

Minutes of the Meeting

TEN-E (PECI) Groups meeting – 2nd joint meeting of the “Electricity” and “Gases” Groups

<i>Time and Date:</i>	<i>10:00 – 17:00 cet, 18 April 2024</i>
<i>Location:</i>	<i>Vienna, Am Hof 4, 6th floor, room 603 and Webex</i>
<i>Subject:</i>	<i>Energy Community Peci Selection – groups meeting (2nd)</i>

Opening of the meeting

The coordinator of the electricity group, Davor Bajcs from the ECS, provided the presentation including a welcome address and updates on the process, summary of the last meeting and presented the nominated projects.

A call for the public discussion on the nominated eligible Peci candidate projects will be published on Friday, 19 April 2024 and will last until 1 May 2024.

A call is later published here: <https://www.energy-community.org/regionalinitiatives/infrastructure/PC.html>.

Expectations for today’s meeting are:

- To reach a consensus on eligible projects.
- To deliberate on the data collected and to determine the way forward.
- To establish agreed-upon scenarios and assumptions for analyses.
- To decide on sensitivity analysis parameters.
- To familiarise with methodologies and regulatory requirements.
- To discuss subsequent activities and steps.

The agenda of the meeting is copied at the end of this document and comprises the following topics:

- Welcome address and updates on the process (ECS)
- Summary of the last meeting (ECS)
- A list of nominated projects (ECS)
- Nominated projects – overhead electricity lines (Project Promoters: NOS BiH/Elektroprijenos BiH, CGES, KOSTT, OST, Moldelectrica, Ukrenergo)
- Nominated projects – energy storage (Project Promoters: DTEK, KESH)
- Nominated projects – smart electricity grids (Project Promoters: DTEK Odesa grids, Premier Energy Distribution)
- Nominated projects – hydrogen (Project Promoters: BH-Gas Sarajevo, NOMAGAS JSC Skopje, Srbijagas)
- The Consultant’s and ECS’s opinion on the eligibility of the projects (EIHP & ECS)
- Data collection and data clarification, country-specific data (EIHP)
- Presentation of scenarios and assumptions (EIHP)
- Proposed sensitivities to be observed in the analyses (EIHP)
- Presentation of the methodologies (EIHP)
- Regulatory requirements under TEN-E (Marko Bislimoski, ECRB)
- Wrap up and further steps (ECS)

Presentation of the projects

Project promoters presented the projects which they nominated for the Peci label. All presentations which were presented may be downloaded here: <https://www.energy-community.org/events/2024/04/TEN-E.html>

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There are 14 electricity-related nominated projects and 3 gases-related nominated projects. A list of nominated projects is located at the end of this document.

The participants discussed some of the nominated projects, which were mainly gas-related.

Presentations of the Consultants

Eligibility of Projects

The Consultant (EIHP) presented their estimation of the nominated project's eligibility in coordination with the ECS regarding general and specific TEN-E criteria. There are 10 eligible projects and 7 non-eligible projects. All eligible projects are electricity-related. Nominated gas projects (all 3) can not be considered eligible since they were proposed to transport natural gas, which is outside the scope of the TEN-E Regulation. Besides gases-related projects, 4 electricity-related projects were estimated as non-eligible: DTEKs smart electricity grid due to only one project promoter (TEN-E requires at least two promoters from two EnC CPs), PSHPP in Albania due to lack of data and non-maturity of the project, and two projects nominated by Ukrenergo regarding transmission 400 kV lines to Slovakia and Romania due to the fact that adopted version of the TEN-E in Energy Community recognises only projects between EnC CPs, excluding the ones involving EU MSs. A list of eligible projects is located at the end of this document.

The groups discussed the question of non-eligibility of some projects. Moldovan State Secretary Mr. Constantin Borosan said that he considers the Moldovian smart gas project eligible, but the Consultants, ECS and the Commission opposed his opinion. DTEK tried to expand its application and to include the second project promoter but it was too late for that. Instruction that DTEK may apply its project on the next PECO selection process in 2026 was given. There were no comments on non-eligibility of PSHPP in Albania project and Ukrenergo's projects involving EU MS (Slovakia and Romania).

The rationale behind the eligibility of each nominated project is given below.

