

Rules for the Electricity Group under the Regulation (EU) 2022/869 on guidelines for trans-European energy infrastructure, as incorporated and adapted by Ministerial Council Decision 2023/02/MC-EnC of 14 December 2023

(1) Background: Regulation (EU) 2022/869 on guidelines for trans-European energy infrastructure (revised TEN-E Regulation)

The Trans-European Networks for Energy (TEN-E), first adopted in 2013 through Regulation (EU) No 347/2013 (old TEN-E), focuses on linking the energy infrastructure of EU countries by setting out rules for the timely development and interoperability of trans-European energy networks. Following the need to reflect on developments in the priorities of European energy policy in different areas, the European Commission started to work on a revised TEN-E framework, which resulted in the publication on 3 June 2022 of Regulation (EU) 2022/869 (revised TEN-E), repealing the old TEN-E Regulation.

The Energy Community adopted the revised TEN-E by the Ministerial Council Decision 2023/02/MC-EnC of 14 December 2023.

The revised TEN-E (in the EnC) lays down guidelines for the timely development and interoperability of projects of Energy Community Interest (PECI) that contribute to ensuring climate change mitigation, in particular achieving the Energy Community 2030 targets for energy and climate and the climate neutrality objective by 2050 at the latest, and to ensuring interconnections, energy security, market and system integration and competition that benefits all Contracting Parties (CPs), as well as affordability of energy prices.

The revised TEN-E (in the text, the adopted version in the EnC is always considered) identifies eligible energy infrastructure categories concerning electricity, smart gas grids, hydrogen, electrolyser facilities and carbon dioxide, as defined in Annex II of the revised TEN-E.

Revised TEN-E defines that two Groups shall be established to adopt a preliminary list of projects of Energy Community Interest. The Groups shall meet to examine and rank the proposed projects based on a transparent assessment of the projects and using the criteria defined in the revised TEN-E. These internal rules are determined to ensure clarity and transparency in the organisation of the work of the Groups.

(2) Objectives of the Group

- to compile a comprehensive list of infrastructural energy projects eligible for consideration as Projects of Energy Community Interest (PECI) in line with criteria defined in the revised TEN-E;
- To evaluate all eligible projects using the methodologies stipulated by the revised TEN-E, aiming to select and prioritise infrastructural projects for the preliminary Energy Community list. These projects must meet all criteria defined in the revised TEN-E;
- to adopt a preliminary list of projects of Energy Community interest that will be consulted with the ECRB and sent to the Ministerial Council for adoption;

(3) TEN-E (PECI) Group for energy infrastructure projects concerning electricity

A Group responsible for electricity infrastructural projects will be established for the entire Energy Community, covering the eligible categories and thematic areas. The Group shall meet individually or with the second group dealing with other infrastructure categories, when relevant, to discuss matters common to them and when it is justified for efficiency reasons. The structure of the Group shall be as follows:

i. Group 1, concerning electricity (further on the “electricity” group):

- (a) **high and extra-high voltage overhead transmission lines**, crossing a border or within a Contracting Party territory, if they have been designed for a voltage of 220 kV or more, and underground and submarine transmission cables, if they have been designed for a voltage of 150 kV or more;
- (b) **any equipment or installation** falling under energy infrastructure category referred to in point (a) **enabling transmission of offshore renewable electricity** from the offshore generation sites;
- (c) **energy storage facilities**, in individual or aggregated form, used for storing energy on a permanent or temporary basis in above-ground or underground infrastructure or geological sites, provided they are directly connected to high-voltage transmission lines and distribution lines designed for a voltage of 110 kV or more;
- (d) **any equipment or installation essential** for the systems referred to in points (a), (b) and (c) **to operate safely, securely and efficiently**, including protection, monitoring and control systems at all voltage levels and substations;
- (e) The 1st (“electricity”) Group will also address the thematic area of **smart electricity grids**, defined as “any equipment or installation, digital systems and components integrating information and communication technologies (ICT), through operational digital platforms, control systems and sensor technologies both at transmission and medium and high voltage distribution level, aiming to ensure a more efficient and intelligent electricity transmission and distribution network, increased capacity to integrate new forms of generation, energy storage and consumption and facilitating new business models and market structures, including investments in islands and island systems to decrease energy isolation, to support innovative and other solutions involving at least two Contracting Parties with a significant positive impact on the Energy Community 2030 targets for energy and climate and the 2050 climate neutrality objective, to contribute significantly to the sustainability of the Energy Community”;
- (f) **any equipment or installation** falling under energy infrastructure category referred to in point (a) **having dual functionality: interconnection and offshore grid connection system from the offshore renewable generation sites** to two or more Contracting Parties participating in projects on the Energy Community list, including the onshore prolongation of this equipment up to the first substation in the onshore transmission system, as well as any offshore adjacent equipment or installation essential to operate safely, securely and efficiently, including protection, monitoring and control systems, and necessary substations if they also ensure technology interoperability, inter alia, interface compatibility between various technologies (offshore grids for renewable energy);

a) Membership

The Group includes a wider representation to foster comprehensive stakeholder engagement and collaboration in line with the revised TEN-E. With regard to energy infrastructure falling under the

competence of national regulatory authorities, the Group is composed of:

