

Minutes of the Meeting

1st PECE Selection Group Meeting – Joint meeting of the Electricity and Gases Groups

<i>Time and Date:</i>	<i>10:00 – 15:00 CET, 07 March 2024</i>	
<i>Location:</i>	<i>Online Webex – Energy Community Secretariat</i>	
<i>Participants:</i>	<p><i>Electricity Group Ministries and regulators</i></p> <p><i>Bosnia and Herzegovina</i> <i>Edin Zametica</i> <i>Julija Ćilimković</i></p> <p><i>Georgia</i> <i>Givi Adamia</i></p> <p><i>Kosovo</i> <i>Ymer Rudari</i> <i>Petrit Krasniqi</i></p> <p><i>Moldova</i> <i>Constantin Borosan</i> <i>Ion Andronic</i> <i>Alexandru Ursu</i> <i>Alexei Taran</i></p> <p><i>Montenegro</i> <i>Igor Malidzan</i> <i>Biljana Ivanović</i></p> <p><i>Serbia</i> <i>Marina Andrijasevic</i> <i>Biljana Trivic</i> <i>Dejana Milovanovic</i></p> <p><i>Ukraine</i> <i>Yurii Ostapiuk</i></p>	<p><i>SERC – Secretary (Chief of Staff)</i> <i>SERC – Head of Legal Department</i></p> <p><i>GNERC - Deputy Director</i></p> <p><i>ERO - Head of Tariff Department</i> <i>ERO - Power System Analyst</i></p> <p><i>Ministry of Energy - State Secretary</i> <i>Ministry of Energy - Head of Department</i> <i>NAER – Director</i> <i>NAER – Director</i></p> <p><i>REGAGEN -Head of Energy Engineering Department</i> <i>Ministry of Energy and Mining - State Secretary of the Ministry</i></p> <p><i>Ministry of Mining and Energy, Sector for electricity</i> <i>AERS</i></p> <p><i>NEURC - Head electricity investment Unit</i></p>

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<i>Nadiia Pustovoitova</i>	<i>NEURC - Deputy Head electricity investment Unit</i>
<i>EU Commission</i>	
<i>Zita CSOKA</i>	<i>DG Energy - Policy Analyst</i>
<i>Tomasz Bak</i>	<i>DG Energy - Policy Officer. European Commission</i>
<i>Michal DLUGOSZ</i>	<i>DG NEAR</i>
<i>ECRB</i>	
<i>Arben Kllokoqi</i>	<i>ECRB</i>
<i>ECDSO-E</i>	
<i>Blagoj Stojevski</i>	<i>Head of Department for Energy Policy - EVN</i>
<i>Yan Tsembalyuk</i>	<i>Regulatory Affairs Manager - DTEK</i>
<i>TSOs</i>	
<i>Bosnia and Herzegovina</i>	
<i>Nemanja Pandurević</i>	<i>NOS BiH - General manager</i>
<i>Amra Omeragić</i>	<i>Elektroprijenos BiH - Advisor for technical issues</i>
<i>Moldova</i>	
<i>Mihail Dolghii</i>	<i>Engineer of Investment and Technical policies Department</i>
<i>Montenegro</i>	
<i>Ana Kijanovic</i>	<i>CGES</i>
<i>Bogdana Knezevic</i>	<i>CGES</i>
<i>N. Macedonia</i>	
<i>Jordan Angelovski</i>	<i>MEPSO - Project manager</i>
<i>Branka Vasikj</i>	<i>MEPSO - Senior engineer for strategic planning</i>
<i>Ukraine</i>	
<i>Roman Masyuk</i>	<i>NPC Ukrenergo - Head of Transmission System Planning and Development Group</i>
<i>Valeriy Osadchuk</i>	<i>NPC Ukrenergo - Head of the International Cooperation Unit</i>