Project code	Project's Name (ELECTRICITY-RELATED)	Eligibility (without CBA)
E01	Increasing the capacity of existing 220 kV interconnection between Bosnia and Herzegovina and Montenegro, 220 kV OHL Trebinje – Perućica	YES (general criteria and specific criteria fulfilled)
E02	New 400 kV interconnection between Bosnia and Herzegovina and Montenegro, 400kV OHL Gacko - Brezna	YES (general criteria and specific criteria fulfilled)
E03	New 400 kV interconnection between Montenegro and Bosnia and Herzegovina, 400kV overhead line Brezna-Sarajevo with construction 400/220 kV substation Piva's mountain	YES (general criteria and specific criteria fulfilled)
E04	Trans Balkan Corridor: Double OHL 400 kV Bajina Basta (RS) – Visegrad (BA)/Pljevlja (MN)	YES (general criteria and specific criteria fulfilled)
E05	Internal transmission line 400 kV Banja Luka 6 - Mostar 4	YES (general criteria and specific criteria fulfilled)
E06	Reconfiguration of 400 kV grid and new 400 kV interconnection Albania-Kosovo	YES (general criteria and specific criteria fulfilled)

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Project code	Project’s Name (ELECTRICITY-RELATED)	Eligibility (without CBA)
E07	Closing the 400 kV Albanian internal Ring	YES (general criteria and specific criteria fulfilled)
E08	330 kV OHL Balti (MD) - Dnestrovsk HPP-2 (UA)	YES (general criteria and specific criteria fulfilled)
E09	Rehabilitation of 400 kV OHL Mukacheve (UA) – Veľké Kapušany (SK)	NO (general criteria) because it involves EnC CP and EU MS (only EnC CPs should be involved)
E10	The reconstruction of the 400 kV transmission line Pivdennoukrainska NPP (Ukraine) – Isaccea (RO)	NO (general criteria) because it involves EnC CP and EU MS (only EnC CPs should be involved)
E11	Construction of smart 110 kV grid in "Ukraine Bessarabia" region	YES (general criteria fulfilled), NO (specific criteria) because it involves one DSO, but at least two TSOs or DSOs from two CPs have to be involved.
E12	Cybersecurity management system for protection grids assets from cyber threats	YES (general criteria and specific criteria fulfilled)*
E13	DTEK STORAGE 225 MW	YES (general criteria and specific criteria fulfilled)
E14	Pump Storage Plant Koman and Fierza	YES (general criteria fulfilled), NO (specific criteria) because basic project data was not provided due to the project's immaturity.

* The project is now under re-evaluation according to the comments received from the EU Commission

Project code	Project’s Name (GASES-RELATED)	Eligibility (without CBA)
G01	Gas interconnection Serbia - North Macedonia	NO (general criteria) because this is a natural gas project which is not eligible in the revised TEN-E Regulation.
G02	Internal hydrogen infrastructure in Federation of BiH in connection with H2T Southern Interconnection BiH/CRO	NO (general criteria) because this is a natural gas project which is not eligible in the revised TEN-E Regulation, it involves only one project promoter, and cross-border impact refers to EU MS (Croatia) and not EnC CP.
G03	Increasing capacities on the Trans-Balkan route with the integration of the Hydrogen element	NO (general criteria) because this is a natural gas project which is not eligible in the revised TEN-E Regulation, and it involves only one project promoter.

Data Collection and Data Clarification, Country-Specific Data

Project-specific data was collected before the meeting. There were several rounds of clarifications with the project promoters, but the data provided allowed these projects to be analysed through the market and network

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simulations. Data related to the projects were also validated, and no significant discrepancies were found. A significant range of unit investment costs was noticed, but not out of maximum and minimum expected values.

Georgia, Moldova, N. Macedonia, Kosovo*, and Montenegro delivered country-specific data. Albania, Bosnia and Herzegovina, Serbia, and Ukraine did not deliver any country-specific data. Bosnia and Herzegovina provided data for the gas sector and comments from DERK on the electricity sector, but Consultants need numbers and no comments/text. The latest deadline for providing country-specific data is now set to 26 April.