- (a) representatives of Contracting Parties (ministries) and national regulatory authorities (NRAs),
- (b) transmission system operators for electricity (TSOs);
- (c) The European Commission, the Energy Community Secretariat (ECS), the Energy Community Regulatory Board (ECRB), the ECDSO-E entity and the European Network of Transmission System Operators for Electricity (ENTSO-E);

For the other energy infrastructure categories, each Group shall be composed of the Energy Community Secretariat, the representatives of the Contracting Parties and the project promoters concerned.

b) Other participants

Consensus shall be made to invite other representatives to the group meetings.

c) Decision making powers

Decision-making powers in the Group shall be restricted to the Contracting Parties who shall, for those purposes, be referred to as the decision-making body of the Group.

The Energy Community Secretariat will ensure transparency of the process by publishing internal rules, member organisation lists, work progress, meeting agendas, and minutes on a platform accessible to stakeholders. All decisions related to the function and work of the Group will be made by consensus between the Contracting Parties and the Energy Community Secretariat, ensuring that deliberations of the decision-making bodies and the project ranking remain confidential.

Decision-making in the Group is made by consensus.

(4) Establishment of the Energy Community list

The revised TEN-E Regulation stipulates a framework of general and specific criteria for projects to be designated as Projects of Energy Community Interest (PECI). Projects must align with at least one of the energy infrastructure priority interconnections, corridors and areas described in Annex I of the Regulation. They must demonstrate that the potential overall benefits, assessed according to the specific criteria in Article 4 of the new TEN-E Regulation, outweigh the costs, considering also in the long-term. Projects must involve two or more Contracting Parties or just one Contracting Party but have a significant cross-border impact on another Contracting Party or more of them.

Furthermore, each eligible energy infrastructure category has specific criteria which must be fulfilled, described in Article 4 and Annexes II and IV of the revised TEN-E.

General rules for the Group are defined in Annex III of the Regulation, as well as the process for establishing a preliminary list of the Projects of Energy Community Interest (PECI).

Each individual proposal for a project shall require the approval of the Contracting Parties to whose territory the project relates; where a Contracting Party does not give its approval, it shall present its substantiated reasons for doing so to the Group concerned.

The Group shall take into account the advice from the Energy Community Secretariat with the aim of having a manageable total number of projects on the Energy Community list.

The preliminary PECl list will be established strictly according to defined criteria. The Parties to the Treaty will form the decision-making body of the Group, focusing on the collaborative and efficient selection of projects. The intention is to accelerate the decision-making process, encouraging proactive engagement from all relevant institutions to take necessary action without delay, thereby supporting the Energy Community 2030 targets for energy and climate and the 2050 climate neutrality objective, market integration, competition, sustainability, and security of supply.

a) Submission of project proposals

Projects promoters of potentially eligible projects for the selection as Projects of Energy Community Interest (PECl) must submit an application to the Energy Community Secretariat upon a call for projects nomination has been published on the Energy Community's website. A call will also be shared with all Group members and potential project promoters (who preliminary expressed their interest in submitting their projects). The application should provide a detailed analysis demonstrating how the project meets the relevant criteria. It should document the project's maturity and potential contribution towards the Energy Community's objectives and sustainability goals. A comprehensive cost-benefit analysis should also be included for projects having reached a sufficient degree of maturity, applying the methodologies established by the ENTSO-E or the EU Commission. Additional CBA will be made during the selection process to check results delivered by the project promoters or to calculate them for those projects which still miss CBA results.

The Group retain the authority to request further information necessary to assess the proposed projects thoroughly. The proposed projects, having reached a sufficient degree of maturity, should be a part of the most recently available Ten-Year Network Development Plan (TYNDP) of ENTSO-E, but not inclusively. For projects not included in the TYNDP, the relevant projects should be incorporated into the national ten-year network development plans, at least at the later stage, following the PECl selection process.

b) Assessment of the proposed projects

The Group shall meet to assess the proposed projects against the updated set of criteria outlined in the revised TEN-E, having in mind the energy efficiency first principle.

An external consultant (EIHP) was appointed to support the Group, especially in applying the methodologies, carrying out project assessment, facilitating dialogue with participants, and compiling the list of the proposed projects and the preliminary list.

All Group members will have access to the relevant data and calculations necessary to perform the project assessment, to the extent these are available or provided by project promoters.

