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## **NOTE**

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	14088/20 + ADD 1 - ADD 5
Subject:	<b>Preparation of the Council meeting (Transport, Telecommunications and <u>Energy</u>) on 11 June 2021</b> 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 - General approach

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## **I. INTRODUCTION**

1. On 15 December 2020, the Commission proposed a Regulation on guidelines for trans-European energy infrastructure repealing Regulation (EU) No 347/2013 (TEN-E). The general objective of this revision is to facilitate the timely development of adequate energy infrastructures across the EU and its neighbouring countries to enable delivering on the EU's energy and climate objectives in line with the European Green Deal. The energy transition aims at meeting the 2030/50 targets, including the climate-neutrality objective, and fostering interconnections, market and system integration, competitiveness, and security of supply at the least cost to consumers and businesses. Improving energy infrastructure planning and permitting for energy system are also in the scope of the new regulation.

## II. WORK WITHIN THE COUNCIL

2. Throughout January - May 2021, the Portuguese Presidency has led the discussions in the energy working party and in Coreper on the Commission's proposal and has prepared a draft compromise text on the basis of the observations and the comments received from the Member States.
3. This new proposal addresses the main outstanding issues such as the definition of retrofitting, a transitional period for the transport of blended gases till 31 December 2029, an exception on PCIs for Cyprus and Malta, and the cross border relevance of PCIs and PMIs. These and all the other changes are outlined in annex.

In the current version, new texts are ***bold underline italic*** and deleted texts are either *~~italic strikethrough~~* or **~~italic strikethrough~~** compared to doc. 8929/21.

All other markings were not modified from doc. 8929/21. New texts are **bold underline** compared to doc. 8208/1/21 REV 1 and deleted texts are either ~~strikethrough~~ or **~~strikethrough~~**.

The texts added in other, previous revisions are **bold** and deletions made are replaced with [ ] .

## III. WORK WITHIN THE EUROPEAN PARLIAMENT AND OTHER UNION BODIES

4. The European Parliament's ITRE Committee appointed Zdzisław Krasnodębski (ECR) as rapporteur and is expected to adopt its report in July 2021. The European Economic and Social Committee delivered its opinion on 24 March 2021, while the Committee of the Regions is expected to deliver its opinion in June/July 2021.

## IV. CONCLUSION

5. The Permanent Representatives Committee is invited to examine the compromise text as set out in the Annex, solve any issues that may arise during the meeting and submit the Presidency revised compromise text to the TTE (Energy) Council with the view to reaching a general approach at its meeting on 11 June.

## 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 the Union's 2030 climate and energy targets and the climate neutrality objective by 2050 **and to ensure interconnections, energy security, market and system integration and competition for all Member States, [ ] as well as energy at a price that is affordable for households and companies.**
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');
  - (b) **addresses the identification of projects of mutual interest.**
  - (c) (*ex point 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**;

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

(e) (*ex point d*) determines the conditions **and the criteria** for eligibility of projects of common interest **and projects of mutual interest** for Union financial assistance;

[ ] (*ex point e was deleted*)

## Article 2

### Definitions

In addition to the definitions in Directives 2009/73/EC, (EU) 2018/2001<sup>1</sup> and (EU) 2019/944 of the European Parliament and of the Council and in Regulations (EC) No 715/2009, [ ] 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 [ ] a 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;

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<sup>1</sup> 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

- (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 **and/or projects set out in Annex II developed in disadvantaged, less connected, peripheral, outermost or isolated regions, such as islands, ~~where there is no direct link with the energy system of the Union or where cross-border effects are not possible, in each cases~~ where they support innovative and other solutions involving at least two Member States in more than one Member State with a significant positive impact on the EU energy and climate targets according to the criteria established in this regulation;**
- (5) ‘project of mutual interest’ means a project promoted by at least one Member State 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 agreement** [ ], **within the energy infrastructure categories in Annex II, which contributes significantly to the Union’s overall energy and climate objectives as referred in Article 1 (1), and which 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;
- (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 where the grid operator can digitally monitor **or** [ ] **actively control specific actions** [ ] of the users connected to it, and information and communication technologies (ICT) for communicating with related grid operators, generators, consumers and/or prosumers, with a view to transmitting **or distributing** electricity in a sustainable, cost-efficient and secure way;
- (9) ‘smart gas grid’ means a gas network that makes use of innovative-digital **or others** solutions to integrate in a cost efficient manner a plurality of **renewable and** low-carbon 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 necessary physical upgrades to integrate renewable and low carbon gases**;
- (10) “repurposing[ ]” means **physical upgrade of existing natural gas infrastructure for [ ] dedicated use of pure hydrogen [ ]**.