Special consideration should be paid to Ukrainian country-specific data. The Secretariat has been informed that data will not be provided due to martial law. Without data, it will be impossible to make CBAs for 3 Ukrainian-eligible projects. The project promoter (DTEK) will try to contact the Ministry and ask them to provide data. The Secretariat will try to explain the PECO selection process directly to the Ministry in charge. If some specific data is considered confidential in the existing circumstances, non-precise data or their range may be given instead.

Scenarios and assumptions

EIHP presented the approach for project assessment, market and network models which will be used, modelling scenarios in line with TYNDP 2022, general modelling assumptions and input data based on the TYNDP scenarios.

The approach for project assessment will consist of developing a reference scenario, against which all projects will be assessed (each project will be added to the reference scenario to determine its benefits using PINT modelling approach until 2050), determining socio-economic monetary and non-monetary benefits and costs for each project (project-specific CBA and MCA) and comparing individual project assessment results between projects in the same project category and proposing relative project rankings.

PLEXOS and PSS-E will be used for market and network analyses.

Modelling scenarios have to be in line with the latest joint ENTSO-E and ENTSG scenarios developed under Ten Year Network Development Plan 2024 or 2022. The final report and datasets for the TYNDP 2024 have not been published yet -> the data from the TYNDP 2022 scenarios will be used. ENTSO-E and ENTSG TYNDP 2022 scenarios which will be used for project assessment are:

- National Trends (NT) for 2030/2040
- Distributed Energy (DE) for 2050

Input data and assumptions for the analyses were presented later.

Proposed sensitivities to be observed in the analyses

The Consultants presented provisions about sensitivity from the revised TEN-E Regulation and ENTSO-E CBA Guideline. It was proposed and adopted that sensitivities will be analysed with respect to the following:

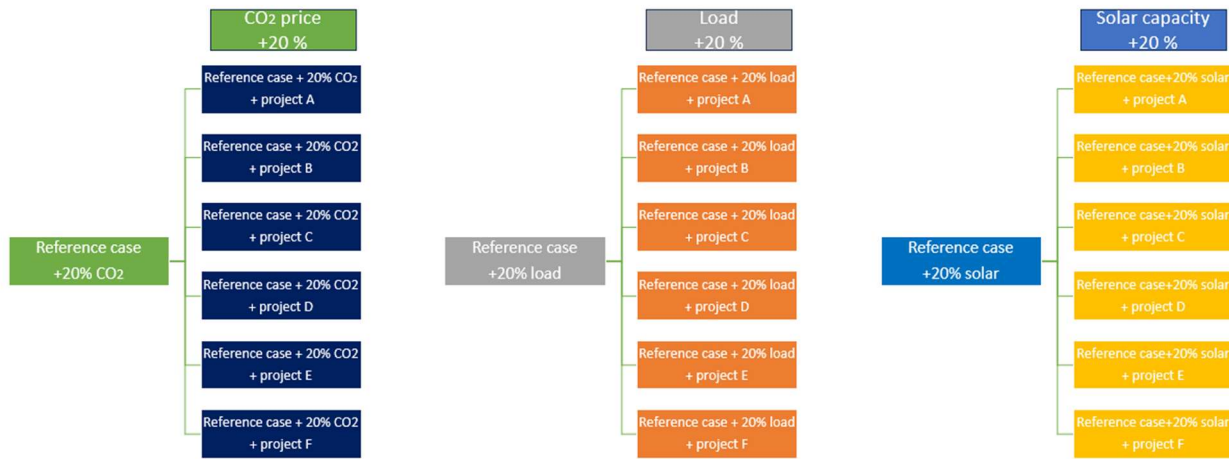
- CO₂ price – fuel and CO₂ prices affect the marginal costs of conventional power plants, and their dispatch, which directly affects related CBA indicators such as SEW and emission variations
- Load – it is expected that an increasing number of applications will be electrified in the future (e.g. e-mobility, heat pumps, etc.), which would cause an increase in load and the necessary generation and therefore possibly affect several CBA indicators such as SEW
- RES – amendments to the national RES goals, which could occur frequently in the observed horizon, could lead to dominant impacts on the results of the CBA assessment

The groups did not oppose the suggested sensitivities so they are considered adopted.

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- Proposed values for sensitivity analyses for CBA under PECI 2024 process:



Presentation of the methodologies

The Consultant presented the methodologies which will be used in the analyses, as defined in the TEN-E Regulation. There were no comments on the presentation from the group members.

