

EU4Energy Governance: Eastern Partnership Countries meeting for Identification of Regional Key Energy Infrastructure Projects (PRIs)

Energy Community Secretariat, Vienna

Monday, 23 October 2017, 10:00 - 16:00

The meeting for Identification of Regional Key Energy Infrastructure Projects was attended by 20 representatives from five Eastern Partnership countries, including Deputy Ministers for Energy from Belarus, Georgia and Ukraine, national energy agencies, representatives from Embassies and Permanent Representations, the experts from the Energy Community Secretariat and the EU4Energy Eastern Partnership Assistance Unit.

The list of participants as well as all the presentations are available online on the Energy Community website ("[Events](#)" section).

EnCS (Director Janez Kopac) welcomed participants and introduced the meeting agenda. The Director gave a short introduction to EU4Energy Governance project and presented the rationale behind the selection of Priority Infrastructure Projects under the EU and Energy Community acquis.

1. **Session 1: Regional Infrastructure Projects – best European and Energy Community practice**

EnCS (*Ms Violeta Kogalniceanu together with Mr Adam Balogh and Mr Nenad Sijakovic from the Infrastructure Unit at the Energy Community Secretariat*) moderated the session.

EnCS (*Ms Violeta Kogalniceanu*) provided a comprehensive introduction to Regional Infrastructure projects and explained differences between the **PCIs** - Projects of Common Interest in the EU, **PECIs** – Projects of Energy Community Interest, **PMIs** - Projects of Mutual Interest and **PRIs** – Projects of Regional Interest.

It was clarified that PCIs include only these projects, which are concluded between two EU Member States (eg. Germany - France). PECIs, on the other hand, may connect two Energy Community's Contracting Parties (eg. Ukraine - Moldova) or can be concluded between an Energy Community's Contracting Party and an EU Member State (eg. Ukraine - Poland). In case an EU Member State is involved, the project first has to be selected as PCI within the EU. Similarly, PMIs can be concluded between an Energy Community Contracting Party and an EU Member State with a difference that, in case an EU Member State is involved, and the PCI label is not granted, only then the project can be considered as PMI. Finally, PRIs may include these projects which are proposed to connect an Energy Community Contracting Party with a 3rd party (eg. Armenia-Georgia or Ukraine-Belarus).

It was explained that the legal basis for the above-mentioned projects¹, can be found in the EU Regulation TEN-E (347/2013) and further in the Decision D/2015/09/MC-EnC on the implementation

¹ Excluding PRIs

of Regulation (EU) 347/2013 on the Guidelines for Trans-European Energy Infrastructure, TEN – E Regulation under the Energy Community acquis.

In terms of financing of regional infrastructure projects, the differences between various EU financing instruments were outlined, including Connecting Europe Facility (CEF), Instrument for Pre-Accession Assistance (IPA) and Neighbourhood Investment Facility (NIF). In particular, the last financing instrument is of paramount importance, as it mobilises additional funding for infrastructure projects mainly in the energy sector, specifically in the Eastern Partnership countries.

EnCS continued with the explanation of the hierarchy for approval of the key energy infrastructure projects within the Energy Community, outlining the roles of the Oil, Electricity and Gas groups in the process. These groups are ultimately responsible for proposing the list of priority infrastructure projects to the Permanent High Level Group for verification and validation. The list is further approved and adopted by the Ministerial Council.

EnCS announced the opening of the PECE/PMI 2018 selection process. The call for project proposals is going to be active from 20 October until 15 November 2017. In parallel to the PECE/PMI 2018 selection process, the **EnCS is planning to re-send the questionnaires on candidate PRIs to EaP countries** to facilitate the process of identification of PRIs. It was underlined, that proposed projects have to be relatively “mature”, meaning that at least a pre-feasibility study is in place. Further, they have to be commissioned in the area of electricity, gas and oil, as well as one thematic area covering smart grids. Moreover, the proposed projects need to demonstrate that they bring social benefit to the citizens. The subsequent submission of individual lists with PRIs will be followed by internal validation and assessment in the EnCS, with a view of having the draft list ready by mid 2018.

EnCS (Mr Nenad Sijakovic and Mr Adam Balogh) continued with the explanation of the project assessment workflow and methodology, on the example of the selection of PECEs and PMIs. As outlined, the process begins with the submission of project data, which later undergo the project eligibility check and verification of submitted data. The process subsequently proceeds to cost-benefit and multi-criteria analysis and result aggregation. As a result, a ranking of projects is created. Similar methodology as well as project selection workflow will be applied to the selection of proposed PRIs.