[ ]

- (11) **“retrofitting” means physical upgrade of existing natural gas infrastructure for transport of blends of natural gas with hydrogen or biomethane, in view of the transport of renewable gases only.**
- (12) ‘**competent authorities** [ ]’ 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;
- (13) ‘works’ means the purchase, supply and deployment of components, systems and services including software, the carrying out of development and construction and installation activities relating to a project, the acceptance of installations and the launching of a project;

- (14) ‘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;
- (15) ‘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;
- (16) ‘commissioning’ means the process of bringing a project into operation once it has been constructed;
- (17) ‘[ ] **concerned relevant** national regulatory authorities’ means the national regulatory authorities in the Member States [ ] **hosting a project or taking part in cross-border cost-sharing of a project providing a significant positive impact**;
- (18) ‘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;
- [ ]
- [ ]
- (19) **‘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.**

[ ]

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 proposed 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 **advise the decision-making body of each Group, when adopting the regional lists proposed projects of common interest and projects of mutual interest, in order to** [ ]:

- (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), (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.

## 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**, of one Member State and has a significant cross-border impact as set out in point (1) of Annex IV.
    - (iii) **is located in islands non sufficiently connected to the trans-European energy networks that are small connected systems or isolated systems according to Directive 2019/944 and contribute significantly to the decarbonisation objectives of the island energy system and those of the Union, and to sustainability in the territory in which it is located, by supporting innovative and other solutions involving at least two Member States.**

2. Projects of mutual interest shall meet the following general criteria:
- (a) the project contributes significantly to the [ ] Union's **climate and energy objectives expressed in Article 1 paragraph 1** and those of the third country 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;
  - (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, 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 ~~Union~~ **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 [ ] **convergence of the policy framework** to support the overall policy objectives of the Union, in particular to ensure:
    - i) a well-functioning internal energy market;
    - ii) security of energy supplies based on cooperation and solidarity;
    - iii) an energy system, including production, transmission and distribution, ~~on a~~ **pathway** [ ] towards **the objective of climate neutrality** [ ] in line with the Paris Agreement and the Union's climate objectives; and, in particular, avoiding carbon leakage.
    - ~~iv) fulfilling EU [ ] safety [ ] legislation.~~

- (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), (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 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 ~~and lifting the energy isolation of at least one Member State which is not yet connected to the Trans-European electricity network;~~
  - (iii) network security, flexibility and quality of supply, including through higher uptake of innovation in balancing, cybersecurity, monitoring, system control and error correction.
  - (iv) **facilitating smart energy sector integration through the creation of links to other energy carriers and sectors and enabling demand response.**
- (c) for carbon dioxide transport projects falling under the energy infrastructure categories set out in point (5) of Annex II, the project is to contribute significantly 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;
  - (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 [ ]** 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 electrolyzers 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.
  - (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** renewable and low-carbon gases, 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 in day-to-day network operation by, among others, addressing challenges resulting from the injection of gases of different qualities through the deployment of innovative technologies and cybersecurity;
  - (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 (13 [ ]) of Section 2 of Annex III.

In assessing projects, each Group shall give due consideration to:

- (a) the urgency of each proposed project in order to meet the Union energy **and climate objectives** [ ] , market integration, competition, sustainability and security of supply;
- (b) complementarity with regard to other proposed projects;
- (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;
  - (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 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 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.

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.

[ ]

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 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 on the basis of his or her 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 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 **national**, international and Union 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.

**If applicable, Member States may use alternative schemes according to national law, if that said scheme contributes to a more efficient and timely issuing of the comprehensive decision. Member States shall provide to the Commission the respective justification on that option.**

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.

