



PECCs and PMIs

PHLG meeting

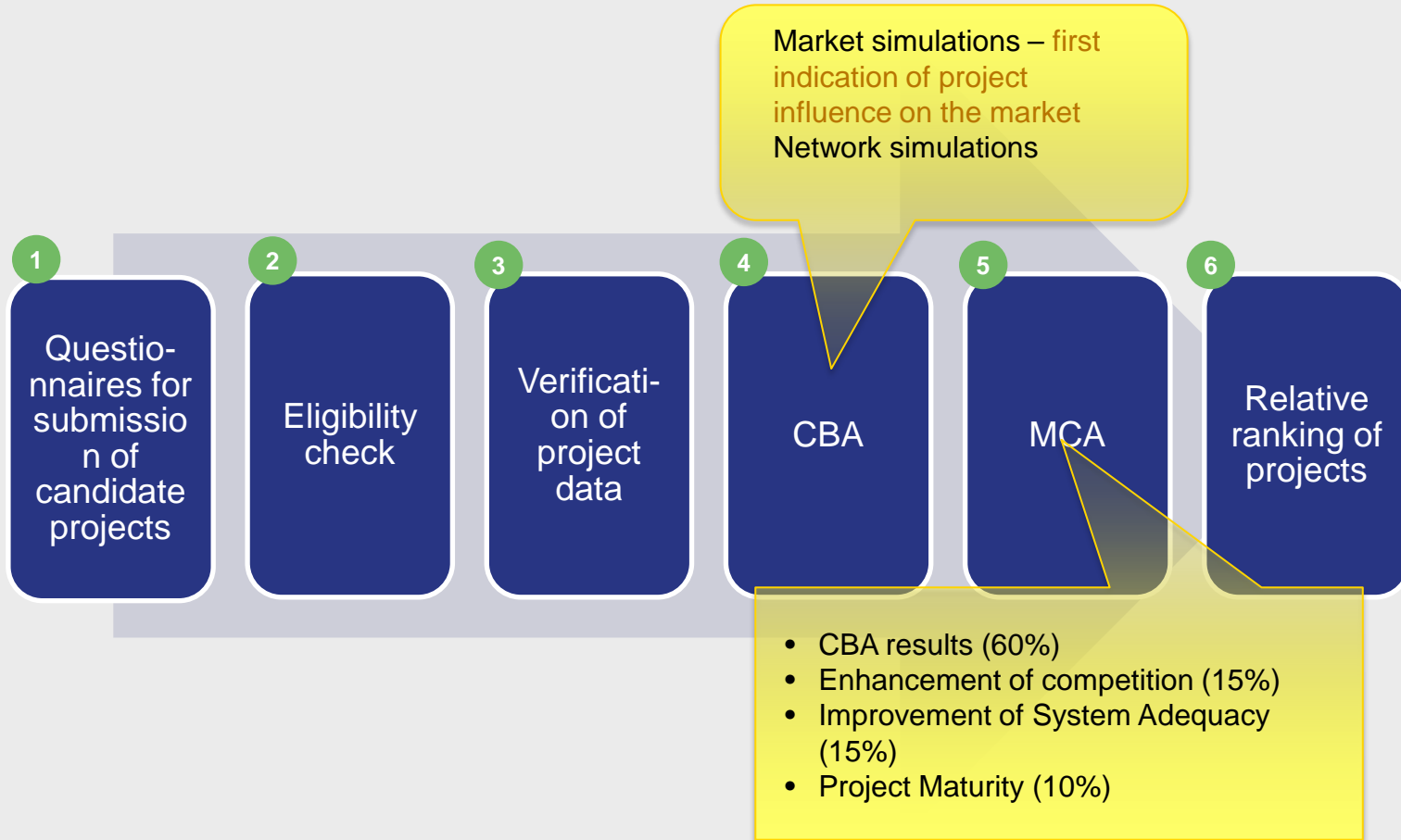
Sarajevo, 13 October 2016

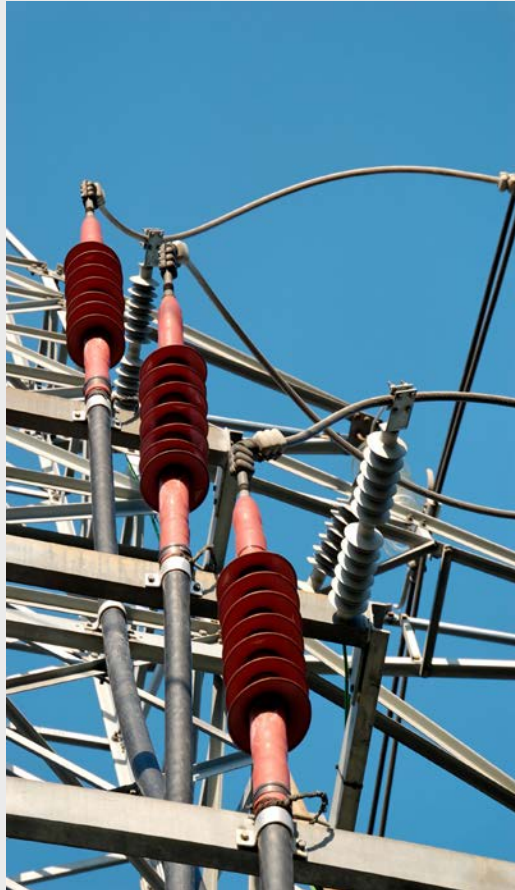
Lessons learnt from the PECI/PMI process

