete the internal market, integrate generation from renewable energy sources **to end the isolation of Cyprus, and to ensure the necessary onshore prolongations of offshore grids for renewable energy and the domestic grid reinforcements necessary to ensure an adequate and reliable transmission grid and to supply electricity generated offshore to landlocked Member States.**

Member States concerned: Austria, Bulgaria, Croatia, Czech Republic, Cyprus, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia and Slovenia;

(3) Baltic Energy Market Interconnection Plan in electricity ('BEMIP Electricity'): interconnections between Member States and internal lines in the Baltic region, to foster market integration while integrating growing shares of renewable energy in the region.

Member States concerned: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden.

2. PRIORITY OFFSHORE GRID CORRIDORS

(4) Northern Seas offshore grid**s** ('NSOG'): **offshore electricity grid development**, integrated offshore electricity **including where appropriate hydrogen** grid development and the related interconnectors in the North Sea, the Irish Sea, **the Celtic Sea**, the English Channel and neighbouring waters to transport electricity **or, where appropriate, hydrogen** from renewable offshore energy sources to centres of consumption and storage **or** to increase cross-border **renewable energy** exchange.

Member States concerned: Belgium, Denmark, France, Germany, Ireland, Luxemburg, the Netherlands and Sweden;

(5) Baltic Energy Market Interconnection Plan offshore grid**s** ('BEMIP offshore'): **offshore electricity grid development**, integrated offshore electricity **including where appropriate hydrogen** grid development and the related interconnectors in the Baltic Sea and neighbouring waters to transport electricity, **or where appropriate, hydrogen** from renewable offshore energy sources to centres of consumption and storage **or** to increase cross-border **renewable energy** exchange.

Member States concerned: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden;

(6) South and **West** [ ] offshore grid**s**: **offshore electricity grid development,** integrated offshore electricity **including where appropriate hydrogen** grid development and the related interconnectors in the Mediterranean Sea **(including Cadiz Gulf),** [ ] and neighbouring waters to transport electricity, **or where appropriate, hydrogen** from renewable offshore energy sources to centres of consumption and storage **or** to increase cross-border **renewable energy** exchange.

Member States concerned: [ ] France, **Greece**, Italy, Malta, [ ] **Portugal** [ ] and Spain;

(7) South and **East** [ ] offshore grid**s**: **offshore electricity grid development,** integrated offshore electricity **including where appropriate hydrogen** grid development and the related interconnectors in the [ ] **Mediterranean Sea, Black Sea and neighbouring waters** to transport electricity **or, where appropriate, hydrogen** from renewable offshore energy sources to centres of consumption and storage or to increase cross-border **renewable energy** exchange.

Member States concerned: **Bulgaria, Cyprus, Croatia, Greece, Italy, Romania and Slovenia.**

(8) (based on original point (7)) **Atlantic** [ ] offshore grid**s**: **offshore electricity grid development,** integrated offshore electricity grid development and the related interconnectors in the North Atlantic Ocean waters to transport electricity from renewable offshore energy sources to centres of consumption and storage and to increase cross-border electricity exchange.

Member States concerned: France, Ireland, Portugal and Spain.

3. PRIORITY CORRIDORS FOR HYDROGEN AND ELECTROLYSERS

(8) Hydrogen interconnections in Western Europe ('HI West'): hydrogen infrastructure **and the repurposing of gas infrastructure,** enabling the emergence of an integrated hydrogen backbone, **directly or indirectly (via interconnection with a third country),** connecting the countries of the region and addressing their specific infrastructure needs for hydrogen supporting the emergence of an EU-wide network for hydrogen transport, **and, in addition, as regards islands and island systems, decreasing energy isolation, supporting innovative and other solutions involving at least two Member States with a significant positive impact on the EU energy and climate targets, and contributing significantly to the sustainability of the island energy system and that of the Union.**

Electrolysers: supporting the deployment of power-to-gas applications aiming to enable greenhouse gas reductions and contributing to secure, efficient and reliable system operation and smart energy system integration **and, in addition, as regards islands and island systems, support innovative and other solutions involving at least two Member States with a significant positive impact on the EU energy and climate targets, and to contribute significantly to the sustainability of the island energy system and that of the Union.**

Member States concerned: Austria, Belgium, **Czech Republic,** Denmark, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, and Spain;

(9) Hydrogen interconnections in Central Eastern and South Eastern Europe ('HI East'): hydrogen infrastructure **and the repurposing of gas infrastructure**, enabling the emergence of an integrated hydrogen backbone, **directly or indirectly (via interconnection with a third country)**, connecting the countries of the region and addressing their specific infrastructure needs for hydrogen supporting the emergence of an EU-wide network for hydrogen transport **and, in addition, as regards islands and island systems, decreasing energy isolation, supporting innovative and other solutions involving at least two Member States with a significant positive impact on the EU energy and climate targets, and contributing significantly to the sustainability of the island energy system and that of the Union.**

Electrolysers: supporting the deployment of power-to-gas applications aiming to enable greenhouse gas reductions and contributing to secure, efficient and reliable system operation and smart energy system integration **and, in addition, as regards islands and island systems, support innovative and other solutions involving at least two Member States with a significant positive impact on the EU energy and climate targets, and to contribute significantly to the sustainability of the island energy system and that of the Union.**