[ ]

### *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 may refer to or quote relevant legal provisions. The national competent authorities, **when relevant, may** [ ] coordinate and find synergies with neighbouring countries in developing their 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 or trajectory, also in view of **all impacts relevant under Union and national law** [ ] considerations for the project, 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. **Member States may set an earlier time-limit, where considered appropriate. In this case the pre-application procedure shall not exceed the time-limit set by the Member State. Member States may decide that the pre-application procedure is optional for smaller projects.**

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, and, therefore, might not require the benefit of the pre-application procedure **referred to in article 9 and article 10 paragraph 4.** [ ]

(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. **In this case the permit granting procedure shall not exceed the time-limit set by the Member State.**

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 **or a shorter period set by the Member States.** 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 should extend the deadline for both procedures combined by a maximum of nine months [ ].** ~~In individual cases, it can extend the deadline further if there are objective reasons. Objective reasons are in particular the size of the project or the complexity of the scope of the examination.~~

**When an extension of the deadline occurs** [ ], the competent authority shall inform the Group concerned and present it with concerned 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.

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, **as long as they are considered valid in national law.**
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. **The extension of the deadline referred to in paragraph 2 sentences 4 and 5 can also be applied accordingly after the procedure mentioned in this paragraph has been carried out.**

5. The pre-application procedure shall comprise the following steps:
  - (a) **no later than 12 months after** [ ] 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. 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.

## CHAPTER IV

### ***CROSS-SECTORAL INFRASTRUCTURE PLANNING***

#### *Article 11*

##### **Energy system wide cost-benefit analysis**

1. By [16 November 2022], 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 **draft** methodologies, including 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), [ ] (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 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 involving at least the organisations representing all relevant stakeholders, including the entity of distribution system operators in the Union ('EU DSO entity'), [ ] and, where it is deemed appropriate the national regulatory authorities and other national authorities.

2. Within three months of the receipt of the methodologies together with the input received in the consultation process and a report on how it was taken into account, the Agency shall **provide an opinion and complete an extensive consultation on the submitted draft methodologies.** [ ] **Within three months of the receipt of the methodologies, Member States and the European Commission may deliver an opinion on the methodologies to the Agency and, as applicable, the ENTSO for Electricity or the ENTSO for Gas.**
3. The ENTSO for Electricity and the ENTSO for Gas, shall update the methodologies taking due account of the Agency's opinion **(including Commission and Member states opinion)**, as referred to in paragraph 2. [ ]

[ ]

4. *(ex point 5)* No later than three months of the day of receipt of the [ ] opinion, **received under paragraph 2,** [ ] the ENTSO for Electricity and the ENTSO for Gas shall adapt their respective methodologies taking due account of **the opinions received from Member States and the Commission** [ ], and submit them to the **Agency** for **final** approval.

[ ] **The Agency shall issue its decision within [two] months from the day of the ENTSO for Electricity and ENTSO for Gas submissions.**

[ ]

- 5 *(ex point 8)* Within two weeks of the approval by the Agency [ ] 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 and the Agency shall ensure the confidential treatment of the data received, by themselves and by any party carrying out analytical work for them on the basis of those data.**

6. (ex point 9) The methodologies shall be updated [ ] regularly following the procedure described in paragraphs 1 to [ ] 4. 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 and the Commission, may request such updates and improvements **and communicate it to the Commission** 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.

**6. a) 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 monetised 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.**

7. (ex point 10) Every [ ] **two** 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] Regulated Infrastructure owners, system operators and third-party promoters are obliged to provide the requested data to the national regulatory authorities and to the Agency.**

8. (*ex point 11*) By [31 December **2024**], the ENTSO for Electricity and the ENTSO for Gas shall jointly submit to the Commission and the Agency a consistent and interlinked energy market and network model including electricity, gas, [ ] ~~CO<sub>2</sub>~~ and hydrogen transmission infrastructure as well as storage, [ ] and electrolyzers, covering the energy infrastructure priority corridors and the areas drawn up in line with the principles laid down in Annex V.
9. (*ex point 12*) The consistent and interlinked model referred to in paragraph [ ] **8** 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.
10. (*ex point 13*) After approval of the consistent and interlinked model referred to in paragraph [ ] **8** 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.
- 11. Every four years starting from its approval according to paragraph 10, the interlinked model 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** and at least the organisations representing all relevant stakeholders, including the ENTSO for Electricity, the ENTSO for Gas **and the** Union DSO entity, [ ] 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 **and shall define criteria standards for a transparent, non-discriminatory and robust elaboration of the scenarios taking into account best practices in the field of infrastructures assessment.**

The guidelines shall **also take into account energy system integration priorities**, [ ] the energy efficiency first principle and ensure that the underlying ENTSO for Electricity and ENTSO for Gas scenarios are fully in line 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 **to achieve them, as well as, when relevant, the National Energy and Climate Plans**.