A FEW CLARIFICATIONS & KEY MESSAGES

- THE PECI SELECTION PROCESS IS STRICTLY „**REGULATED**“ IN TERMS OF CRITERIA, METHODOLOGY, GROUPS, AND THE DECISION MAKING BODY, ROLE OF NRAS AND ACER, ETC., BY THE REGULATION 347/2013 AS ADAPTED AND ADOPTED BY MC DECISION IN OCT. 2015
- PROJECTS INCLUDED ON THE PRELIMINARY LISTs WERE ASSESSED WITH THE SAME METHODOLOGY AND CRITERIA, **NO PROJECT WAS FAVOURED OR DISCRIMINATED - A LEVEL PLAYFIELD**
- ONE OF THE MAIN CRITERIA IS THAT PROJECT'S FORESEABLE **BENEFITS SHOULD BE HIGHER THAN ITS COSTS**
- PROJECTS MEETING THE CRITERIA AND RANKING WELL AFTER THE ASSESSMENT, AND LINKING A EU MS TO A CP CAN ONLY GET A PECI „LABEL“ IF THEY HAVE ALREADY A PCI „LABEL“ (REGULATION ADAPTED FOR THE ENERGY COMMUNITY); IF NOT, THEY COULD BE A „PROJECT OF MUTUAL INTEREST“
- BOTH PECI AND PMI LISTS SHOULD BEAR THE SAME WEIGHT IN TERMS OF **URGENCY**, PROJECTS BEING **NEEDED BY THE MARKET**, HAVING A REALISTIC CAPACITY, etc; THE PROCESS WILL BE REPEATED IN 2018
- BEARING THE „ LABEL“ DOES NOT COME ONLY WITH „BENEFITS“ , BUT WITH MANY OBLIGATIONS OF THE PROJECT PROMOTERS AND THE RELEVANT AUTHORITIES
- ONCE THE PRELIMINARY LISTs ARE AGREED BY THE GROUPS, THIS ARE SENT TO THE DECISION MAKING BODY (PHLG/MC), ...
- **VERY IMPORTANT: CP TO UNDERSTAND AND FOLLOW THE ASSESSMENT AND THE SELECTION PROCESS, AND ITS TIMELINE**

PECI/PMI 2016 selection process – project assessment workflow / methodology





Preliminary list of PECEI

Project name

Transbalkan corridor consisting of the following five PECEI projects:

EI_1: 400 kV OHL Resita (RO) - Pancevo (RS)

EI_1: 400 kV OHL Kragujevac (RS) - Kraljevo (RS)

EI_1: 400 kV OHL Obrenovac (RS) - Bajina Basta (RS)

EI_1: 400 kV OHL Bajina Basta (RS) - Visegrad (BA) - Pljevlja (ME)

EI_3: Grid section in Montenegro

Interconnection between Albania and former Yugoslav Republic of Macedonia:

EI_13: 400 kV OHL Bitola (MK)-Elbasan(AL)

Preliminary list of PMI

Project name

Interconnection between Romania and Moldova:

EI_06: Back to back station station on 400 kV OHL Vulcanesti (MD) - Issacea (RO) and new 400 kV OHL Vulcanesti (MD) - Chisinau (MD)

Interconnection between Ukraine and Slovakia

EI_09: Rehabilitation of 400 kV OHL Mukacheve (UA) – V.Kapusany (SK)