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<i>Volkova Svitlana</i>	<i>UkrEnergo</i>
<i>Gases Group</i>	
<i>Ministries and regulators</i>	
<i>Bosnia and Herzegovina</i>	
<i>Edin Zametica</i>	<i>SERC – Secretary (Chief of Staff)</i>
<i>Julija Ćilimković</i>	<i>SERC – Head of Legal Department</i>
<i>Georgia</i>	
<i>Givi Adamia</i>	<i>GNERC - Deputy Director of the Legal Department</i>
<i>Moldova</i>	
<i>Constantin BOROSAN</i>	<i>Ministry of Energy</i>
<i>Montenegro</i>	
<i>Zarko Djuranovic</i>	<i>REGAGEN - Head of Gas, Oil and Licencing Department</i>
<i>Zorana Sekulic</i>	<i>Ministry of Energy and Mining - Director of Directorate for Oil and Gas</i>
<i>Ukraine</i>	
<i>Andrii Kozhevnykov</i>	<i>NEURC - Head gas investment Unit</i>
<i>EU Commission</i>	
<i>Tomasz BAK</i>	<i>DG Energy</i>
<i>ENTSOG</i>	
<i>Kacper Żeromski</i>	
<i>ECRB</i>	
<i>Amra Omeragic</i>	
<i>TSOs</i>	
<i>Albania</i>	
<i>Lavinia Tanase</i>	<i>Trans Adriatic Pipeline (TAP) - Regulatory Advisor</i>
<i>Bosnia and Herzegovina</i>	
<i>Mirela Hadžiomerović – Šutović</i>	<i>BH Gas - Development Engineer</i>

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<i>Belma Filipović</i>	<i>BH Gas – Head of Development Department</i>
<i>Moldova</i>	
<i>Razvan SUGARU</i>	<i>Head of Office /subdivision level management - Regulatory Office</i>
<i>Elena SIRGHI</i>	<i>Head of Policy Regulation and International Affairs Section at Vestmoldtransgaz</i>
<i>Montenegro</i>	
<i>Bojana Rajkovic</i>	<i>Montenegrobonus</i>
<i>N. Macedonia</i>	
<i>Violeta Spasovska</i>	<i>Nomagas</i>
<i>Serbia</i>	
<i>Nataša Gašović</i>	<i>Transportgas Serbia - Lead Development Engineer</i>
<i>Ukraine</i>	
<i>Serhii Kushnir</i>	<i>LLC Gas TSO of Ukraine - Head of Regulatory Support of Network Development of the Network Development Department</i>
<i>Consultants</i>	
<i>Goran Majstrovic</i>	<i>Assistant Director and Head of Transmission and Distribution Department in the Energy Institute Hrvoje Pozar (EIHP)</i>
<i>Ivana Milinkovic Turalija</i>	<i>Energy Institute Hrvoje Požar</i>
<i>Lucija Islic</i>	<i>Senior Consultant - Energy Institute Hrvoje Požar</i>
<i>Daniel Golja</i>	<i>Researcher - Energy Institute Hrvoje Pozar</i>
<i>Energy Community Secretariat</i>	
<i>Davor Bajs</i>	<i>Electricity Infrastructure Expert</i>
<i>Adam Balogh</i>	<i>Head of Ukraine Support Task Force Unit</i>
<i>Predrag Grujicic</i>	<i>Head of Gas Unit</i>
<i>Victoria Cozlan</i>	<i>Intern</i>
<i>Yaroslav Ihnatenko</i>	<i>Intern</i>
<i>Mikheil Odisharia</i>	<i>Intern</i>
<i>Subject:</i>	<i>Energy Community PECEI Selection</i>

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Opening of the meeting

Davor Bajs, ECS:

- Stressed the need for Contracting Parties to transpose the new TEN-E regulation promptly (until the end of this year), emphasising market integration, security of supply, sustainability, and competitiveness.
- Announced the formation of two groups focused on gases and electricity.
- Discussed the importance of not transposing the old TEN-E now but focusing on integrating the revised TEN-E regulation.
- Outlined the key agenda items for the meeting, setting expectations for a detailed and informative session.

