

CEF ENERGY

2020 CALL FOR PROPOSALS
(CEF-ENERGY-2020)

FREQUENTLY ASKED QUESTIONS

Version of 13 March 2020

1. DEFINITIONS
2. CALL FOR PROPOSALS
3. ELIGIBILITY CRITERIA/APPLICANTS
4. ELIGIBILITY CRITERIA/PROJECTS
5. COMMERCIAL VIABILITY
6. INVESTMENT REQUEST/CROSS BORDER COST ALLOCATION (CBCA)
7. MEMBER STATES' SUPPORT
8. COMPLIANCE WITH EU LAW
9. SELECTION CRITERIA: FINANCIAL AND OPERATIONAL CAPACITY
10. AWARD CRITERIA
11. CO-FUNDING RATES
12. ELIGIBLE COSTS
13. SUB-CONTRACTING/AWARD OF CONTRACTS
14. APPLICATION FORM
15. SUPPORTING DOCUMENTS
16. SUBMISSION PROCEDURE
17. GRANT PREPARATION/MANAGEMENT
18. MISCELLANEOUS

Note: any mention of the "TEN-E Regulation" in this document refers to Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision 1364/2006/EC and amending Regulations (EC) 713/2009, (EC) No 714/2009 and (EC) 715/2009 Text with EEA relevance, see here: <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex%3A32013R0347>

1. DEFINITIONS

1.1. What are the main objectives of the call?

The call for proposals aims to enable projects of common interest to be implemented within the framework of the trans-European networks policy in the energy sector. In particular, it aims to contribute to supporting energy infrastructure projects of common interest that have significant societal benefits and that ensure greater solidarity among Member States, but which do not receive adequate financing from the market. Special focus will be placed on the efficient use of public investment.

Furthermore, this call for proposals takes into consideration the European Green Deal objectives, namely that energy infrastructure is a key enabler for the transition to climate neutrality.

1.2. What is a PCI? How are PCIs selected?

The acronym "PCI" stands for Project of Common Interest. PCIs are key energy infrastructure projects that are essential for completing the European internal energy market and for reaching the EU's energy policy objectives of affordable, secure and sustainable energy.

The process of selection of PCIs is described in Article 3 of the TEN-E Regulation. The identification of PCIs takes place in 12 Regional and Thematic Groups established by the TEN-E Regulation, which include representatives from the Member States, the European Commission, Transmission System Operators (TSOs), national regulatory authorities (NRAs), project promoters and the Agency for the Cooperation of Energy Regulators (ACER). The Regional and Thematic Groups assess projects' compliance with the criteria for projects of common interest. Based on the regional lists, the Commission then adopts the Union-wide list of projects of common interest via a delegated act procedure. This list of projects is established every two years.

1.3. Which PCIs can apply to this call and where can I find the latest list of PCIs?

The PCIs which can apply under this call for proposals are those contained in the fourth Union List of Projects of Common Interest (PCI). You can find the document at:

https://eur-lex.europa.eu/eli/reg_del/2020/389/oj

1.4. Why are some PCIs "no longer considered as PCIs" in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013?

The phrase 'No longer considered a PCI' refers to projects from previous Union lists established by Regulation (EU) No 1391/2013, Regulation (EU) 2016/89 and Regulation (EU) 2018/540 that are no longer considered PCIs in the most recent Regulation (EU) 2020/389 of 31 October 2019 amending Regulation (EU) 347/2013 on the Union list of PCI for one or more of the following reasons:

- according to the new data, the project does not satisfy the eligibility criteria;
- a promoter has not re-submitted it in the selection process for this Union list;
- the project has already been commissioned or is to be commissioned in the near future and so it would not benefit from the provisions of the TEN-E Regulation; or
- the project was ranked lower than other candidate PCIs in the selection process.

Such projects are not considered PCIs pursuant to the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013, but are listed with their original PCI numbers on the Union list for the sake of transparency and clarity.

1.5. What is a cluster of PCIs?

Some PCIs form part of a cluster because of their interdependent, potentially competing or competing nature. The following types of cluster of PCIs are established:

- **Cluster of interdependent PCIs:** This cluster was formed to identify PCIs that are all needed to address the same bottleneck across country borders and provide synergies if implemented together. In this case, all the PCIs have to be implemented to realise the EU-wide benefits.
- **Cluster of potentially competing PCIs:** This cluster reflects an uncertainty around the extent of the bottleneck across country borders. In this case, not all the PCIs included in the cluster have to be implemented. It is left to the market to determine whether one, several or all PCIs are to be implemented, subject to the necessary planning, permit and regulatory approvals. The need for PCIs will be reassessed in a subsequent PCI identification process, including with regard to the capacity needs.
- **Cluster of competing PCIs:** This cluster addresses the same bottleneck. However, the extent of the bottleneck is more certain than in the case of a cluster of potentially competing PCIs, and therefore only one PCI has to be implemented. It is left to the market to determine which PCI is to be implemented, subject to the necessary planning, permit and regulatory approvals. Where necessary, the need for PCIs will be reassessed in a subsequent PCI identification process.