Regulatory requirements under TEN-E

On behalf of the ECRB President, Marko Bislimoski, Mr. Arben Killokoqi presented ECRB role in implementing TEN-E Regulation. By the end of August, ECRB shall provide an opinion of consistent application of the criteria and cost-benefit analyses.

Conclusions

Ten nominated electricity projects are eligible for the PECI status and will be analysed further. These projects are presented below.

Seven electricity (4) and gas (3) projects are considered as not eligible. Because of a lack of eligible gases-related projects, the gasses group will not be invited to the following two meetings scheduled for 16 May 2024 (online) and 20 June 2024 (hybrid).

At the same time, considering the importance of the Trans-Balkan pipeline for the energy security of Central and Eastern Europe, especially starting with January 1st, 2025, when the gas transit contract between Gazprom and Ukraine will expire, European Commission and Energy Community Secretariat expressed their openness to promote on the other platforms (for ex. CESEC) the Trans-Balkan route in reverse flow, to facilitate the transmission of natural gas from the south of the Balkan peninsula to the underground storage facilities in Ukraine.

Public consultation on eligible projects will be open from 19.4. until 1 May 2024. A call is published here: <https://www.energy-community.org/regionalinitiatives/infrastructure/PC.html>

Country-specific data should be delivered within one week at the latest. Ukrainian data is needed to evaluate CBA for projects involving Ukraine (3). If country-specific data for Ukraine is not delivered, CBA will not be performed for the projects involving Ukraine (E08 and E13), and they will not be awarded the PECI status. Project E12 might be evaluated but subject to the estimation of the Consultants, which will be given later.

Any additional comments and suggestions on the data set which will be used and based on ENTSO-E TYNDP 2022 data should be sent to the ECS as soon as possible but not later than within one week from the meeting (until 26 April 2024).

Sensitivities related to CO2 price, load and RES integration will be analysed.

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Draft report on scenarios and data will be distributed until 26 April and final report on scenarios and data will be distributed until 3 May, following the end of public consultation.

The next meeting will be organised online, on 16. 5. 2024. The meeting link is here:

<https://energy-community.webex.com/energy-community/j.php?MTID=m5b47a0902ce8a1b6183ec2939d09ebd7>

NOMINATED PROJECTS - Electricity

Project code	Project promoter 1	Project promoter 2	Project's Name	Category
E01	CGES (Montenegro)	NOS BiH/Elektroprijenos BiH (BiH)	Increasing the capacity of existing 220 kV interconnection between Bosnia and Herzegovina and Montenegro, 220 kV OHL Trebinje – Perućica	Electricity / Overhead line
E02	CGES (Montenegro)	NOS BiH/Elektroprijenos BiH (BiH)	New 400 kV interconnection between Bosnia and Herzegovina and Montenegro, 400kV OHL Gacko - Brezna	Electricity / Overhead line
E03	CGES (Montenegro)	NOS BiH/Elektroprijenos BiH (BiH)	New 400 kV interconnection between Montenegro and Bosnia and Herzegovina, 400kV overhead line Brezna-Sarajevo with construction 400/220 kV substation Piva's mountain	Electricity / Overhead line
E04	NOS BiH/Elektroprijenos BiH (BiH)	CGES (Montenegro)	Trans Balkan Corridor: Double OHL 400 kV Bajina Basta (RS) – Visegrad (BA)/Pljevlja (MN)	Electricity / Overhead line
E05	NOS BiH/Elektroprijenos BiH (BiH)	-	Internal transmission line 400 kV Banja Luka 6 - Mostar 4	Electricity / Overhead line
E06	KOSTT (Kosovo*)	OST (Albania)	Reconfiguration of 400 kV grid and new 400 kV interconnection Albania-Kosovo	Electricity / Overhead line
E07	OST (Albania)	-	Closing the 400 kV Albanian internal Ring	Electricity / Overhead line
E08	SE Moldelectrica	NPC Ukrenergo	330 kV OHL Balti (MD) - Dnestrovsk HPP-2 (UA)	Electricity / Overhead line
E09	NPC Ukrenergo	SEPS	Rehabilitation of 400 kV OHL Mukacheve (UA) – Veľké Kapušany (SK)	Electricity / Overhead line
E10	NPC Ukrenergo	CNTEE Transelectrica SA	The reconstruction of the 400 kV transmission line Pivdenoukrajinska NPP (Ukraine) – Isaccea (RO)	Electricity / Overhead line