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.
3. The ENTSO for Electricity and ENTSO for Gas shall invite the organisations representing all relevant stakeholders, including the Union DSO entity [ ], to participate in the scenarios development process.
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.
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 **including recommendations for amendments** to the ENTSO for Electricity, ENTSO for gas, **Member States** and the Commission.
6. The Commission, giving due consideration to the Agency **and Member States’** opinion [ ], shall submit its opinion to the ENTSO for Electricity and the ENTSO for Gas. **The Electricity coordination Group and Gas coordination Group may examine the draft joint scenarios**.
7. [ ] **The ENTSO for Electricity and the ENTSO for Gas shall adapt their joint scenarios report, taking due account of the Agency’s opinion and Member States and submit the updated report to the Commission for its approval.**

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 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 [ ] solutions **which do not require new infrastructure (i.e. but not limited to, demand-side management, market arrangement solutions, implementation of digital solutions, renovation of buildings) and recommend their implementation as a priority solution whenever they are judged more cost-efficient on a system-wide perspective than the construction of new supply-side infrastructure**. When considering new infrastructures solutions, the **infrastructures gaps assessment shall take into account all relevant costs, including network reinforcements**.

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, [ ] and 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**.
4. The Commission, **with Member States**, considering the Agency's opinion referred to in paragraph 3, 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 [ ] offshore renewable generation to be deployed within each sea basin by 2050, with intermediate steps in 2030 and 2040, in view of their national energy and climate plans, 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, **the national competent authority at Member State level** and of the Commission and in line with the agreement referred to in paragraph 1, **shall include integrated offshore network and reinforcements in the Union-wide TYNDP taking into account environmental protection and other uses of the sea.** [ ]
3. **The integrated offshore network and reinforcements in the TYNDP shall ensure coherent development of onshore and offshore grid planning.**

4. [ ] Where there is no TSO in a Member State, the references to TSOs throughout this article apply *mutatis mutandis* to DSOs.

[ ]

[ ]

### 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 and NRA's**, develop principles for a specific cost-benefit and cost-sharing methodology for the deployment of the integrated offshore network development [ ] as defined in Article 14(2) [ ] as part of the guidelines referred to in [Article 16(10)], **without prejudice to the application of Article 19 of Regulation (EU) 2019/943**. [ ]
2. [By 1 January 2025], [ ] the ENTSO for Electricity, with the involvement of the relevant TSOs, the national regulatory authorities and [ ] the Commission, shall present the results of the application of the **cost benefit and** cost-sharing methodology to the priority offshore grid corridors.
3. [By 1 July 2024 and then every two years], [ ] the [ ] Member States, shall update their written agreement referred to in Article 14(1) with the updated joint definition [ ] of the offshore renewable generation to be deployed within each sea basin in 2050, with intermediate steps in 2030 and 2040 [ ].
4. [ ] **After** the updated written agreements referred to in paragraph 3, for each sea basin, the ENTSO for Electricity shall update the [ ] **next Union TYNDP** [ ] as set out in Article 14(2) [ ].
5. **Where there is no TSO in a Member State, the references to TSOs throughout this article apply *mutatis mutandis* to DSOs.**

## 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), (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), (b), (c) and (e) 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 [ ] the joint scenarios established for network development planning under article 12 [ ]**;
- (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 of 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 at EU level**. The national regulatory authorities shall include [ ] the **relevant** efficiently incurred investment costs in tariffs in line with the allocation of investment costs to be borne by each system operator for the project. [ ] 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 relevant scenarios established under article 12 [ ] , 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 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 ~~effective contribution to sustainability~~ 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, [ ] 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 [ ]**.

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 an 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 *for the part of the investment costs located on the territory of the Union Member State or in countries applying the EU acquis and which have concluded an agreement with the Union.***
12. **Where there is no TSO in a Member State, the references to TSOs throughout this article apply *mutatis mutandis* to DSOs.**



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 25 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 25 and** in points (1)(a), (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 common interest in island territories, where they support innovative and other solutions involving at least two Member States, on the basis of the cost benefit analysis due to their geographical situation, it is not feasible to demonstrate a physical cross-border impact, shall also be eligible for Union financial assistance in the form of grants for works, where the concerned project promoters can clearly demonstrate in an evaluation carried out by the national regulatory authority: significant positive externalities, such as effective contribution to ~~sustainability~~, security of supply, system flexibility 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.**

6. Projects of mutual interest shall be assimilated with projects of common interest and be eligible for Union financial assistance. ~~Only the investments located on the territory of the Union which are part of the project of mutual interest, shall be eligible for Union financial assistance in the form of grants for works where they fulfil the criteria set out in paragraph 2, and where the cross-border cost allocation decision referred to in paragraph 2(b) allocates costs across borders for at least two Member States in a significant proportion in each Member State.~~ **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].