All PCIs are subject to the same rights and obligations established under the TEN-E Regulation.

1.6. What type of Actions can be funded under the CEF Energy programme?

CEF Energy may co-fund Actions that are either studies or works. No mixed proposals, e.g. studies and works, can be co-funded.

"Studies" means activities needed to prepare project implementation, such as preparatory, mapping, feasibility, evaluation, testing and validation studies, including in the form of software, and any other technical support measure, including prior action to define and develop a project and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package.

"Works" means the purchase, supply and deployment of components, systems and services including software, the carrying-out of development and construction and installation activities relating to a project, the acceptance of installations and the launching of a project.

For examples of actions already co-funded under CEF Energy, see:

<https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/cef-energy-projects-and-actions>.

1.7. Can you provide examples of activities which can be funded as studies?

Studies are defined as preparatory, feasibility, evaluation, testing and validation studies, including software, and any other technical support measure including prior action to define and develop a project and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package.

As an example, the main design of a PCI can be co-financed under CEF Energy.

Other examples of studies which could be co-financed under CEF Energy include:

- Cost-benefit analysis related to a PCI
- FEED (Front End Engineering Design) of a project
- Subsea surveys carried out from vessels and remotely operated vehicles (ROVs)
- Environmental Impact Assessment (EIA)
- Engineering studies, preparation of documents necessary for the issuing of permits and other preparatory activities
- Studies to examine ways to overcome barriers and obstacles to the original PCI in order to deliver the PCI objectives...

For further information, please check the list of actions which have already been awarded CEF funding:

<https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/cef-energy-projects-and-actions>.

1.8. What are studies with physical interventions?

Studies with physical interventions are studies that imply interventions such as destructive tests, excavations, etc. aimed to define and develop a project fully and decide on its financing or final design. Typically, laboratory tests or tests of similar nature that have no impact on soil, air or water, would not be considered as having physical interventions. Additional examples of "physical interventions" can also be found in the Annex I and II of the EIA Directive.^{1,2}

¹ [Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment](#)

² [Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment](#)

It is the responsibility of the applicant(s) to determine the nature of the submitted action/activities in light of the applicable definitions.

1.9. Can you provide examples of activities which can be funded as works?

Works are defined as all activities related to the physical construction of the PCI, e.g. the laying of a gas pipeline or the construction of a substation. The preparation of the construction site, such as dredging works, is also part of the physical construction and therefore eligible for CEF co-funding.

For further information, please check the list of actions which were awarded CEF funding in previous years: <https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/cef-energy-projects-and-actions>.

1.10. What kinds of Actions have been funded by the CEF Energy programme in the past?

A brochure with the overview of the CEF Energy funded actions can be found on the INEA website: <https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/cef-energy-projects-and-actions>, where you can also browse Actions per corridor, country, sector and year.

1.11. Is there a maximum duration for Actions submitted under the current call for proposals?

The Call for proposals does not specify a maximum duration for Actions proposed for funding. Nevertheless, the call text indicates that the costs related to the proposed Action should be eligible until 31 December 2025 at the latest and applicants are strongly encouraged to submit proposals for studies or works which are mature enough to be completed before the end of 2025.

1.12. What are positive externalities? How can applicants demonstrate evidence of positive externalities?

The PCI specific cost-benefit analysis pursuant to Article 12(3)(a) of the TEN-E Regulation should provide evidence concerning the existence of significant positive externalities going beyond the Member State where the PCI is located and which cannot be internalised through the existing regulatory framework. Positive externalities may relate to security of supply, solidarity or innovation, as outlined in Article 14(2)(a) of the TEN-E Regulation. Existence of significant positive externalities is one of the eligibility criteria for grants for works.

2. CALL FOR PROPOSALS

2.1 Call priorities

2.1.1. Will both studies and works be financed under this call?

Yes, the 2020 call for proposals covers both grants for studies and for works.

2.1.2. Is there any ex-ante earmarking of budget for grants for studies or for grants for works? Is there any earmarking by sector or Member State?

No, there is no earmarking either by type of proposals (studies vs. works), by sector (gas vs. electricity vs. carbon dioxide vs. smart grids) nor by Member State.

2.1.3. Section 3 of the Work Programme states that it will contribute to supporting energy infrastructure projects of common interest that have significant societal benefits and that ensure greater solidarity among Member States, but which do not receive adequate financing from the market. Can also other projects, which are not mentioned in the work programme, be submitted for consideration under this call?

In selecting the proposals for funding under the current call for proposals, the Commission will prioritise proposals that address the objectives mentioned in the work programme. Proposals addressing PCIs that do not address these priorities may still be submitted for funding under the current call.