This assessment will lead to a ranking of projects, which will be used to identify those suitable for the preliminary list of PECl. The ranking and selection process shall incorporate transparency and the right to confidentiality where commercial sensitivity is involved. If a proposal does not meet the criteria for PECl status or if there is a valid reason for refusal by any Contracting Party, such reasons must be documented and reviewed by the Group.

Each Contracting Party interested in a proposed project will be allowed to present their views, particularly regarding the project's potential environmental impact or its compatibility with national energy and climate objectives.

Upon agreement of both PECE Groups (electricity and gases) non-governmental organisations and other participants/stakeholders may be invited to express their views and objections on the nominated projects. The Groups shall consider their views and decide whether a project faced with any objection should be further elaborated.

Upon agreement of the Groups, the Energy Community Secretariat will carry out a public consultation about the submitted candidate projects after the closure of the project submission phase.

National Regulatory Authorities, alongside the Energy Community Regulatory Board, will verify the application of the assessment criteria and the cost-benefit analysis methodologies, ensuring that the cross-border benefits of proposed projects are duly recognised and verified.

The Group will agree upon a preliminary list of potential PECEs, aiming to finalise this list by a specific deadline (end of June 2024). The Group will consider various factors in their deliberations in line with the revised TEN-E Regulation, including the alignment of each project with the TEN-E criteria, the urgency of development, the scale of cross-border benefits, and the level of commitment from participating Contracting Parties.

Throughout this process, the Group will maintain a commitment to the principles of transparency, inclusiveness, and stakeholder engagement as per the updated TEN-E Regulation, while also ensuring the protection of commercially sensitive information.

c) Opinion of the ECRB or the ECS

The draft preliminary PECE list of proposed projects shall be submitted to the Energy Community Regulatory Board, as the updated TEN-E Regulation stipulates. The ECRB shall provide an opinion on the draft preliminary lists, in particular on the consistent application of the criteria and cost-benefit analysis.

d) Adoption of the preliminary PECE lists

In line with the revised TEN-E Regulation, within a timeframe that ensures thorough evaluation and stakeholder engagement, the decision-making body of the Group shall strive to adopt its final preliminary PECE list. The specified period should allow for incorporating feedback from ECRB's opinion and any additional consultations required to uphold the principles of transparency and inclusiveness in the decision-making process.

e) Adoption of the PECE list

The Ministerial Council, acting in accordance with the provisions of the revised TEN-E Regulation, shall establish the list of Projects of Energy Community Interest (PECE), following a Decision under Title II of the Treaty, upon the proposal by the European Commission. This decision-making process will consider the comprehensive assessment and ranking of projects based on their support to the Energy Community 2030 targets for energy and climate and the 2050 climate neutrality objective, market integration, competition, sustainability, and security of supply.

Upon reviewing the preliminary PECE lists and considering the ECRB's opinions, should the total number of proposed PECEs exceed the capacity for effective management and implementation, the Group shall deliberate on prioritising projects. Projects that are deemed less crucial for achieving the Energy Community's objectives, as reflected by their lower ranking, may be considered for exclusion from the final list to ensure a focused and feasible portfolio of PECEs.

The prioritisation process will ensure that the selected projects align with the strategic energy infrastructure priorities of the Energy Community, contributing to a cohesive and resilient energy system across the region.

f) Meetings

The meetings of the Group will be held in hybrid or online form, including a possibility for physical presence at the premises of the Energy Community Secretariat in Vienna during the hybrid meeting, and will be organised by the Energy Community Secretariat. All meetings should be conducted in accordance with the procedural guidelines and transparency requirements established under the TEN-E Regulation (EU) 2022/869.

Reimbursement of costs related to the meetings will be handled according to the updated [Energy Community Reimbursement Rules](#), ensuring alignment with the latest financial regulations and transparency standards.

The Energy Community Secretariat is responsible for maintaining and publishing an updated list of member organisations, along with regularly updated information on the progress of work, meeting agendas, and the Group's final conclusions and decisions. This information will be made publicly available on the website of the Energy Community Secretariat, which will be updated as necessary to comply with the enhanced transparency and public participation mandates of the revised TEN-E Regulation.

The Secretariat will ensure that all stakeholders, including those unable to attend, are fully informed of the Group activities and outputs, reflecting the Regulation's commitment to broader stakeholder engagement and open governance.

The work plan for the year 2024 shall be as follows:

1) Kick-off meeting with the Consultants – held on 16 February 2024 in an online form

2) Inception Report from the Consultants - 4th week of February 2024

The Consultant will later present the content of Inception Report to the Groups and collect their feedback on the proposed methodology.