## 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 21 was suppressed]**

*Article 21*

**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;

[ ]

(d) (*ex point 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;

(e) (*ex point 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 [ ];

- (iv) **an overview of best and innovative practices with regard to mitigation of environmental impact, including climate adaptation, during permit granting processes and project implementation;**
- (v) *(ex point 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)** 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 [ ] to the achievement of climate neutrality by 2050.

## *Article 22*

### **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 the costs of the projects except for any commercially sensitive information;
- (d) the Union list;
- (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 23*

**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<sup>2</sup>. **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 24*

**Transitional period**

- 1. During a transitional period, retrofitted 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.**

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

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<sup>st</sup> December 2029, ~~five years after the date of entry into force of this Regulation.~~

## Article 25

### Derogation

1. By way of derogation from Articles [3, 4 and ANNEXES I, II, III, IV and V], in the case of Cyprus and Malta, that are still not interconnected to the trans-European gas network, projects under development or planning that have been granted the Project of Common Interest status under Regulation (EU) 347/2013 and are necessary to secure permanent interconnection of Cyprus and Malta to the trans-European gas network, shall maintain their 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. This derogation shall apply until each of the Member States is directly interconnected to the trans- European gas network.

*Article 26*

**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 27*

**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 28*

**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 29*

**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 30*

**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 approving incremental changes to cost-benefit analysis methodologies pursuant to Article 11(6) and on investment requests including cross-border cost allocation pursuant to Article 16(6) of [TEN-E Regulation as proposed by COM(2020)824].

*Article 31*

**Repeal**

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.

*Article 32*

**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].

## 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 ~~and~~ reinforce internal grid infrastructures to foster market integration in the region **and to end isolation of Ireland.**

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, ~~and~~ integrate generation from renewable energy sources **and to end isolation of Cyprus.**

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 ('NSOG'): integrated offshore electricity 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 from renewable offshore energy sources to centres of consumption and storage and to increase cross-border electricity exchange.

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

- (5) Baltic Energy Market Interconnection Plan offshore grid ('BEMIP offshore'): integrated offshore electricity grid development and the related interconnectors in the Baltic Sea and neighbouring 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: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden;

- (6) South and **West**  offshore grid: integrated offshore electricity grid development and the related interconnectors in the Mediterranean Sea (**including Cadiz Gulf**),  and neighbouring 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, **Greece**, Italy, Malta,  **Portugal**  and Spain;

- (7) South and **East**  offshore grid: integrated offshore electricity grid development and the related interconnectors in the  **Mediterranean Sea, Black Sea and neighbouring 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: **Bulgaria, Cyprus, Croatia, Greece, Italy, Romania and Slovenia.**

- (8) *(based on original point (7) Atlantic [ ]* offshore grid: 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

- (9) Hydrogen interconnections in Western Europe ('HI West'): hydrogen infrastructure **including 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.

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

- (10) Hydrogen interconnections in Central Eastern and South Eastern Europe ('HI East'): hydrogen infrastructure **including 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.

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

- (11) Baltic Energy Market Interconnection Plan in hydrogen ('BEMIP Hydrogen'): hydrogen infrastructure, **including 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.

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

#### 4. PRIORITY THEMATIC AREAS

- (12) 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.

Member States concerned: all;

- (13) Cross-border carbon dioxide network: development of carbon dioxide transport **and storage** infrastructure between Member States **and with neighbouring third countries** in view of the deployment of carbon dioxide capture and storage **as well as and-enabling CO2 [ ]** **utilization including for synthetic fuel gases leading to the permanent neutralization of carbon dioxide.**

Member States concerned: all;

