

Draft Terms of Reference for electricity and gas Regional Groups¹

(1) Background: The Regulation on Guidelines for Trans-European energy infrastructure

The Regulation 347/2013 on the Guidelines on trans-European energy infrastructure ('the Regulation') identifies **9 priority corridors** and **3 thematic areas**. For the identification of the Projects of Common Interest ('PCI'), the Regulation foresees a **regional approach**, based on the priority corridors laid out in Annex I of the Regulation.

The terms of reference explain the tasks of the Regional Groups including the process for establishing of Regional PCI lists and the monitoring of the project implementation.

(2) Regional Groups

There are following electricity and gas Regional Groups:

- Northern Seas offshore grid ('NSOG')
- North-South electricity interconnections in Western Europe ('NSI West Electricity')
- North-South electricity interconnections in Central Eastern and South Eastern Europe ('NSI East Electricity')
- Baltic Energy Market Interconnection Plan in electricity ('BEMIP Electricity')
- North-South gas interconnections in Western Europe ('NSI West Gas')
- North-South gas interconnections in Central Eastern and South Eastern Europe ('NSI East Gas');
- Southern Gas Corridor ('SGC')
- Baltic Energy Market Interconnection Plan in gas ('BEMIP Gas')

a) Membership

The Regional Groups comprise of the representatives of Member States, National Regulatory Authorities, the gas and electricity transmission system operators, project promoters, ENTSO for electricity and gas, the Agency for the Cooperation of Energy Regulators (the Agency) and the European Commission.

b) Other participants

The Regional Groups may decide to invite promoters of third country projects potentially eligible for selection as a PCI as well as representatives of national administrations, of regulatory authorities, and TSOs from EU candidate countries and potential candidates, the member countries of the European Economic Area (EEA) and the European Free Trade Association (EFTA), representatives from the Energy Community institutions and bodies, countries covered by the European

¹ The TEN-E Regulation (347/2013) identifies 12 priority corridors and thematic areas. The current Terms of Reference only covers the Regional Groups established under the 4 gas and 4 electricity priority corridors.

Neighbourhood policy (ENP) and countries, with which the Union has established specific energy cooperation. The decision to invite third country representatives shall be based on consensus.

c) Decision making powers

The Decision making powers in the Regional Groups are restricted to Member States and the Commission only ('Decision-making body'). Decision-making in the Regional Groups is based on consensus.

(3) Establishment of PCI list

The Regulation sets out in Article 4 a set of general and specific criteria for projects to become PCI. The projects must be crossing one or several Member State borders or the border of at least one Member State and one EEA country or is located on the territory of one Member State and has a significant cross-border impact. Furthermore the projects need to contribute to at least one of the following criteria: market integration, sustainability and/or security of supply for electricity and market integration, security of supply, competition and/or sustainability for gas. The contribution is measured by the indicators for each criterion which are defined in Annex IV of the Regulation.

a) Submission of project proposals

Promoters of projects potentially eligible for selection as a PCI wanting to obtain the status of PCI shall submit an application to the relevant Regional Group. The application for selection as PCI includes an analysis of the fulfilment of the relevant criteria defined in Article 4 of the Regulation and for projects having reached a sufficient degree of maturity, an assessment of their project with regard to the contribution to implementing the priority corridors, 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 of the Regulation. The Regional Groups can decide on the scope of additional information which needs to be provided for the assessment of the proposed projects.

The proposed projects shall be part of the latest available 10-year Network Development Plan for electricity, developed by ENTSO for Electricity or the 10-year Network Development Plan for gas developed by ENTSO for Gas.

b) Assessment of the proposed projects

The Regional Group shall meet to examine the proposed projects. The Regional Groups shall evaluate the projects against the general and specific criteria described above. External consultants may be appointed to support Regional Groups, especially in applying a methodology and by facilitating a dialogue with participants and compiling a list of the proposed projects.