Project code	Project promoter 1	Project promoter 2	Project's Name	Category
E11	DTEK Odesa grids (Ukraine)	-	Construction of smart 110 kV grid in "Ukraine Bessarabia" region	Smart electricity grids
E12	DTEK Odesa grids (Ukraine)	Premier Energy Distr. (Moldova)	Cybersecurity management system for protection grids assets from cyber threats	Smart electricity grids
E13	DTEK (Ukraine)	-	DTEK STORAGE 225 MW	Energy storage
E14	KESH, Ministry of infrastructure and energy	-	Pump Storage Plant Koman and Fierza	Energy storage

NOMINATED PROJECTS - Gases

Project code	Project promoter 1	Project promoter 2	Project's Name	Category
G01	NOMAGAS JSC Skopje	Public Enterprise Srbijagas Novi Sad	Gas interconnection Serbia - North Macedonia	Hydrogen
G02	Gas Production and Transport Company BH-GAS Sarajevo	-	Internal hydrogen infrastructure in Federation of BiH in connection with H2T Southern Interconnection BiH/CRO	Hydrogen
G03	Vestmoldtransgaz LLC	-	Increasing capacities on the Trans-Balkan route with the integration of the Hydrogen element	Smart gas grids/hydrogen

ELIGIBLE PROJECTS

Project code	Project promoter 1	Project promoter 2	Project's Name	Category
E01	CGES (Montenegro)	NOS BiH/Elektroprijenos BiH (BiH)	Increasing the capacity of existing 220 kV interconnection between Bosnia and Herzegovina and Montenegro, 220 kV OHL Trebinje – Perućica	Electricity / Overhead line
E02	CGES (Montenegro)	NOS BiH/Elektroprijenos BiH (BiH)	New 400 kV interconnection between Bosnia and Herzegovina and Montenegro, 400kV OHL Gacko - Brezna	Electricity / Overhead line
E03	CGES (Montenegro)	NOS BiH/Elektroprijenos BiH (BiH)	New 400 kV interconnection between Montenegro and Bosnia and Herzegovina, 400kV overhead line Brezna-Sarajevo with construction 400/220 kV substation Piva's mountain	Electricity / Overhead line
E04	NOS BiH/Elektroprijenos BiH (BiH)	CGES (Montenegro)	Trans Balkan Corridor: Double OHL 400 kV Bajina Basta (RS) – Visegrad (BA)/Pljevlja (MN)	Electricity / Overhead line
E05	NOS BiH/Elektroprijenos BiH (BiH)	-	Internal transmission line 400 kV Banja Luka 6 - Mostar 4	Electricity / Overhead line
E06	KOSTT (Kosovo*)	OST (Albania)	Reconfiguration of 400 kV grid and new 400 kV interconnection Albania-Kosovo	Electricity / Overhead line
E07	OST (Albania)	-	Closing the 400 kV Albanian internal Ring	Electricity / Overhead line
E08	SE Moldelectrica	NPC Ukrenergo	330 kV OHL Balti (MD) - Dnestrovsk HPP-2 (UA)	Electricity / Overhead line
E12	DTEK Odesa grids (Ukraine)	Premier Energy Distr. (Moldova)	Cybersecurity management system for protection grids assets from cyber threats *	Smart electricity grids
E13	DTEK (Ukraine)	-	DTEK STORAGE 225 MW	Energy storage

* The project is now under re-evaluation according to the comments received from the EU Commission

TEN-E (PECI) Groups meeting – 2nd joint meeting of the “Electricity” and “Gases” Groups

Thursday, 18 April 2024

10:00 – 17:00 CET (Vienna, Am Hof 4, 6th floor, room 603 and Webex)

Hybrid meeting

Opening of the meeting

10:00 – 10:10	Welcome address and updates on the process	ECS
10:10 – 10:20	Summary of the last meeting	ECS