Member States concerned: Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia and Slovenia;

(10) Baltic Energy Market Interconnection Plan in hydrogen ('BEMIP Hydrogen'): hydrogen infrastructure **and the repurposing of gas infrastructure**, enabling the emergence of an integrated hydrogen backbone, **directly or indirectly (via interconnection with a third country[ ])**, connecting the countries of the region and addressing their specific infrastructure needs for hydrogen supporting the emergence of an EU-wide network for hydrogen transport **and, in addition, as regards islands and island systems, decreasing energy isolation, supporting innovative and other solutions involving at least two Member States with a significant positive impact on the EU energy and climate targets, and contributing significantly to the sustainability of the island energy system and that of the Union**

Electrolysers: supporting the deployment of power-to-gas applications aiming to enable greenhouse gas reductions and contributing to secure, efficient and reliable system operation and smart energy system integration **and, in addition, as regards islands and island systems, support innovative and other solutions involving at least two Member States with a significant positive impact on the EU energy and climate targets, and to contribute significantly to the sustainability of the island energy system and that of the Union.**

Member States concerned: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden.

4. PRIORITY THEMATIC AREAS

(11) Smart electricity grids deployment: adoption of smart grid technologies across the Union to efficiently integrate the behaviour and actions of all users connected to the electricity network, in particular the generation of large amounts of electricity from renewable or distributed energy sources and demand response by consumers **energy storage, electric vehicles and other flexibility sources and, in addition, as regards islands and island systems, to decrease energy isolation, support innovative and other solutions involving at least two Member States with a significant positive impact on the EU energy and climate targets, and to contribute significantly to the sustainability of the island energy system and that of the Union.**

Member States concerned: all;

(12) Cross-border carbon dioxide network: development of carbon dioxide transport **and storage** infrastructure between Member States and with neighbouring third countries of carbon dioxide capture and storage **captured from industrial installations for the purpose of permanent geological storage as well as CO2 utilization for synthetic fuel gases leading to the permanent neutralization of carbon dioxide.**

Member States concerned: all;

(13) Smart gas grids: Adoption of smart gas grid technologies across the Union to efficiently integrate a plurality of low-carbon **and particularly renewable** gas sources into the gas network, support the uptake of **innovative and digital** solutions for network management and facilitating smart energy sector integration and demand response, **including the related physical upgrades if indispensable to the functioning of the equipment and installations for integration of low carbon and particularly renewable gases**;

Member States concerned: all.

ANNEX II

ENERGY INFRASTRUCTURE CATEGORIES

The energy infrastructure categories to be developed in order to implement the energy infrastructure priorities listed in Annex I are the following:

(1) concerning electricity:

(a) high **and extra-high** voltage overhead transmission lines, **crossing a border or within a Member State territory including the exclusive economic zone** if they have been designed for a voltage of 220 kV or more, and underground and submarine transmission cables, if they have been designed for a voltage of 150 kV or more. **For Member States and small isolated systems with a lower voltage overall transmission system, the voltage thresholds mentioned above are equal to the highest voltage level in the respective electricity system.**

(aa) any equipment or installation falling under category referred to in point (a) enabling transmission of offshore renewable electricity from the offshore generation sites, (energy infrastructure for offshore renewable electricity);

(b) **energy storage facilities individual or in aggregated form** used for storing energy on a permanent or temporary basis in above-ground or underground infrastructure or geological sites, provided they are directly connected to high-voltage transmission lines **and distribution lines** designed for a voltage of 110 kV or more. **For Member States and small isolated systems with a lower voltage overall transmission system, the voltage thresholds mentioned above are equal to the highest voltage level in the respective electricity system.**

(c) any equipment or installation essential for the systems referred to in points (a) and (b) to operate safely, securely and efficiently, including protection, monitoring and control systems at all voltage levels and substations;

(d) **Smart electricity grids: any equipment or installation, digital** systems and components integrating ICT, through operational digital platforms, control systems and sensor technologies both at transmission and medium **and high** voltage distribution level, aiming at a more efficient and intelligent electricity transmission and distribution network, increased capacity to integrate new forms of generation, **energy** storage and consumption and facilitating new business models and market structures, **including investments in islands and island systems to decrease energy isolation, to support innovative and other solutions involving at least two Member States with a significant positive impact on the EU energy and climate targets, and to contribute significantly to the sustainability of the island energy system and that of the Union.**

(e) any equipment or installation falling under category referred to in point (a) having dual functionality: interconnection and offshore **grid connection system** from the offshore **renewable** generation sites to two or more **Member States and third countries participating in projects of common interest and projects of mutual interest, including the onshore prolongation of this equipment up to the first substation in the onshore transmission system** as well as any offshore adjacent equipment or installation essential to operate safely, securely and efficiently, including protection, monitoring and control systems, and necessary substations if they also ensure technology interoperability inter alia interface compatibility between different technologies, ('offshore grids for renewable energy').