- (14) Smart gas grids: Adoption of smart gas grid technologies across the Union to efficiently integrate a plurality of renewable and low-carbon gas sources into the gas network, support the uptake of innovative **digital and others** solutions for network management and facilitating smart energy sector integration and demand response, **as well as necessary physical upgrades to integrate renewable and low carbon 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) **any physical equipment designed to allow transport of electricity on the high and extra-high voltage level, including high-voltage overhead transmission lines, considering internal lines in MS (including connections between islands) and interconnections between MS [ ]** 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 small isolated systems and some Member States (if applicable and justified), the voltage limits can be reduced to the maximum voltage in use on the system;**
  - (b) **energy storage facilities in the electricity system [ ]** 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 designed for a voltage of 110 kV or more. **For small isolated systems and some Member States (if applicable and justified), the voltage limits can be reduced to the maximum voltage in use on the 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, storage and consumption and facilitating new business models and market structures;
- (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 generation sites to two or more [ ] **Member States and third countries participating in projects of common interest and projects of mutual interest, including landlocked Member States [ ]**, 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'). **And includes the onshore prolongation of this equipment and the domestic grid reinforcement necessary to ensure an adequate and reliable transmission grid and to supply electricity generated offshore to landlocked Member States [ ]**.

(2) concerning smart gas grids:

any of the following equipment or installation aiming at enabling and facilitating the integration **a plurality** of renewable and low-carbon 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 related necessary **physical** upgrades to the existing network **to integrate renewable and low carbon gases.**

(3) concerning hydrogen:

- (a) transmission pipelines for the transport of hydrogen, giving access to multiple network users on a transparent and non-discriminatory basis, which mainly contains high-pressure hydrogen pipelines [ ];
- (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 **and liquefaction 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 [ ] may be newly constructed assets or **dedicated hydrogen assets** converted from natural gas **assets** [ ], or a combination of the two.

[ ]

[ ]

- (4) concerning electrolyser facilities:

- (a) electrolysers that: (i) [ ] **account for** ~~have~~ at least [ ] **50 100** MW capacity **in a project**, (ii) the production complies with the life cycle greenhouse gas emissions savings requirement of [70 % relative to a fossil fuel comparator of 94g CO<sub>2</sub>e/MJ] [ ]. 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;
- (b) related equipment.



(5) concerning carbon dioxide:

- (a) dedicated pipelines, other than upstream pipeline network, used to transport carbon dioxide from more than one source, ~~i.e. industrial installations (including power plants where Member States have no other means than to deploy carbon capture and storage in electricity production)~~ that produce carbon dioxide gas from combustion or other chemical reactions involving fossil or non-fossil carbon-containing compounds, for the purpose of permanent geological storage of carbon dioxide pursuant to Directive 2009/31/EC of the European Parliament and of the Council<sup>3</sup>;
- (b) facilities for liquefaction and [ ] storage of carbon dioxide in view of its further transportation. **Without prejudice to those Member States in which geological CO<sub>2</sub> storage is prohibited, this also [ ] includes infrastructure within a geological formation used for the permanent geological storage of carbon dioxide, not involving the use of CO<sub>2</sub> for enhanced recovery of hydrocarbons,** pursuant to Directive 2009/31/EC and associated surface and injection facilities. **The infrastructure for geological storage that is applicable to this regulation is limited to the associated surface and injection facilities necessary to allow the cross-border transport and storage of CO<sub>2</sub>.** ~~The infrastructure related to geological CO<sub>2</sub> storage to be developed by a project promoter in the recipient Member State is limited to the infrastructure, associated surface and injection facilities necessary to allow the cross-border transport and storage of CO<sub>2</sub> originating from a project promoter operating in another Member State within which geological CO<sub>2</sub> storage is technically unfavourable or prohibited;~~
- (c) any equipment or installation essential for the system in question to operate properly, securely and efficiently, including protection, monitoring and control systems.

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<sup>3</sup> 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 EU DSO entity** and the ENTSO for Electricity or the ENTSO for Gas [ ] [ ] .

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, and TSOs from third countries. The decision to invite third country-representatives shall be based on consensus.
- (4a) Each Group for the corridors defined in Annex I (2), as appropriate, shall invite representatives of the landlocked Member States, competent authorities, national regulatory authorities, TSOs and promoters of a project potentially eligible for selection as a project of common interest.**
- (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 and **EU based** organisations for environmental protection. The Group may 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.**
- (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, ~~for projects of common interest~~;
  - (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;
  - (d) **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; [ ]**
  - (e) any other relevant information for the evaluation of the project.

**This information is made available to the Decision Making Body of the relevant regional Group, the NRAs, the ENTSOs.**

- (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), (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)(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 [ ].
- (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 [ ].