Adam Balogh, ECS:

- Expanded on the gas sector, delving into categories like smart gas grids, hydrogen infrastructure, electrolysers, and CO2 management.
- Highlighted the criteria for project assessment, emphasising the need for aligning with the new regulation.

Predrac Grujicic, ECS:

- Encouraged active participation and engagement from all attendees to ensure a fruitful and productive meeting.
- Echoed the importance of immediately adopting the new TEN-E regulation to stay abreast with the European framework.

Detailed agenda of the meeting:

Opening Remarks and Groups Introduction:

- Introduction of the two main groups - electricity and gases, with over 70 participants.
- New nominations have been closed.

Overview of PMI Selection Process:

- Significant shift in the PMI selection process, now coordinated by the European Commission.
- Emphasis on projects that connect Contracting Parties or third countries.

Transparency and Inclusiveness:

- The importance of a transparent and inclusive process was stressed, with stakeholders urged to provide input on the best outcomes for their countries.
- A letter from NGOs concerning environmental issues was discussed, with a push for public consultations on nominated projects.

Adoption of Rules and Procedures:

- The need to establish rules or procedures, or terms of reference for the groups, ensuring a unified approach to creating a preliminary list of Projects of Energy Community Interest.
- Discussion on whether to organise public consultations, a matter to be decided within the groups. Nobody opposed the idea. The Secretariat will work further on the organisation.

Presentations and Methodology:

- A block of presentations was scheduled to introduce the new or revised TEN-E regulation and rules of procedure.
- Consultants will present their approach, work plan, methodology, scenarios, software packages to be used, and types of calculations to be performed.

Data Requirements:

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- The participants will discuss the data needed for calculations, aiming to conclude by 3:00 PM CET.

Role of Consultants:

- Consultants will be introduced, who will support the process and describe their roles and the work plan after lunch.

Closure of New Members Nomination:

- Reiteration that new member nominations were no longer being accepted to maintain focus and efficiency.

Public Consultation Decision:

- A decision was made to organise public consultations, with the final approval for the rules of procedure (RoP) and the decision on public consultations to be confirmed by the end of the next week. If there will be no objections until Friday 14.03. COB, RoP will be considered as final by both groups, and public consultations will be organised.

Highlights of the discussion:

Edin Zametica:

- Mentioned scheduling conflict with the ECRB meeting set for the 17th of April in Athens, which could potentially overlap with the proposed date for the second meeting of the electricity group.

Tomasz Bak, DG Energy:

- PMI Process Under EU Framework:

Highlighted that the selection of Projects of Mutual Interest (PMI) is now being coordinated under the EU framework. This marks a shift towards a more unified approach within the Energy Community.

- First Union List:

Mentioned that the first union list of projects is expected to come into force in the coming weeks.

- Submission Window:

Discussed plans to open the submission window for candidate projects, including PMI candidate projects, after the summer break, with the second union list anticipated around 2025.

- Transposition of TEN-E:

Raised concerns that the majority of Contracting Parties have not yet transposed the old TEN-E regulation into their national frameworks. Urged for the immediate start of the transposition process for the adapted TEN-E to ensure its effectiveness within the Energy Community.

- Permit Grant Procedures:

Emphasized the importance of accelerating permit grant procedures, which is a central essence of the TEN-E regulation. This acceleration will be fully realized once the regulation is transposed into national frameworks.

Optimism for Transposition:

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Davor expressed optimism about several countries showing goodwill towards transposing the regulation within the set deadline, mentioning specific countries such as Ukraine, Bosnia and Herzegovina, and Montenegro, and noting partial transposition in Moldova that took place last year.