(2) concerning smart gas grids:

(a) any of the following equipment or installation aiming at enabling and facilitating the integration **a plurality** of low-carbon **and particularly renewable** gases (including biomethane or hydrogen) into the **gas** network: digital systems and components integrating ICT, control systems and sensor technologies to enable the interactive and intelligent monitoring, metering, quality control and management of gas production, transmission, distribution, **storage** and consumption within a gas network. Furthermore, such projects may also include equipment to enable reverse flows from the distribution to the transmission level and **including the related physical upgrades if indispensable to the functioning of the equipment and installations for integration of low carbon and particularly renewable gases**;

(3) concerning hydrogen:

(a) **Mainly, high-pressure** pipelines for the transport of hydrogen, **including repurposed natural gas infrastructure**, giving access to multiple network users on a transparent and non-discriminatory basis;

(b) storage facilities connected to the high-pressure hydrogen pipelines referred to in point (a);

(c) reception, storage and regasification or decompression facilities for liquefied hydrogen or hydrogen embedded in other chemical substances with the objective of injecting the hydrogen, **where applicable**, into the grid;

(d) any equipment or installation essential for the hydrogen system to operate safely, securely and efficiently or to enable bi-directional capacity, including compressor stations.

e) any equipment or installation allowing for hydrogen or hydrogen-derived fuels use in the transport sector within the TEN-T core network.

Any of the assets listed in points (a), (b), (c), and (d) may be newly constructed assets or assets **repurposed** from natural gas to hydrogen, or a combination of the two.

(4) concerning electrolyser facilities:

(a) electrolysers that:

(i) have at least **50** MW capacity, **provided by a single electrolyser or by a set of electrolysers that form a single, coordinated project**;

(ii) the production complies with the life cycle greenhouse gas emissions savings requirement of 70 % relative to a fossil fuel comparator of 94g CO2e/MJ as set out in Article 25(2) and Annex V of Directive (EU) 2018/2001 of the European Parliament and of the Council[31]. Life cycle greenhouse gas emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067 or ISO 14064-1. **The life-cycle GHG emissions must include indirect emissions**. Quantified life-cycle GHG emission savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party; and

(iii) have also a network-related function, **particularly with a view to overall system flexibility and overall system efficiency of electricity and hydrogen networks;**

(b) related equipment, **including** pipeline connection to the network.

(5) concerning carbon dioxide:

(a) dedicated pipelines, other than upstream pipeline network, used to transport carbon dioxide from more than one source, for the purpose of permanent geological storage of carbon dioxide pursuant to Directive 2009/31/EC of the European Parliament and of the Council[32];

(b) **Fixed facilities for liquefaction, buffer storage and converters of carbon dioxide in view of its further transportation through pipelines and in dedicated modes of transport such as ship, barge, truck, and train.**

(ba) without prejudice to any prohibition of geological storage of CO2 in a Member State, surface and injection facilities associated with infrastructure within a geological formation that is used, in accordance with Directive 2009/31/EC, for the permanent geological storage of CO2, where they do not involve the use of CO2 for the enhanced recovery of hydrocarbons and are necessary to allow the cross-border transport and storage of CO2;

(c) any equipment or installation essential for the system in question to operate properly, securely and efficiently, including protection, monitoring and control systems.

[31] OJ L 328, 21.12.2018, p. 82.
[32] OJ L 140, 5.6.2009, p. 114.

ANNEX III

REGIONAL LISTS OF PROJECTS

1. RULES FOR GROUPS

(1) With regard to energy infrastructure falling under the competency of national regulatory authorities, each Group shall be composed of representatives of the Member States, national regulatory authorities, TSOs, as well as the Commission, the Agency, **the Union DSO** entity and the ENTSO for Electricity or the ENTSO for Gas, as relevant.

For the other energy infrastructure categories, each Group shall be composed of the representatives of the Member States, project promoters concerned by each of the relevant priorities designated in Annex I and the Commission.

(2) depending on the number of candidate projects for the Union list, regional infrastructure gaps and market developments, the Groups and the decision-making bodies of the Groups may split, merge or meet in different configurations, as necessary, to discuss matters common to all Groups or pertaining solely to particular regions. Such matters may include issues relevant to cross-regional consistency or the number of proposed projects included on the draft regional lists at risk of becoming unmanageable.

(3) each Group shall organise its work in line with regional cooperation efforts pursuant Article 61 of Directive (EU) 2019/944, Article 7 of Directive 2009/73/EC, Article 34 of Regulation (EU) 2019/943, and Article 12 of Regulation (EC) No 715/2009 and other existing regional cooperation structures.

(4) each Group shall invite, as appropriate for the purpose of implementing the relevant priority **corridors and thematic areas** designated in Annex I, promoters of a project potentially eligible for selection as a project of common interest as well as representatives of national administrations, of regulatory authorities, **of civil society** and TSOs from third countries. The decision to invite third country-representatives shall be based on consensus.

(4a) For the corridors defined in Annex I (2), each Group shall invite, as appropriate, representatives of the landlocked Member States, competent authorities, national regulatory authorities and TSOs.

(5) each Group shall invite, as appropriate, the organisations representing relevant stakeholders, **including representatives from third countries** and, where deemed appropriate, directly the stakeholders **to express their specific expertise** — including producers, distribution system operators, suppliers, consumers**, local populations** and **EU based** organisations for environmental protection. The Group **shall** organise hearings or consultations, where relevant for the accomplishments of its tasks.