To conclude, the EnCS presented lessons learnt from the 2016 PECE/PMI Projects as well as *Project Library and Interactive Map Application (PLIMA)*, available at the Energy Community’s website. The EnCS provided training session on differences between different groups of projects to ensure that EaP countries will submit suggestions for the PRIs that could be later assessed under EU4Energy.

Conclusions:

- Drawing from the Energy Community’s past experience in the selection of PECEs and PMIs, EnCS proposed that a similar yet adapted methodology shall be applied for the selection of PRIs
- EnCS will re-send the questionnaires on candidate PRIs to EaP countries to collect the ideas for projects and facilitate the process of identification. The deadline for submission of candidate PRIs was extended to 15 November 2017
- The EaP countries are going to submit the list of PRIs within the set deadline and in the requested template

2. Session 2: Potential Regional Key Energy Infrastructure Projects (PRIs) under EU4Energy

This session composed of presentations of potential Regional Key Energy Infrastructure Projects by participating countries.

Georgia:

Mr Teimuraz Gochitashvili (Georgian Oil and Gas Corporation) presented a candidate project for PRI status involving a construction of a Compressor Station at the Georgian-Azerbaijani border, which is necessary to increase pressures of incoming gas from Azerbaijan to Georgia and to satisfy the increasing peak demand of Georgia in long term perspective.

Mr David Tsitsishvili (Georgian Oil and Gas Corporation) discussed about a candidate project for PRI status on construction of a Georgia-Armenia Trans-border Transit Pipeline to connect Georgia's main pipeline system to Armenia.

Mr Mikheil Zibzivadze (Georgian State Electrosystem) outlined the possibility for connection of three synchronous zones 1) Tskaltubo-Akhalsikhe (GE); 2) AkhalsikheTortum (GE-TR); 3) Marneuli-Ayrum (GE-AM).

Conclusions:

EnCS thanked the presenters for the provided overview of planned energy infrastructure projects in Georgia and invited them to file their applications either under the PECI/PMI 2018 selection process or PRIs, proposing only these projects, which strictly meet the outlined selection and eligibility criteria.

3. Session 3: Other Infrastructure Projects

Ukraine:

Mr Oleg Mykhalevych (PJSC Ukrtransgaz) outlined the plans for electricity interconnectivity projects between the EU and Ukraine, including firm capacity between Hungary and Ukraine, bi-directional Trans-Balkan pipeline and Poland-Ukraine interconnector.

Mr Mykhailo Bno-Airiiian (NPC Ukrenergo) outlined the plans for construction of a 750/400 kV transformation substation (TS) "Prymorska" with 400 kV double-circuit overhead line "Prymorska - Isakcha".

Georgia:

Mrs Maia Makharashvili (Ministry of Energy of Georgia) presented a number of plans for different regional infrastructure projects: Trans Caspian Gas Pipeline and its continuation under the Black Sea, so called White Stream; AGRI LNG Project - the first LNG Project to be developed in the Black Sea, to transport natural gas from Caspian region to Europe; Euro-Asian Oil Transportation Corridor (EAOTC) Brody-Adamowo for a construction of a pipeline connection for the transportation of oil between a tank depot in Brody (final point of the Odessa – Brody oil pipeline in Ukraine) and a storage depot in Adamowo in Poland.

Mr Giorgi Vashakmadze (Adviser to the Prime Minister of Georgia) outlined the importance of a regional project for transportation of Turkmen gas to European markets - Trans-Caspian Gas Pipeline and White Stream to transport Turkmen gas via the second string of the Trans-Caspian Pipeline (TCP), through the Black Sea, directly to Romania and other EU Member States.

Discussion:

Mr Oleksandr Nykonenko (NNEGC Energoatom) outlined the plans for implementing a pilot project - “Ukraine – European Union Energy Bridge” - as the initial step towards the full strategic synchronization of the Unified Power System of Ukraine with the EU power system

Conclusions:

EnCS thanked the presenters for outlining their plans concerning other energy infrastructure projects in their countries and noted that some of the outlined proposals have a potential for obtaining a PECO/PMI/PRI status and therefore encouraged the countries to take active part in the EnCS selection process.

Representatives of EaP thanked the EnCS for presentations and clarifications provided during the meeting and committed to review the suggestions for the PRIs following the information received during the meeting and resubmit the projects upon invitation of the EnCS.