

**DRAFT**  
**Minutes of the 3<sup>rd</sup> meeting**  
**of Electricity Group**  
**(referred to as Group)**  
**Wednesday June 29<sup>th</sup> 2016, 9:30-18:00**

**1. Introduction**

The Energy Community Secretariat (Secretariat) welcomed the participants and opened the meeting, announcing the Chair in the person of Ms. Catharina Sikow-Magny, European Commission.

**2. State of play of the process. Results of the public consultation. New project submissions.**

The Secretariat reported on the public consultation on which no comments have been submitted to ECS. During the 2<sup>nd</sup> call for project proposals, additional project for the smart grid was submitted by EMS Serbia.

**3. Decision making process on the PECl selection**

EC representative explained that after the group agrees on the preliminary list, this will be submitted for opinion to ECRB and ACER and after that, to the PHLG, that will recommend it to the Ministerial Council for adoption. Consent of the two promoters is of key importance; the projects retained on the list should be only good projects and more mature ones - others can come back in 2 years, in the next PECl round. EC stressed that due to the internal decision making procedure in the EU any agreement on the proposed list from the EC side will be without prejudice to the subsequent position of the EU Council.

**4. Methodology and its application, Q/A**

REKK presented methodology used for the projects assessment. Taking into account the fact that methodology has been agreed by the group on the 2<sup>nd</sup> joint electricity and gas groups meeting, there were no comments or remarks by group members.

All three projects submitted in Smart Grids area were screened and were found not eligible, based on the Regulation 347 criteria.

**5. Results of the cost benefit analysis**

REKK and its subcontractor presented the cost benefit analysis results.

Market Modelling Results presentation. Question about the source of data?  
 Answer: National statistical sources, TSOs and project promoters' information.

Network Modelling Results Presentation: MANU explained in more details how the difference in Network Losses was calculated: the whole year was modelled, 8760 data pieces. Demand used from the previous presentation, hourly distribution from ENTSOE.

After a short clarification discussion regarding the details of the network modelling, the group accepted the results.

## 6. Multi-criteria assessment

DNV presented the final multi criteria assessment results.

A discussion on the interpretation of congestion Rent was conducted. In ENTSOE it is considered a cost and not benefit. It is carried out directly by the traders, but indirectly by the consumers. So it is not a benefit.

By building a new line you provide more opportunities for trading so the benefits appear at the consumers and the producers. With the new capacity this benefit appears at the consumers and producers, but the TSO does not realize this benefit any more. The rent comes from the concept of scarcity.

MEPSO – MK made a point about the maturity index of EI\_13, project having on mind that project has a financing decision and full costs covered (EBRD and KFW). The Group noted the proposed change in the maturity indicator, in the assessment table.

## 7. Decision making of the electricity group

Secretariat presented proposed preliminary list of PECE/PMI for 2016. After brief discussion all group members agreed with the proposed short list, shown in the Table 1 (from the EC it is without prejudice to the position of the EU Council).

Table 1 – Preliminary PECE/PMI electricity projects list for 2016

<b>Preliminary list of PECE</b>	
<b>Project name</b>	
Transbalkan corridor consisting of the following five PECE 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 FYR of Macedonia:		
EI_13: 400 kV OHL Bitola (MK)-Elbasan (AL)		
<b>Preliminary list of PMI</b>		
<b>Project name</b>		
Interconnection between Romania and Moldova:		
EI_06: Back to back station on 400 kV OHL Vulcanesti (MD) - Isaccea (RO) and new 400 kV OHL Vulcanesti (MD) - Chisinau (MD)		
Interconnection between Ukraine and Slovakia: <b>CONDITIONED BY CONSENT LETTER FROM SLOVAKIA</b>		
EI_09: Rehabilitation of 400 kV OHL Mukacheve (UA) – V.Kapusany (SK)		

Secretariat informed the group that all three submitted Smart grid projects have been assessed as being not eligible. Group members accepted these results without any remark.

The Serbian MoME representative stressed the following:

- the proposed PEI list is based on the methodology which was adopted by Group, and on R 347/2013 criteria;
- all Contracting Parties had a same opportunity in the process of projects submission and will have, again the opportunity to submit new projects proposals, in the next PEI /PMI cycle in 2018.
- the first project on the proposed PEI list, the Transbalkan corridor is important because it connects more Contracting Parties (Serbia, Montenegro, Bosnia and Hercegovina), and brings benefits to EU member state as well.

It was noted that Smart Grid projects are necessary and important projects for the EU and ECS. This exercise looks at trans-European networks and impacts and unfortunately Smart Grid projects are mostly focused on DSO, local levels. Smart Grid can be analysed in other frameworks and EC is working on which frameworks would be appropriate in the future.

## 8. Regulation 347/2013 – Permitting in the EU

DG ENER presented Major trends in applying the permit granting rules and in publishing the manual of procedures in EU member states.

Secretariat informed group members that it published and send to the PHLG members Explanatory notes on the Implementation of EU Regulation 347/2013 - MC decision 2015/09, Part I: The permitting process.

Also, Secretariat informed group members that proper questionnaire has been sent to PHLG members as well and the deadline for the reply expired on 19<sup>th</sup> June 2016. Till now Secretariat received only feedbacks from three CPs: BA, KS\* and MK. Questionnaire should give Secretariat insight on the current practices in the CPs related to the permit granting process, public participation, priority status of the projects as well as plans related to the establishment of the One stop shop, as defined in the Regulation.

### **9. Conclusion and next steps**

As stated under point 3., preliminary PEI/PMI electricity list it will be submitted for the opinion to the ECRB and further sent for endorsement, and respectively adoption to PHLG and MC.