(6) as regards the meetings of the Groups, the Commission shall publish, on a platform accessible to stakeholders, the internal rules, an updated list of member organisations, regularly updated information on the progress of work, meeting agendas, as well as meeting minutes, where available. The deliberations of the decision-making bodies of the Groups and the project ranking in accordance with Article 4(5) are confidential. **All decisions concerning to the functioning and work of the regional groups shall be made by consensus of the Member States and the Commission.**

(7) the Commission, the Agency and the Groups shall strive for consistency between the different Groups. For that purpose, the Commission and the Agency shall ensure, when relevant, the exchange of information on all work representing an interregional interest between the Groups concerned

(8) the participation of national regulatory authorities and the Agency in the Groups shall not jeopardise the fulfilment of their objectives and duties under this Regulation or under Articles 58, 59 and 60 of Directive (EU) 2019/944 and Articles 40 and 41 of Directive 2009/73/EC, or under Regulation (EU) 2019/942.

2. PROCESS FOR ESTABLISHING REGIONAL LISTS

(1) promoters of a project potentially eligible for selection as a project of common interest **or mutual interest** wanting to obtain **either** status shall submit an application for selection as project of common interest **or mutual interest** to the Group that includes:

(a) an assessment of their projects with regard to the contribution to implementing the priorities set out in Annex I;

(aa) an indication of the project category as set out in Annex II;

(b) an analysis of the fulfilment of the relevant criteria defined in Article 4;

(c) for projects having reached a sufficient degree of maturity, a project-specific cost-benefit analysis based on the methodologies developed by the ENTSO for electricity or the ENTSO for gas pursuant to Article 11;

(d1) for projects of mutual interest, the letters of support from the governments of the directly affected countries expressing their support for the projector other non-binding agreements;

(d) any other relevant information for the evaluation of the project.

(2) all recipients shall preserve the confidentiality of commercially sensitive information.

(3) the proposed electricity transmission and storage projects of common interest falling under the categories set out in points (1)(a), **(aa)** (b), (c) and (e) of Annex II are projects that are part of the latest available Union-wide **TYNDP** for electricity, developed by the ENTSO for Electricity pursuant Article 30 of Regulation (EU) 2019/943. The proposed electricity transmission and storage projects of common interest falling under the categories set out in point (1)**(aa) and (1)**(e) of Annex II are projects that derive from and are consistent with the integrated offshore network development **and grid reinforcements** referred to in Article 14 (2).

(4) as of 1 January 2024, the proposed hydrogen projects of common interest falling under the categories set out in point (3) of Annex II are projects that are part of the latest available Union-wide ten-year network development plan for gas, developed by the ENTSO for Gas pursuant Article 8 of Regulation (EC) No 715/2009.

(5) by 30 June 2022 and, subsequently, for every Union-wide ten-year network development plans, the ENTSO for Electricity and ENTSO for Gas shall issue updated guidelines for inclusion of projects in their respective Union-wide ten-year network development plans, referred to in points (3) and (4), in order to ensure equal treatment and transparency of the process. For all the projects included in the Union list [ ] in force at the time, the guidelines shall define a simplified process of inclusion in the Union-wide ten-year network development plans by automatic inclusion taking into account the documentation and data already submitted during the previous Union-wide ten-year network development plan processes as long as the information therein remains valid.

The ENTSO for Electricity and ENTSO for Gas shall consult with the Commission and the Agency about their respective draft guidelines for inclusion of projects in the Union-wide ten-year network development plans and take due account of the Commission's and the Agency's recommendations before the publication of the final guidelines.

(6) proposed carbon dioxide transport **and storage** projects falling under the category set out in point (5) of Annex II shall be presented as part of a plan, developed by at least two Member States, for the development of cross-border carbon dioxide transport and storage infrastructure, to be presented by the Member States concerned or entities designated by those Member States to the Commission.

(7) **Application of the selection criteria:**

(a) the ENTSO for Electricity and the ENTSO for Gas shall present to the Groups how they applied the guidelines to evaluate the inclusion criteria in the TYNDP.

(b) for projects falling under the competency of national regulatory authorities the national regulatory authorities, and where necessary the Agency, shall, where possible in the context of regional cooperation pursuant to Article 61 of Directive (EU) 2019/944 and Article 7 of Directive 2009/73/EC, check the consistent application of the criteria and of the cost-benefit analysis methodology and evaluate their cross-border relevance. They shall present their assessment to the Group. **The Commission will ensure that criteria and methodologies referred to in Article 4 and Annex IV shall be applied in a harmonised way to guarantee consistency across the regional groups.**

(8) **for all other projects**, the Commission shall evaluate the application of the criteria set out in Article 4. The Commission shall also take into account the potential for future extension to include additional Member States. The Commission shall present its assessment to the Group. **For projects applying for project of mutual interest status, third countries representatives and regulatory authorities shall be invited.**

(9) **Member States opinions and approvals:** each Member State to whose territory a proposed project does not relate, but on which the proposed project may have a potential net positive impact or a potential significant effect, such as on the environment or on the operation of the energy infrastructure on its territory, may present an opinion to the Group specifying its concerns.

(10) The Group shall examine, at the request of a Member State of the Group, the substantiated reasons presented by a State pursuant to Article 3(3) for not approving a project of common interest or a project of mutual interest related to its territory.

(10a) the Group shall consider whether the 'energy efficiency first' principle is applied as regards the establishment of the regional infrastructure needs and as regards each of the candidate projects of common interest or projects of mutual interest. The Group shall, in particular, consider solutions such as demand-side management, market arrangement solutions, implementation of digital solutions, renovation of buildings as priority solutions where they are judged more cost-efficient on a system wide perspective than the construction of new supply side infrastructure.