TEN-E Eligible Categories – Electricity - Presentation:

Eligible Categories for Electricity under the Revised TEN-E:

- The discussion emphasized eligible categories under the revised TEN-E study, focusing on infrastructure that supports energy transition and integration across borders.

Overhead Transmission Lines and Cables:

- Eligibility criteria include overhead transmission lines and cables crossing borders between countries or within a country but having a significant cross-border impact. For overhead designs, the voltage level must be 220 kV or more, and for cables, the threshold is 150 kV.

Offshore Renewable Electricity Transmission:

- Equipment or installations enabling the transmission of offshore renewable electricity from offshore sites are recognized as an eligible category.

Energy Storage Facilities:

- Energy storage facilities, either individual or aggregated, designed to connect to a voltage level of 110 kV or more, are considered eligible. This includes a broader acknowledgment of energy storage's role in enhancing grid reliability and supporting renewable integration.

Pump Storage Hydropower:

- Pump storage hydropower plants are specifically mentioned as eligible under the energy storage category, highlighting their importance in energy storage and management.

Protection, Monitoring, and Control Systems:

- Systems that enable the safe, secure, and efficient operation of the electricity network, irrespective of voltage levels and connections, including substations, are also eligible.

Distribution of Presentations:

- It was mentioned that the presentations, including the one on eligible electricity categories, would be distributed and published on the event's website for broader accessibility.

Key points emerged around Svitlana from Ukrenergo's inquiry and the broader conversation on TEN-E regulations:

Svitlana's Inquiry:

- She asked about the process for projects to obtain PCI/PMI status, especially for those not previously included. The clarification provided distinguished between the EU's PCI/PMI process and the Energy Community's pathway, with an emphasis on the different timelines and certain eligibility criteria for these projects.

TEN-E Regulation and Eligibility:

- The dialogue underscored the significance of the TEN-E regulation in fostering energy market integration, security of supply, and sustainability. It highlighted the need for projects to align with these goals to be considered eligible.

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Financial Assistance for Projects:

- It was noted that projects rewarded with PECEI status could access EU financial support.

From the discussion focusing on Zita Csoka and Tomasz Bak's dialogue about PCI and PMI, the key points and clarifications provided are as follows:

Separate Processes for PCI/PMI and PECEI Status:

- It was clarified that obtaining PCI/PMI status and PECEI status are governed by distinct processes, led by different organizations and involving different group members. Specifically, the PCI/PMI processes are managed at the EU level, with the last cycle completed in 2023 and the next expected in 2025.

Submission Window for Projects:

- A future call for project nominations is anticipated after the summer break, aiming for the second PCI/PMI list. This window will allow sufficient time for project promoters to submit their proposals.

Importance of TYNDP in the Selection Process:

- It was emphasised that for a project to be considered in the PCI/PMI list, it must first be featured on the Ten-Year Network Development Plan (TYNDP). This requirement underscores the significance of TYNDP in the ongoing procedure and selection process.

Eligibility Checks and Evaluation Criteria:

- Discussion touched upon the complex nature of evaluating eligibility criteria, especially for new categories like hydrogen. Clarification was sought on how the eligibility check would be conducted, who would be responsible for making judgments, and how the outcomes of assessments would be verified.

Public Consultation and Transparency:

- The conversation also highlighted the value of transparency and the potential for organising public consultations on nominated projects. It was suggested that these consultations could improve the credibility and acceptance of the selection process.

ELIGIBLE CATEGORIES UNDER REVISED TEN-E GAS SMART GRIDS, H2, ELECTROLYSERS, CO2

Eligibility Criteria Overview:

- Introduction to the updated TEN-E regulation eligibility criteria focusing on gas infrastructure, hydrogen networks, electrolyzers, and CO2 capture and storage projects.

Gas Infrastructure:

- Emphasis on projects enhancing cross-border gas transmission, including upgrades to existing pipelines and new pipeline construction, underlining the transition towards decarbonised gas sources.

