

Questions and answers on the projects of common interest (PCIs) in energy

Brussels, 31 October 2019

1. What are projects of common interest in energy?

Projects of common interest (PCIs) are key infrastructure projects aimed at completing the European energy market in order to help the EU achieve its energy policy and climate objectives: affordable, secure and sustainable energy for all citizens, as well as the long-term decarbonisation of the economy in accordance with the Paris Agreement.

2. Which projects are on the PCI list?

The 4th PCI list includes 151 projects. The full list of projects can be found [here](#).

3. Which criteria does a project have to meet to be included on the PCI lists?

For a project to become a PCI, it should be an energy network infrastructure that:

- a) has a significant impact on *at least* two EU Member States,
- b) enhances market integration and contributes to the integration of Member States' networks,
- c) increases competition on energy markets by offering alternatives to consumers,
- d) enhances security of supply,
- e) contributes to the sustainability objective, e.g. by supporting renewable generation.

In line with the trans-European energy networks (TEN-E) policy, only those electricity and gas projects that are included in the latest Ten-Year-Network Development Plans (TYNDPs) prepared by the European Network of Transmission System Operators for gas and for electricity (ENTSO-G and ENTSO-E) can become PCIs, as these Plans highlight the projects' socio-economic benefits for the EU energy system.

4. What are the benefits of being on the list?

PCIs benefit from a number of advantages:

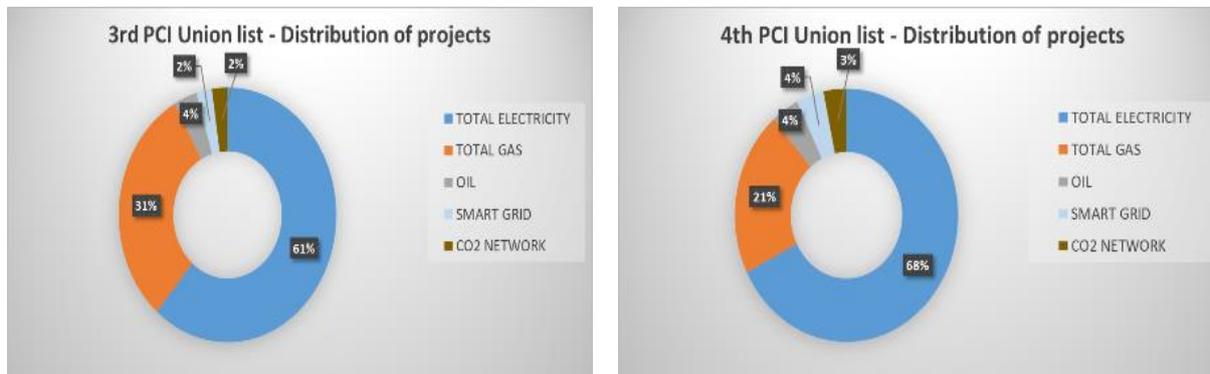
- a) streamlined permit granting procedures (a binding three-and-a-half-year time limit);
- b) improved, faster and better streamlined environmental assessment;
- c) a single national competent authority (one-stop-shop) coordinating all permit granting procedures;
- d) a procedure allowing for the allocation of investment (construction) costs among Member States benefiting from the PCI;
- e) under specific conditions, possibility of receiving financial assistance under the Connecting Europe Facility (CEF) in the form of grants and innovative financial instruments.

5. The 2017 PCI list contained 173 projects. Why are there fewer projects this year?

The decrease in the number of projects is mainly the result of the 40% drop of gas projects (from 53 to 32), mirroring the improved robustness of EU gas grid over the past years.

The number of electricity projects in the 4th list is comparable to the 3rd list (102 instead of 106), despite the fact that 9 finished or very mature projects have now become “PCI alumni”. This illustrates the positive dynamic of the sector. Smart grid projects are also on an increasing trend.

The share of electricity and smart grid projects compared to gas projects has significantly improved, passing from 2:1 in the 3rd PCI list to 3:1 in the 4th list.



6. Will the projects on the list automatically get EU funds?

Projects selected as PCIs can automatically benefit from many advantages stemming from the TEN-E Regulation, including an accelerated permit granting and improved regulatory treatment.

PCI status is a precondition for grants under the Connecting Europe Facility (CEF), but it does not guarantee the award of a CEF grant. In more precise terms, grants to support studies can be requested for all PCIs (except for oil projects). However, when it comes to grants for works, only some projects included on the PCI list will need – and will be eligible for – financial assistance; many of them can be implemented on a commercial basis without EU funds – or other public subsidies.