(11) the Group shall meet to examine and rank the proposed projects **based on a transparent assessment of the projects and using the criteria set out in Article 4** taking into account the assessment of the regulators, or the assessment of the Commission for projects not falling within the competency of national regulatory authorities.

(12) **ACER opinion:** the draft regional lists of proposed projects falling under the competency of national regulatory authorities drawn up by the Groups, together with any opinions as specified in point (9), shall be submitted to the Agency six months before the adoption date of the Union list. The draft regional lists and the accompanying opinions shall be assessed by the Agency within three months of the date of receipt. The Agency shall provide an opinion on the draft regional lists, in particular on the consistent application of the criteria and the cost-benefit analysis across regions. The opinion of the Agency shall be adopted in accordance with the procedure referred to in Article 22 (5) of Regulation (EU) 2019/942.

(13) within one month of the date of receipt of the Agency's opinion, the decision making body of each Group shall adopt its final regional list **of proposed projects of common interest and projects of mutual interest,** respecting the provisions set out in Article 3(3), on the basis of the Groups' proposal and taking into account the opinion of the Agency and the assessment of the national regulatory authorities submitted in accordance with point (7), or the assessment of the Commission for projects not falling within the competency of national regulatory authorities proposed in accordance with point (8), **and the advice from the Commission that is aimed at having a manageable total number of projects of common interest, especially at borders related to competing or potentially competing projects. The decision making bodies of the** Groups shall submit the final regional lists to the Commission, together with any opinions as specified in point (9).

(14) where, on the basis of the **draft** regional lists, and after having taken into account the Agency opinion, the total number of proposed projects on the Union list would exceed a manageable number, the Commission shall **advise** each Group concerned, not to include in the **regional** list projects that were ranked lowest by the Group concerned in accordance with the ranking established pursuant to Article 4(5).

ANNEX IV

RULES AND INDICATORS CONCERNING CRITERIA FOR PROJECTS OF COMMON INTEREST AND FOR PROJECTS OF MUTUAL INTEREST

(1) a project with significant cross-border impact is a project on the territory of a Member State, which fulfils the following conditions:

(a) for electricity transmission, the project increases the grid transfer capacity, or the capacity available for commercial flows, at the border of that Member State with one or several other Member States, having the effect of increasing the cross-border grid transfer capacity at the border of that Member State with one or several other Member States, by at least 500 Megawatt compared to the situation without commissioning of the project, **or the project decreases energy isolation of non-interconnected systems in one or more Member States and increases the cross-border grid transfer capacity at the border between two Member States by at least 200 MW;**

(b) for electricity storage, the project provides at least 225 MW installed capacity and has a storage capacity that allows a net annual electricity generation of 250 Gigawatt-hours/year;

(c) for smart electricity grids, the project is designed for equipment and installations at high-voltage and medium-voltage level. It involves transmission system operators, transmission and distribution system operators or distribution system operators from at least two Member States. **The project may involve only distribution system operators of at least two Member States as long as interoperability is ensured.** A project **satisfies at least two of the following criteria: involves** 50000 users, generators, consumers or prosumers of electricity, **captures** a consumption area of at least 300 Gigawatthours/year, at least 20 % of the electricity consumption linked to the project originates from variable renewable resources, **or decreases energy isolation of non-interconnected systems in one or more Member States. The project does not need to involve a physical common border. For projects related to islands (defined in Directive (EU) 2019/944) the voltage limit shall be equal to the highest voltage level on the island;**

(d) for hydrogen transmission, the project enables the transmission of hydrogen across the borders of the Member States concerned, or increases existing cross-border hydrogen transport capacity at a border between two Member States by at least 10 % compared to the situation prior to the commissioning of the project, and the project sufficiently demonstrates that it is an essential part of a planned cross-border hydrogen network and provides sufficient proof of existing plans and cooperation with neighbouring countries and network operators **or, for projects decreasing energy isolation of non-interconnected systems in one or more Member States, the project aims at supplying directly or indirectly at least two Member States;**

(e) for hydrogen storage or hydrogen reception facilities referred to in point (3) of Annex II, the project aims at supplying directly or indirectly at least two Member States;

(f) for electrolysers, the project provides at least **50** MW installed capacity **provided by a single electrolyser or by a set of electrolysers that form a single, coordinated project** and the brings benefits directly or indirectly to at least two Member States, **and, specifically, as regards projects on islands and island systems, supports innovative and other solutions involving at least two Member States with a significant positive impact on the EU energy and climate targets, and contributes significantly to the sustainability of the island energy system and that of the Union;**

(g) for smart gas grids, a project involves transmission system operators, transmission and distribution system operators or distribution system operators from at least two Member States. Distribution system operators can be involved only with the support of the transmission system operators, of at least two Member States, that are closely associated to the project and ensure interoperability;

(ga) for offshore renewable electricity transmission, the project is designed to transfer electricity from offshore generation sites with capacity of at least 500 MW and allows for electricity transmission to onshore grid of a specific Member State, increasing the volume of renewable electricity available on the internal market;

The project shall be developed in the areas with low penetration of offshore renewable electricity and shall demonstrate a significant positive impact on the EU energy and climate targets, and contribute significantly to the sustainability of the energy system and market integration while not hindering the cross-border capacities and flows.