Nominated projects - electricity

10:20 – 10:30	A list of nominated projects	ECS
10:30 – 11:40	Nominated projects – overhead electricity lines	Project Promoters (NOS BiH/Elektroprijenos BiH, CGES, KOSTT, OST, Moldelectrica, Ukrenergo)
11:40 – 12:00	Nominated projects – energy storage	Project Promoters (DTEK, KESH)
12:00 – 12:20	Nominated projects – smart electricity grids	Project Promoters (DTEK Odesa grids, Premier Energy Distribution)

Nominated projects – hydrogen, smart gas grids, electrolysers, CO₂ networks

12:20 – 12:40	Nominated projects – hydrogen	Project Promoters (BH-Gas Sarajevo, NOMAGAS JSC Skopje, Srbijagas)
12:40 – 13:00	Discussion	All participants

Lunch break (13:00 – 14:00)

Eligibility of the projects

14:00 – 14:20	The Consultant's and ECS's opinion	EIHP & ECS
14:20 – 14:30	Discussion	All participants

Data

14:30 – 14:45	Data collection and data clarification, country-specific data	EIHP
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Scenarios and assumptions

Agenda

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"Gases" Groups



14:45 – 15:00	Presentation of scenarios and assumptions	EIHP
15:00 – 15:10	Discussion	All participants
Coffee break (15:10 – 15:30)		
Sensitivities and methodologies		
15:30 – 15:40	Proposed sensitivities to be observed in the analyses	EIHP
15:40 – 16:00	Presentation of the methodologies	EIHP
16:00 – 16:20	Discussion	All participants
ECRB presentation		
16:20 – 16:35	Regulatory requirements under TEN-E	Marko Bislimoski (ECRB)
Closing of the meeting		
16:35 – 17:00	Wrap up and further steps	ECS

LIST OF PARTICIPANTS

Online

Participants:

(as appeared
on the screen)

Milan Zdravkovic
Andrei Ceban
Nolina Pomparau
Amra Omeragic
Ivana Gencic
Sergei Gargai
Vesna Stojanovic
Bogdana Knezević (CGES)
Marina Andrijasević
Kharchenko Vladyslav
Tomasz Bak
Serhii Kushnir
Octavian Ciobirca
Belma Filipovic
Sasa Scekcic
Inna Surzhok
Natasa Gasovic
Olena Pervunina
Zita Csoka
Ion Andronic
Elena Sirghi
Liviu Duminica
Ivana Milinkovic Turalija
Sandu
Sergiu
Davor Bajcs
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Nicolae NEGRU
Jolanta Navickaite
Lucija Islic
Salome Bekauri
Yan Tsymbalyuk
Arben Kllokoqi
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Sergiu Petrea

*Participants in
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*Goran Nikolovski
Alexandru URSU
Maria Castro (ENTSOG)
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Nikolovski
Pierre Marani (ENTSOG)
Nadia Pustovoitova
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Planning*

EVN Macedonia AD

Energy Community Secretariat

*Ministry of Foreign Trade and Economic
Relations of Bosnia and Herzegovina*

Energy Agency of Republic of Serbia

Energy Agency of Republic of Serbia

Energy Community Secretariat

MEPSO

State Electricity Regulatory Commission

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<i>Maksym Maidebura</i>	
<i>Branislava Marsenic Maksimovic</i>	<i>DTEK</i>
	<i>DTEK</i>
<i>Ivana Milinkovic Turalija</i>	
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<i>Karolina Cegir</i>	<i>Energy Institute Hrvoje Pozar</i>
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<i>Jasmina Trhulj</i>	<i>Energy Community Secretariat</i>
<i>Marie-Therese Richter-Kuhnert</i>	<i>Energy Community Secretariat</i>
<i>Mikheil Odisharia</i>	<i>Energy Community Secretariat</i>
	<i>Energy Community Secretariat</i>
<i>Ana Kijanovic</i>	<i>Energy Community Secretariat</i>
<i>Biljana Ivanovic</i>	<i>Energy Community Secretariat</i>
<i>Igor Malidzan</i>	
	<i>CGES</i>
<i>Alban Imeri</i>	<i>MEIR</i>
	<i>REGAGEN (Head of Energy Engineering Department)</i>
<i>Kacper Żeromski</i>	<i>KOSTT</i>
<i>Branka Vasikj</i>	<i>ENTSOG</i>
<i>Arben Kllokoqi</i>	<i>MEPSO</i>
	<i>ECRB</i>