Hydrogen (H2) Networks:

- Detailed criteria for hydrogen infrastructure projects, including production, storage, and distribution facilities. Highlighted the importance of connecting renewable energy sources for green hydrogen production.

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Electrolysers:

- Discussion on the minimum capacity requirements for electrolysers to qualify, aiming to support large-scale hydrogen production from renewable sources.

CO2 Transportation and Storage:

- Criteria for CO2 capture and storage projects, focusing on technologies that significantly reduce greenhouse gas emissions from energy-intensive industries.

Integration with Renewable Energy Sources:

- The role of these eligible categories in facilitating the integration of renewable energy into the energy system, enhancing energy security, and supporting the EU's climate goals.

Public Consultations and Transparency:

- Mention of upcoming public consultations on nominated projects, emphasising stakeholder engagement and transparency in the selection process.

Key Points from "Request for Public Consultation on Proposed PECl" Document:

Transparency and Public Involvement:

- The document emphasises the importance of transparent processes and early public involvement to effectively address potential concerns related to new PECl proposals.

Benefit of Public Consultations:

- Highlights the utility of public consultations based on past experiences, even though not mandated by the new TEN-E Regulation, underscoring their value in enhancing project acceptance and understanding.

Proposal for Early Consultations:

- Suggests initiating public consultations as soon as projects are submitted to facilitate meaningful stakeholder engagement and ensure that feedback is integrated into the PECl Groups' decision-making process.

Davor explained the mentioned rules and notified the participants that they would work in line with these rules.

Details of the working procedures were explained.

Comments of the working group members were listened to and discussed.

Both groups agreed to have public consultation of projects.

Description of Approach, Work Plan and Organization for the Technical support to the Energy Community to assess the candidate Projects of Energy Community Interest

Methodology Observations:

- An EU representative pointed out the absence of a specific methodology applied in 2021 and 2022 for hydrogen and electrolysers in the presentation slides. This observation suggests a need for incorporating methodologies tailored to these emerging technologies.

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Consideration of Documentation:

- Davor responded by assuring that all provided documentation by the EU Commission, including methodologies, would be taken into consideration. This indicates an openness to incorporating diverse methodologies to better evaluate projects, especially those involving hydrogen and electrolyzers.

ENTSOE Methodology Recommendation:

- Zita, representing the EU Comm, recommended utilising the ENTSOG (European Network of Transmission System Operators for Gas) methodology for project evaluation. This recommendation underscores the importance of leveraging established methodologies to ensure a thorough and consistent assessment process.

Availability of Methodologies:

- Kasper from ENTSOG clarified that their methodologies are detailed in the TYNDP (Ten-Year Network Development Plan) annexes and are accessible on their website. This availability supports the recommendation to use ENTSOG's methodology by providing a concrete resource for project evaluators.

Presentation of the project- and country-specific questionnaires and data collection process

Questionnaires:

- The Consultant (EIHP) presented the questionnaires with data needed for the calculations, to the audience. Data-specific questionnaires will be sent to the PHLG members to fill in data relevant for all countries.
- Tomasz Bak expressed his concern about dividing electrolyzers projects into sections. The threshold for such projects is 50 MW, and to divide it into sections is against the spirit of TEN-E Regulation. Davor Bajš replied that the note is taken, and no such projects are expected. However, if any will be nominated, economic analysis will be performed in a way that benefits will be calculated for the time-period after the threshold of 50 MW has been achieved which will probably make such projects economically non-viable.

Wrap-up and closing of the meeting

- Nominations for the groups members are now closed.
- Rules of procedures and public consultation request to be reviewed by the group members until 15 March. If no comments received up to this date, rules of procedure will be adopted and public consultation will be organised.
- 2nd meeting in a hybrid form will be organised on 18 April in the premises of the Energy Community Secretariat. Group members are welcome to join in Vienna.
- Data questionnaires will be distributed to the PHLG members next week, with the aim to be filled in during the three weeks' timeframe.