(gb) for carbon dioxide projects, the project is used to transport and, where applicable, store anthropogenic carbon dioxide originating from at least two Member States;

(2) A project of mutual interest with significant cross-border impact is a project which fulfils the following conditions:

(h) for projects of mutual interest in the category set out in point (1)(a) and (e) of Annex II, the project increases the grid transfer capacity, or the capacity available for commercial flows, at the border of that Member State with one or more third countries and brings significant benefits, **either directly or indirectly (via interconnection with a third country)**, under the specific criteria listed in in Article 4(3), **at the Union level**. The calculation of the benefits for the Member States shall be performed and published by the ENTSO for Electricity in the frame of Union-wide ten-year network development plan;

(i) for projects of mutual interest in the category set out in point (3) of Annex II, the hydrogen project enables the transmission of hydrogen across at the border of a Member State with one or more third countries and proves bringing significant benefits, **either directly or indirectly (via interconnection with a third country)** under the specific criteria listed in Article 4(3), **at the Union level**. The calculation of the benefits for the Member States shall be performed and published by the ENTSO for Gas in the frame of Union-wide ten-year network development plan;

(j) for projects of mutual interest in the category set out in point (5) of Annex II, the project can be used to transport **and store** anthropogenic carbon dioxide by at least two Member States and a third country.

(3) Concerning projects falling under the categories set out in points (1)(a), **(aa)** (b), (c) and (e) of Annex II, the criteria listed in Article 4 shall be evaluated as follows:

(a) *(ex b)* transmission of renewable energy generation to major consumption centres and storage sites measured in line with the analysis made in the latest available Union-wide ten-year network development plan in electricity, in particular by:

(i) for electricity transmission, estimating the amount of generation capacity from renewable energy sources (by technology, in megawatts), which is connected and transmitted due to the project, compared to the amount of planned total generation capacity from those types of renewable energy sources in the Member State concerned in 2030 according to the National Energy and Climate Plans submitted by Member States in accordance with Regulation (EU) 2018/1999 of the European Parliament and of the Council[33];

(ii) or **energy** storage, comparing new capacity provided by the project with total existing capacity for the same storage technology in the area of analysis as defined in Annex V;

(b) *(ex a)* market integration, competition and system flexibility measured in line with the analysis made in the latest available Union-wide ten-year network development plan in electricity, in particular by:

(i) calculating, for cross-border projects, **including reinvestment** projects, the impact on the grid transfer capability in both power flow directions, measured in terms of amount of power (in megawatt), and their contribution to reaching the minimum 15 % interconnection target, for projects with significant cross-border impact, the impact on grid transfer capability at borders between relevant Member States, between relevant Member States and third countries or within relevant Member States and on demand-supply balancing and network operations in relevant Member States;

(ii) assessing the impact, for the area of analysis as defined in Annex V, in terms of energy system-wide generation and transmission costs and evolution and convergence of market prices provided by a project under different planning scenarios, notably taking into account the variations induced on the merit order;

(c) security of supply, interoperability and secure system operation measured in line with the analysis made in the latest available Union-wide ten-year network development plan in electricity, notably by assessing the impact of the project on the loss of load expectation for the area of analysis as defined in Annex V in terms of generation and transmission adequacy for a set of characteristic load periods, taking into account expected changes in climate-related extreme weather events and their impact on infrastructure resilience. Where applicable, the impact of the project on independent and reliable control of system operation and services shall be measured.

[33] Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council, OJ L 328, 21.12.2018, p. 1

(4) Concerning projects falling under the category set out in point (1)(d) of Annex II, the criteria listed in Article 4 shall be evaluated as follows:

(a) Level of sustainability: This criterion shall be measured by assessing the extent of the grids' ability to connect and transport variable renewable energy.

(b) Security of supply: This criterion shall be measured by the level of losses in distribution and /or transmission networks, the percentage utilisation (i.e. average loading) of electricity network components, the availability of network components (related to planned and unplanned maintenance) and its impact on network performances, the duration and frequency of interruptions, including climate related disruptions.

(c) Market integration: This criterion shall be measured by assessing the innovative uptake in system operation, **the decrease of energy isolation** and interconnection, as well as the level of integrating other sectors and facilitating new business models and market structures.

(d) Network security, flexibility and quality of supply: This criterion shall be measured by assessing the innovative approach to system flexibility, cybersecurity, efficient operability between TSO and DSO level, the capacity to include demand response, storage, energy efficiency measures, the cost-efficient use of digital tools and ICT for monitoring and control purposes, the stability of the electricity system and the voltage quality performance.

(5) Concerning hydrogen falling under the category set out in point (3) of Annex II, the criteria listed in Article 4 shall be evaluated as follows:

(a) Sustainability measured as the contribution of a project to: greenhouse gas emission reductions in different end-use applications, in **hard-to-abate sectors**, such as industry or transport; flexibility and seasonal storage options for renewable electricity generation; or the integration of renewable **and low carbon hydrogen with a view to consider market needs and promote renewable hydrogen;**

(b) market integration and interoperability measured by calculating the additional value of the project to the integration of market areas and price convergence, to the overall flexibility of the system;

(c) security of supply and flexibility measured by calculating the additional value of the project to the resilience, diversity and flexibility of hydrogen supply;

(d) competition measured by the project's contribution to supply diversification, including the facilitation of access to indigenous sources of hydrogen supply.