Projects selected as PCIs, upon meeting specific additional criteria, will be able to apply for the CEF support in a separate procedure.

Oil projects are not eligible for any funding under the CEF.

7. When will PCIs be able to apply for EU funding?

The next call for proposals to receive grants under the Connecting Europe Facility (CEF) is planned for Q1 2020. Project promoters will be able to apply for grants for studies and grants for construction works.

Grants for works, however, will be available only to those PCIs that are not commercially viable despite their positive impacts, such as solidarity, security of supply or technological innovation. Objective cost-benefit analysis will be used to determine these parameters.

In addition to CEF funding, PCIs can also apply for support under other EU's programmes, such as the European Fund for Strategic Investment (EFSI), and the European Structural & Investment Funds (ESIF) – in particular the European Regional Development Fund (ERDF).

8. Which projects have received co-funding under CEF?

In the 2014-2018 period, 90 PCIs have benefited from the CEF programme. The allocated grants for works and studies are worth €3.8 billion in total.

When allocating CEF Energy financial assistance the Commission has given due consideration to electricity projects, with the aim of making the major part of the CEF Energy financial assistance available to these projects over the period 2014 and 2020. So far, the majority of CEF financial assistance was allocated to electricity projects (including smart grids) (59%).

9. When will the next (5th) PCI list be published?

According to the TEN-E Regulation, the Commission shall ensure that a new list of PCIs is established every two years. The 5th PCI list will be published in Q4 2021.

10. What is the Commission doing to make sure that the projects on the list will actually be completed?

The Commission cooperates closely with the project promoters, Member States and regulators to ensure the implementation of the PCIs in good time. Where and when needed, the Commission can propose corrective measures.

The monitoring of the PCIs is carried out by the Trans-European Energy Networks (TEN-E) Regional Groups and is based on annual reports prepared by the Agency for Cooperation of Energy Regulators (ACER) and the national competent authorities. These reports also recommend ways to overcome delays and difficulties in implementing PCIs.

To accelerate the development of PCIs in specific European regions facing particular challenges, the Commission has established [four High-Level Groups](#). These Groups are an important contribution to the PCI development process as they foster high-level political commitment, help reach agreement on regional action plans and facilitate smart mobilisation and optimisation of EU financial support.

11. How is the PCI list established?

At a first stage, project promoters submit their projects for selection as PCIs.

Secondly, so-called **Regional Groups** (chaired by the Commission and including representatives from the Member States, transmission system operators and their European networks, project promoters, national regulatory authorities, as well as the **Agency for the Cooperation of Energy Regulators (ACER)**) assess the projects' compliance with the criteria and their European added value. Stakeholders are invited to take part in these meetings and bring their insight on the infrastructure bottlenecks and on the candidate PCIs into the assessment process.

Based on this assessment the Regional Groups propose regional lists of PCI candidates. The Commission adopts the list of PCIs, in the form of delegated regulation.

12. How is the European Parliament involved in the PCI selection process?

According to the provisions of the TEN-E Regulation, Regional Groups have a specific role in drawing up the list of PCIs. The decision-making powers in the Groups is restricted to Member States and the Commission. Having this in mind, as well as the political

commitments stemming from the Interinstitutional Agreement on Better Law-Making and the Framework Agreement on relations between the European Parliament and the European Commission, the meetings of the regional groups have been open to the Parliament and the draft delegated act incorporating the PCI list has been shared with Parliament at the same time as with Member States' experts prior to the adoption by the Commission.

13. Do stakeholders participate in the PCI selection process?

Yes. The PCI identification process involves stakeholders active in the field of energy, such as consumer and environmental protection organisations. These groups have dynamically participated in the meetings of the Regional Groups.

Furthermore, 5 public consultations have been organised between November 2018 and September 2019 to obtain the public's views on the pertinence and added value of the proposed projects. Overall, 720 contributions were submitted, representing a wide range of citizens and stakeholders, including Environmental organisations, trade associations, small and medium enterprises (SMEs).

In addition, bilateral meetings were held between the interested stakeholders and project promoters, which have allowed for in-depth and constructive discussions on the projects' characteristics and their potential social and environmental impact.

14. What are the next steps?

The list of PCIs will be submitted by the Commission to the European Parliament and Council, who have two months to decide whether to accept or object to the list. This period of two months may be extended by an additional two months upon their request. If within this timeframe neither the Parliament nor the Council rejects the list, it will enter into force. It should be noted that Parliament or Council can only accept or reject the list as such, but not request amendments to it.

15. Where can I obtain additional information about the PCIs?

More information can be obtained on the Commission [website](#) dedicated to PCIs. This website includes an [interactive map](#) of the PCIs.