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 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 Group the assessment methodology they use to evaluate the selection 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. **The Group shall be composed of representatives of the Member States, national regulatory authorities, TSOs, as well as the Commission, the Agency and the ENTSO for Electricity or the ENTSO for Gas, as relevant, project promoters. For projects applying for project of mutual interest status, third countries representatives and regulatory authorities shall be invited.**
- (9) **Member States opinions and approbations:** 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. **Each individual proposal for a project of common interest or/and mutual interest shall require the approval of the Member States, to whose territory the project relates; where a Member State does not give its approval, it shall present its reasons for doing so to the Group concerned;**

- (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. **The Group shall assess and ensure that 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. This assessment shall, include, but not limited to, demand-side management, market arrangement solutions, implementation of digital solutions, renovation of buildings. The Group will recommend their implementation as a priority solution whenever they are judged more cost-efficient on a system wide perspective than the construction of new supply side infrastructure.**
- (11) **Ranking:** the Group shall meet to examine and rank the proposed projects [ ] **assessed in accordance with previous points** 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. **The Group shall be composed by the decision making body of the regional Group and the NRAs. The deliberations are confidential.**
- (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) [ ] 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).

[ ] (14) [ ] 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).

[ ] The deliberations are confidential.



## 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;**
  - (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. 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. A project covers at least 50000 users, generators, consumers or prosumers of electricity, in a consumption area of at least 300 Gigawatthours/year, of which at least 20 % originate from variable renewable resources. **The limit related to the number of users and the consumption cut-off point do not apply for small isolated systems (as defined in Directive (EU) 2019/944).**

- (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;
- (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~~ **100** MW installed capacity **in a project** and [ ] **it** brings benefits directly or indirectly to at least two Member States;
- (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.

- (2) A project of mutual interest with significant cross-border impact is a project which fulfils the following conditions:
- (a) 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), to at least **one Member State where the project with a third country contributes to implementing a specific European priority corridor or area or in case of a cluster of Projects to at least two Member States**. 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;
  - (b) 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 in Article 4(3), to at least **one Member State where the project with a third country contributes to implementing a specific European priority corridor or area or in case of a cluster of Projects to at least two Member States**. 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;
  - (c) for projects of mutual interest in the category set out in point (5) of Annex II, the project can be used to transport 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), (b), (c) and (e) of Annex II, the criteria listed in Article 4 shall be evaluated as follows:
- (a) **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<sup>4</sup>;**
    - (ii) **or electricity 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) **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:**

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<sup>4</sup> **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**

- (i) calculating, for cross-border 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.

(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 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, 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, or** hydrogen meeting the criteria defined in point (4) (a) (ii) of Annex II integrated into the network, 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 [ ].
- (8) concerning carbon dioxide transport projects falling under the category set out in point (5) of annex II the criteria listed in Article 4 shall be evaluated as follows:
- (a) **the total expected life-cycle greenhouse gas reductions achieved through the connection of installations to the CO2 transport and storage network and the infeasibility to apply only other non-CCS emission reduction technologies and applications to achieve the same level of sustainability at connected installations at a comparable cost within a comparable timeframe;** ~~carbon dioxide avoidance measured by a capture rate the expected net volume of connected installations of at least [XX%] CO2 abated over project lifetime and greenhouse gas emission reductions of connected installations of at least [XX%] on a lifecycle perspective;~~



~~(b) increased resilience assessed by the impossibility for connected installations emitting carbon dioxide to decarbonise their process at a similar cost with other technological solutions in the absence of the project;~~

**b) the mitigation of environmental burden and risk via the permanent neutralisation of carbon dioxide.** ~~increased resilience and security of carbon dioxide transport assessed as the demonstration by the project promoter that any improvements made by the project can be used in further projects;~~

~~(c) efficient use of resources by establishing the existence of a sustained demand for carbon utilisation of at least [XX]% of the volume of the capacity of assessed as the transport potential to connect multiple CO<sub>2</sub> sources and storage sites via the proposed common infrastructure, and avoidance of environmental risk by ensuring the long-term neutralisation of transported 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 side [ ] 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** [ ] including 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.
- (6) **it shall explain that the development and deployment of renewable energies will not be hampered by the project.**
- (7) (*ex point 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 are not necessarily part of the proposing Member States** –, the cost bearers, are identified.
- (8) (*ex point 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. ~~Quantitative benefits regarding~~ 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.**

(9) (*ex point 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;

[ ]

- (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, 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;
- (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 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** 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.