(6) Concerning smart gas grid projects falling under the category set out in point (2) of Annex II, the criteria listed in Article 4 shall be evaluated as follows:

(a) level of sustainability measured by assessing the share of renewable and low-carbon gases integrated into the gas network, the related greenhouse gas emission savings towards total system decarbonisation and the adequate detection of leakage;

(b) quality and security of supply measured by assessing the ratio of reliably available gas supply and peak demand, the share of imports replaced by local renewable and low-carbon gases, the stability of system operation, the duration and frequency of interruptions per customer;

(c) **enabling flexibility services such as demand response and storage by** facilitation of smart energy sector integration **through the creation of links to other energy carriers and sectors** measured by assessing the cost savings enabled in connected energy sectors and systems, such as the heat and power system, transport and industry.

(7) Concerning electrolyser projects falling under the category set out in point (4) of Annex II the criteria listed in Article 4 shall be evaluated as follows:

(a) sustainability measured by assessing the share of renewable hydrogen, or **low carbon hydrogen, in particular from renewable sources** meeting the criteria defined in point (4) (a) (ii) of Annex II integrated into the network **or estimating the amount of deployment of synthetic fuels of those origins** and the related greenhouse gas emission savings;

(b) security of supply measured by assessing its contribution to the safety, stability and efficiency of network operation, including through the assessment of avoided curtailment of renewable electricity generation;

(c) **enabling flexibility services such as demand response and storage by** the facilitation of smart energy sector integration **through the creation of links to other energy carriers and sectors** measured by assessing the cost savings enabled in connected energy sectors and systems, such as the gas, hydrogen, power and heat networks, the transport and industry sectors [ ].

(7a) Concerning carbon dioxide infrastructure falling under the energy infrastructure categories set out in point (5) of Annex II the criteria listed in Article 4 shall be evaluated as follows:

(a) sustainability measured by the total expected project life-cycle greenhouse gas reductions and the absence of alternative technological solutions such as but not limited to energy efficiency, electrification integrating renewable sources, to achieve the same level of greenhouse gas reductions as the amount of carbon dioxide to be captured at connected industrial installations at a comparable cost within a comparable timeframe taking into account the greenhouse gas emissions from the energy necessary to capture, transport and store the CO2, as applicable, considering the infrastructure including, where applicable, other potential future uses.

(b) resilience and security measured by assessing the security of the infrastructure.

(c) the mitigation of environmental burden and risk via the permanent neutralisation of carbon dioxide.

ANNEX V

ENERGY SYSTEM-WIDE COST-BENEFIT ANALYSIS

The CBA methodologies developed by the ENTSO for Electricity and the ENTSO for Gas should be consistent, whilst taking into account sectorial specificities. The methodology for a harmonised **and transparent** energy system-wide cost-benefit analysis for projects of common interest **and for projects of mutual interest shall be uniform for all infrastructure categories, unless specific elements are justified. They shall address costs in the broader sense (including externalities) in view of the Union's objectives, in particular the 2030 climate and energy targets and the climate neutrality objective by 2050** and shall satisfy the following principles.

(1) the area for the analysis of an individual project shall cover all Member States and third countries, on whose territory the project is located, all directly neighbouring Member States and all other Member States significantly impacted by the project. For this purpose, ENTSO for electricity and ENTSO for gas shall cooperate with all the relevant system operators in the relevant third countries. **In the case of projects falling under the category set out at point(3) of Annex II, the ENTSO for electricity and the ENTSO for gas shall cooperate with the project promoter also where it is not a system operator.**

(2) each cost-benefit analysis shall include sensitivity analyses concerning the input data set, **including generation and greenhouse gases costs as well as the expected development of demand [ ] and supply (including renewable energy sources), including the flexibility of both, and the availability of storage,** the commissioning date of different projects in the same area of analysis, **climate impacts** and other relevant parameters.

(3) it shall define the analysis to be carried out, based on the relevant multi-sectorial input data set by determining the impacts with and without each project **and include the relevant interdependencies with other projects.**

(4) it shall give guidance for the development and use of network, market **and socio-economic** modelling necessary for the cost-benefit analysis. The modelling shall allow for a full assessment of economic, including market integration, security of supply and competition, **as well as lifting energy isolation**, social and environmental and climate impacts, including the cross-sectorial impacts. The methodology shall **be fully transparent** includ**ing** details on why, what and how each of the benefits and costs are calculated.

(5) it shall include and explain how the energy efficiency first principle is implemented in all the steps of the ten-Year Network Development Plans.

(5a) it shall explain that the development and deployment of renewable energies will not be hampered by the project.

(6) it shall ensure that the Member States on which the project has net positive impacts, the beneficiaries, and the Member States on which the project has a net negative impact – **which may be other Members States then the ones on which territory the infrastructure is constructed** –, the cost bearers, are identified.