The preliminary lists for gas and oil

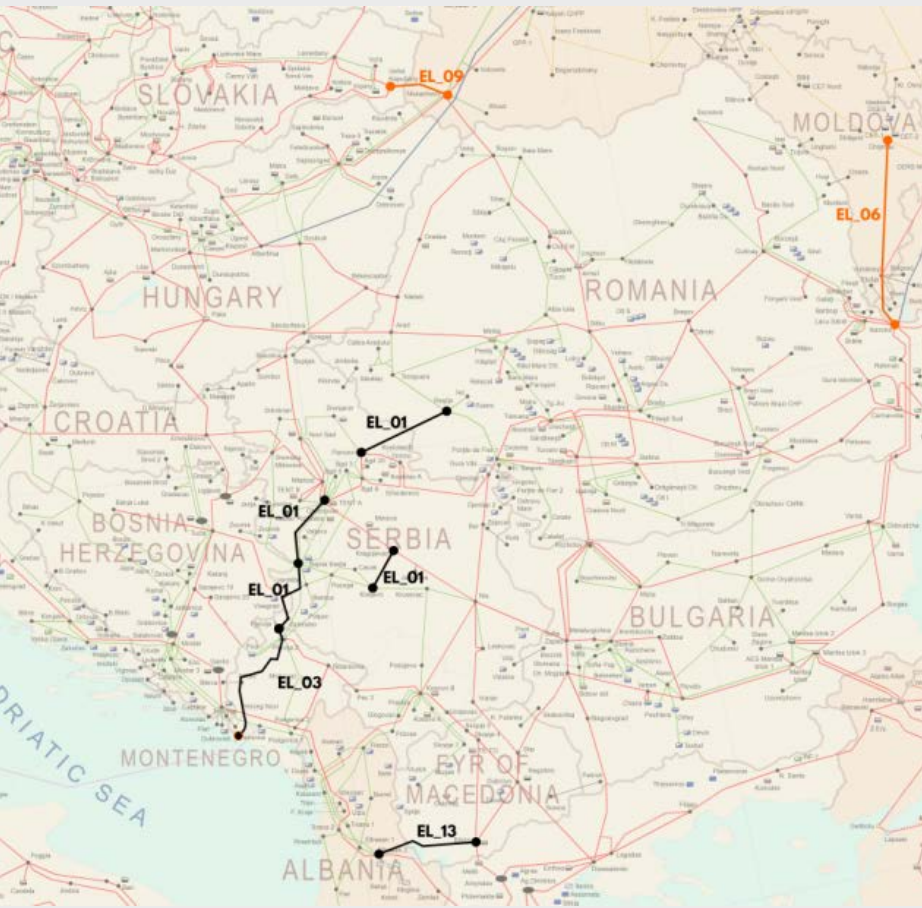


Preliminary list of PECI	
Project name	
Gas_09	Serbia-Bulgaria Interconnector
Gas_13	Albania Kosovo* Interconnector
Gas_11	Serbia- former Yugoslav Republic of Macedonia Interconnector

Preliminary list of PMI	
Project name	
Gas_14	Development of Poland - Ukraine reverse flow
Gas_15	Reverse flow, new firm capacity Hungary - Ukraine
Gas_10	Serbia-Croatia interconnector
Gas_02	Bosnia and Herzegovina - Croatia Interconnector BiH HR (Licka Jesenica-Trzac-Bosanska Krupa)
Gas_03	Bosnia and Herzegovina - Croatia Interconnector BiH HR (Zagvozd-Posusje-Noví Travník with a main branch to Mostar)
Gas_04B	Greece- former Yugoslav Republic of Macedonia Interconnector
Gas_18	Interconnector Romania - Moldova

Preliminary list of PECI Oil	
Project ID	Name
Oil_01	Oil_01 Ukraine (Brody) - Poland (Adamowo) oil pipeline

PECI/PMI projects (maps from ENTSO E/G)



R347 - benefits

➤ Four sets of measures which are to facilitate development of PCIs

1. Accelerated and streamlined permit granting process

- One-stop-shop
- Time frame of 3.5 years
- Obligation to prepare a detailed schedule of the process
- Three alternative schemes for taking a comprehensive decision
- Publication of a manual of procedures for project promoters

2. Enhanced involvement of the public in the process

- Additional public consultation in the (early stage of the) permit granting process
- Obligation to prepare a concept of public consultations
- Obligation to prepare a report from the public consultations
- Disclosure of information about the project to the public (website, leaflet, written invitations to dedicated meetings for relevant affected stakeholders).

R347 - benefits

3. Improved regulatory framework

- Cross-border cost allocation and obligation of including efficiently incurred investment costs in tariffs
- Incentives to address risks in development of PECIs higher than compared to risks normally incurred by a comparable project (rules for: anticipatory investment, early recognition of incurred costs, providing additional return on capital, etc.)

4. Access to financing

- Grants for studies and works (NIF and IPA)

The essence of the Reg. 347/2013 and its adoption in the EnC



- ✓ Eu investment **grants are not automatically attributed** to projects on any list (PECI, PCI, PMI)! these are the last resort support !!
- ✓ This requires the identification of the **financial gap, a CBCA decision** and an **application procedure and evaluation** (CEF for EU; NIF, WBIF for EC requiring IFIs participation)
- ✓ In case of grants for works, projects have to be **mature enough**: adequate knowledge of project costs, **advanced permit granting**, construction can start in a reasonable time frame
- ✓ Projects which are viable and financing is secured, can go ahead regardless of this procedure
- ✓ Projects with **exemption (e.g. third party) cannot** acquire grants for works.



*Thank you
for your attention!*

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