This evaluation shall lead to a ranking of projects which is to be used for the identification of the proposed Regional PCI lists and which are for internal use of the Regional Group only.

All recipients of information related to the assessment of the proposed projects shall preserve the confidentiality of commercially sensitive information and moreover shall not share personal information outside the Regional Groups. For any requests submitted to the Commission for access to documents relating to work of the Regional Groups¹, Regulation 1049/2001² on public access to EU documents applies.

The Member States have to approve each individual proposal for a project, which relates to its territory. If a Member State decides not to give its approval, it shall present its substantiated reason for doing so to the relevant Regional Groups. The Decision-making body shall examine, at the request of a Member State of the Regional Group, the substantiated reasons presented by a Member State for not approving a PCI related to its territory.

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 an impact or effect on the environment or the operation of the energy infrastructure on its territory, may present an opinion to the Regional Group specifying its concerns.

During the assessment of project proposals the National Regulatory Authorities and if deemed necessary the Agency, shall check the consistent application of the criteria / cost benefit analysis methodology and evaluate the cross-border relevance of the proposed projects.

Each Regional Group shall further consult the organisation(s) representing relevant stakeholders including producers, distribution system operators, suppliers, consumers and organisations for environmental protection.

The Regional Groups shall agree on the draft list of potential PCIs for the priority corridors. Each Regional Group shall examine and rank projects which meet the above mentioned criteria taking into account the assessment of Regulators, their urgency, the number of Member States concerned and complementarities, whilst ensuring equal opportunities also for projects involving peripheral Member States to be represented in a fair way.

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

c) Opinion of the Agency

² Regulation (EC) 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145 of 31.05.2001, p. 43)

The draft Regional PCI lists of proposed projects shall be submitted to the Agency. The Agency shall provide an opinion on the draft Regional PCI lists, in particular on the consistent application of the criteria and the cost-benefit analysis across regions.

d) Adoption of the Regional PCI lists

Within one month of the date of receipt of the the Agency's opinion, the decision-making body of each Regional Group shall adopt its final Regional PCI list. The decision-making bodies of the Regional Groups may merge.

e) Adoption of the Union wide PCI list

The Commission adopts the Union wide PCI list in the form of an annex to the Regulation.

If, based on the Regional PCI lists received and after having taken into account the Agency's opinion, the total number of proposed PCIs on the Union list would exceed a manageable number, the Commission shall consider, after having consulted each relevant Regional Group, not to include in the Union list the projects that were ranked lowest by the Regional Group concerned, according to the ranking established.

The Union wide list of PCIs will be updated every 2 years.

f) Meetings

Meetings of the Regional Groups take place either in Brussels or in the relevant regions, to be agreed by the Regional Group at the latest at the preceding meeting. The meetings are organised and chaired by the Commission.

There is no reimbursement of costs related to the meetings; each participant covers its own travel and/or accommodation expenses.

The terms of reference, an updated list of member organisations, regularly updated information on the progress of the work, meeting agendas, as well as final conclusions and decisions of each Regional Group shall be published by the Commission on the infrastructure transparency platform.

(4) Monitoring

The Agency and the Regional Groups concerned shall monitor the progress achieved in implementing the PCI and, if necessary make recommendations to facilitate their implementation. By 31 March of each year, following the year of inclusion of a PCI on the Union list, project promoters shall submit an annual report, for each gas and electricity project to the Agency and the national authorities responsible for facilitating and co-ordinating the permit granting process.

Within three months of the receipt of the annual reports the Agency shall submit to the Regional Groups a consolidated report for the PCIs evaluating the progress achieved and make, where appropriate, recommendations on how to overcome the delays and difficulties encountered.

Additionally, each year the national authorities responsible for facilitating and co-ordinating the permit granting process shall report to the respective Regional Groups on the progress and, where relevant, on delays in the implementation of PCIs located on their respective territories with regard to the permit granting process, and on the reason for such delays.