(7) it shall, at least, take into account the capital expenditure, operational and maintenance expenditure costs **as well as the costs induced for the related system** over the **technical** lifecycle of the project **as a whole such as** [ ] decommissioning and waste management costs, **including external costs** [ ]. The methodology shall give guidance on discount rates, **technical** lifetime and residual value to be used for the cost- benefit calculations. **It shall furthermore include a mandatory methodology to calculate Benefit-to-Cost ratio and the Net Present Value, as well as a differentiation of benefits according to the level of reliability of their estimation methods. Methods to calculate the climate and environmental impact of the projects and the contribution to EU energy targets, such as renewable penetrations, energy efficiency and interconnection targets shall also be taken into account.**

(8) it shall ensure that the climate adaptation measures taken for each project are assessed and reflect the cost of greenhouse gas emissions **used for the assessment is robust and consistent** [ ] with other Union policies **in order to enable comparison with other solutions which do not require new infrastructures.**

ANNEX VI

GUIDELINES FOR TRANSPARENCY AND PUBLIC PARTICIPATION

(1) the manual of procedures referred to in Article 9(1) shall at least contain:

(a) specifications of the relevant pieces of legislation upon which decisions and opinions are based for the different types of relevant projects of common interest, including environmental law;

(b) the list of relevant decisions and opinions to be obtained;

(c) the names and contact details of the Competent Authority, other authorities and major stakeholders concerned;

(d) the work flow, outlining each stage in the process, including an indicative time frame and a concise overview of the decision-making process for the different types of relevant projects of common interest;

(e) information about the scope, structure and level of detail of documents to be submitted with the application for decisions, including a checklist;

(f) the stages and means for the general public to participate in the process;

(g) modalities in which the competent authority, other authorities concerned and the project promoter shall demonstrate that the opinions expressed in the public consultation were taken into account, for example by showing what amendments were done in the location and design of the project or by justifying why such opinions have not been taken into account;

(h) as much as possible, translations of its content in all languages of the neighbouring Member States to be realized in coordination with the respective neighbouring Member States;

(2) the detailed schedule referred to in Article 10(5)(b) shall at least specify the following:

(a) the decisions and opinions to be obtained;

(b) the authorities, stakeholders, and the public likely to be concerned;

(c) the individual stages of the procedure and their duration;

(d) major milestones to be accomplished and their deadlines in view of the comprehensive decision to be taken;

(e) the resources planned by the authorities and possible additional resource needs;

(3) without any prejudice to the requirements for public consultations under environmental law, to increase public participation in the permit granting process and ensure in advance information and dialogue with the public, the following principles shall be applied:

(a) the stakeholders affected by a project of common interest, including relevant national, regional and local authorities, landowners and citizens living in the vicinity of the project, the general public and their associations, organisations or groups, shall be extensively informed and consulted at an early stage, **in an inclusive manner**, when potential concerns by the public can still be taken into account and in an open and transparent manner. Where relevant, the competent authority shall actively support the activities undertaken by the project promoter;

(b) competent authorities shall ensure that public consultation procedures for projects of common interest are grouped together where possible including public consultations already required under national law. Each public consultation shall cover all subject matters relevant to the particular stage of the procedure, and one subject matter relevant to the particular stage of the procedure shall not be addressed in more than one public consultation; however, one public consultation may take place in more than one geographical location. The subject matters addressed by a public consultation shall be clearly indicated in the notification of the public consultation;

(c) comments and objections shall be admissible from the beginning of the public consultation until the expiry of the deadline only;

(ca) the project promoters shall ensure that consultations take place during a period that allows for open and inclusive public participation;

(4) the concept for public participation shall at least include information about:

(a) the stakeholders concerned and addressed;

(b) the measures envisaged, including proposed general locations and dates of dedicated meetings;

(c) the timeline;

(d) the human resources allocated to the respective tasks;

(5) in the context of the public consultation to be carried out before submission of the application file, the relevant parties shall at least:

(a) publish, **in electronic and where relevant printed form**, an information leaflet of no more than 15 pages, giving, in a clear and concise manner, an overview of the description, purpose and preliminary timetable of the development steps of the project, the national grid development plan, alternative routes considered, types and characteristics of the potential impacts, including of cross-border or transboundary nature, and possible mitigation measures, which shall be published prior to the start of the consultation; The information leaflet shall furthermore list the web addresses of the website of the project of common interest referred to in Article 9(7), the transparency platform referred to in Article **22** and of the manual of procedures referred to in point (1);

(b) publish the information on the consultation on the website of the project of common interest referred to in Article 9(7), on the bulletin boards of the offices of local administrations, and, at least, in **one, or two if applicable,** local media outlets;

(c) invite in written **or electronic** form relevant affected stakeholders, associations, organisations and groups to dedicated meetings, during which concerns shall be discussed;

(6) the project website referred to in Article 9(7) shall at least publish the following information:

(a) the date when the project website was updated last;

(b) translations of its content in all languages of the Member States concerned by the project or on which the project has a significant cross-border impact in accordance with point (1) of Annex IV;

(c) the information leaflet referred to in point (5) updated with the latest data on the project;

(d) a non-technical and regularly updated summary reflecting the current status of the project, including geographic information, and clearly indicating, in case of updates, changes to previous versions;

(e) the implementation plan as set out in Article 5(1) updated with the latest data on the project;

(f) the funds allocated and disbursed by the Union for the project;

(g) the project and public consultation planning, clearly indicating dates and locations for public consultations and hearings and the envisaged subject matters relevant for those hearings;

(h) contact details in view of obtaining additional information or documents;

(i) contact details in view of conveying comments and objections during public consultations.