The report shall include the:

- description of the project-specific socio-economic assessment techniques (market model, application of market and network assessment results and multi-criteria analysis, aggregation of results, compiling the ranked project lists for each sector);
- description of the proposed market framework- and infrastructure scenarios and the assumptions within (to be updated based on the results of the data collection) to serve as a basis for the project-specific socio-economic analysis.
- a detailed work plan based on the schedule agreed with the Secretariat, as well as the deadlines of submission of all reports;
- the template questionnaires for eligible project categories;
- the template questionnaires for country-specific data collection if needed.

3) **1st Joint Group's meeting (electricity and gases group)** – 7 March 2024, online.

- Revised TEN-E Regulation in the Energy Community – an overview.

- Terms of reference for the Groups.
- Introduction of the Consultant to the Groups.
- Description of Approach, Work Plan and Organization for Performing the Assignment (Technical support to the Energy Community and its Secretariat to assess the candidate Projects of Energy Community Interest in electricity, smart gas grids, hydrogen, electrolyzers, and carbon dioxide transport and storage, in line with the EU Regulation 2022/869).
- Presentation of the project- and country-specific questionnaires and data collection process to the Groups.

4) Data Collection - Until 18th of March 2024 (project-specific) and 8th of April (country-specific)

- In cooperation with the Secretariat, carry out the project and country-specific data collection.

5) Data Validation and Scenario Report - two weeks after the end of the Data Collection

- Report on the collected project- and country-specific data from the project promoters and country institutions;
- Report on the compliance of the data with the planned analysis – proposals to change/correct/follow-up with the project promoters and the country institutions;
- Report on the project eligibility verification;
- Report on the defined scenarios;

6) **2nd Joint Group's meeting (electricity and gases group)** – 18 April 2024, hybrid

- Presentation of the results of the data collection;
- Data clarification with the stakeholders present;
- Presentation of the scenarios and assumptions based on the received data;
- Presentation of the proposed sensitivities;
- Presentation of the proposed analysis methodology;
- Collecting feedback from the stakeholders on the methodology, the scenarios, the data and the assumptions;

7) Public consultations from 19th of April until 1st of May followed by ad-hoc Groups meeting if needed (virtual)

8) Data and Scenario Finalization - Within two weeks after the 2nd Group's meetings

- Final data correction/clarification/follow-up;
- Finalization of the assumptions;
- Finalization of the scenarios;

9) Analysis Techniques' Guidance Document:

Within one week after Data and Scenario Finalization

- Final description of the data, scenarios, analysis techniques and results, explained in a user-friendly way, to be shared with the members of the Groups;

10) **3rd Joint Group's meeting (electricity and gases group)** -16 May 2024, online

- Presentation of the Analysis Techniques' Guidance Document to the Groups: applied methodologies and techniques, final data, scenarios and assumptions, final sensitivities to be carried out;
- Detailed presentation on the structure of the future results – indicators, aggregation and normalization of results, compiling the relative ranking;

11) Project Assessment - Within one month after the 3rd Groups meeting

- Carrying out the project-specific, socio-economic assessment based on the defined methodology, data, assumptions, scenarios and sensitivities;

12) Assessment Results Consultation of the Consultant with the Secretariat - 2nd week of June

- Presentation and discussion of the results with the Secretariat;

13) **4th Joint Group's meeting (electricity and gases group)** - 20 June 2024, hybrid

- In coordination with the Secretariat, presentation of the project-specific, aggregated assessment results and sectoral relative rankings to the Groups, together with the sensitivity analysis results;
- Decision about the Draft Preliminary list;
- Submission of the list to the ECRB;

14) Final Report - The end of June

- Summary of the applied methodology, scenarios, data and assumptions based on the Methodology Guidance Document;
- Detailed presentation and interpretation of the results for each analysed project in all scenarios and sensitivities;
- Based on the guidance of the Secretariat a public version of this document shall be prepared;

(5) Monitoring

The Energy Community Secretariat and the Group will maintain a monitoring mechanism to track the progress of Projects of Energy Community Interest (PECI), as outlined by the revised TEN-E Regulation. This will include the implementation status and any challenges encountered, with a proactive approach to address and mitigate issues.

Until February 28 in a year that follows two years since the project was included in the PECI list, Competent Authorities are required to submit an annual report with details listed in Article 5 of the

revised TEN-E. Reports should be directed to the Regulatory Board assisted by the Secretariat and the Group.

By 30 April of each year in which a new Energy Community list should be adopted, the Energy Community Regulatory Board, assisted by the Energy Community Secretariat, shall submit to the Group a consolidated report for the projects on the Energy Community list that are subject to the competence of national regulatory authorities, evaluating the progress achieved and expected changes in project costs, and, where appropriate, make recommendations on how to overcome the delays and difficulties encountered.

The monitoring process is detailed in Article 5 of the revised TEN-E.