2.1.4. Is it possible to submit a proposal under this call which combines both studies and works activities?

No, it is not possible to combine works and studies activities in a single proposal. However, it is possible to submit more than one proposal related to the same PCI under this call. In such case, the activities of the two proposals must be clearly defined and cannot overlap.

2.1.5. We are looking for funding for the implementation of a renewable energy generation project. Is funding available through the CEF for such projects?

CEF Energy provides financial assistance primarily to transmission infrastructure projects in electricity, natural gas, smart grids and carbon dioxide with the aim to better connect energy networks of the EU Member States, including interconnections to renewable energy sources (electricity). For further details on the scope of CEF Energy, please refer to the call for proposals, as well as Article 4(3) of the CEF Regulation and Article 14 of the TEN-E Regulation. Please note that other EU funding instruments such as Horizon 2020 may provide further opportunities for renewable energy projects, including for energy generation related projects. All open calls under H2020 can be consulted on the [Funding and Tenders Portal](#).

2.1.6. Is it possible to receive support from the CEF Energy Programme for innovative projects in the field of smart grids which do not include any investment in electric infrastructure but rather develop only software technology?

Only actions contributing to projects of common interest are eligible for support under the CEF Energy Programme. It is possible to receive support for the development of software which is specifically designed for implementation of a current smart grid Project of Common Interest in accordance with point (1) (e) of Annex II of the TEN-E Regulation as well as with the definitions of 'studies' and 'works' laid down respectively in points (5) and (6) of Article 2 of the CEF Regulation. For further details on the scope of CEF Energy and submission requirements, please refer to the call for proposals (notably sections 2, 7 and 9), as well as Article 4(3) of the CEF Regulation and Article 14 of the TEN-E Regulation.

2.1.7. How are the objectives of the European Green Deal taken into account in this call for proposals? How will they be considered in the evaluation of the specific proposals submitted?

For the evaluation of specific proposals submitted to the call, the Green Deal objectives are taken into consideration in the evaluation of criterion "Priority and urgency of the Action", under which it will be assessed how the project will remove bottlenecks, end energy isolation and contribute to the implementation of the internal energy market. In particular, the European Green Deal objectives and the key enabling role of energy infrastructure in the transition to a climate neutral economy require due consideration should be given to electricity projects, including network projects and electricity storage projects to support the deployment of renewable energy.

2.2 Call budget

2.3 Call timeline and upcoming calls

2.3.1. What is the submission deadline for the 2020 call for proposals?

The deadline of the 2020 call is **27 May 2020** (17:00 Brussels time).

2.3.2. When would a grant agreement be signed for a proposal selected under this call?

As indicated in section 5 "Timetable" of the call text, the signature of the individual grant agreements for proposals is foreseen to start as of November 2020. Grant agreements for proposals selected for funding are expected to be signed within 9 months of the call deadline, i.e. by 27 February 2021. The precise signature dates will vary depending on the progress of preparation with the beneficiaries of an individual grant agreement.

2.3.3. Can a proposal for a study be submitted under this call for the PCI scheduled to be commissioned between 2020 and 2021? Or is it better to wait for the next call?

Proposals for a study can be submitted under the current call for proposals, regardless of the expected PCI commissioning date. As indicative information, it is usually considered that a study should be ready to start within six months following the call deadline. Each proposal submitted under the current call for proposals will be assessed against the award criteria and notably the criteria of maturity applied to the Action proposed with regards to the developmental stage of the project, based on the implementation plan, and priority and urgency of the proposed Action.

2.3.4. How many calls for proposals are expected to be launched under CEF Energy in the future?

Subject to agreement on the next Multi-annual Financial Framework (MFF) for the period 2021-2027³, the next call for proposal under CEF Energy could be published in 2021.

2.3.5. Can a proposal for works be submitted under this call if activities have not yet started?

Yes, the proposal can be submitted even if activities in the proposal have not yet started, however the Action should be mature enough, meaning it should be ready to start in the short term. As stated in the call text, the maturity of the Action is one of the award criteria against which each proposal will be assessed (section 9 of the call for proposals).

2.4 Evaluation process

2.4.1. Who evaluates the proposals submitted under this call?

For the evaluation of the proposals, the European Commission and the Innovation and Networks Executive Agency (INEA) are supported by independent external experts. Experts are selected from an existing database of experts used for the research framework programme Horizon 2020, which has been complemented with experts on energy infrastructures. They are selected based on their CVs and experience and act in their personal capacity. Experts sign a contract as well as a confidentiality agreement and a declaration on the absence of a conflict of interest. The experts have an advisory role providing a technical analysis of the submitted proposals, whereas the selection decision remains the responsibility of the European Commission.

2.4.2. How is the view of third countries taken into account by the Evaluation Committee (e.g. if these countries are part of Energy Union area through the Energy Community)?

The Evaluation Committee is composed of representatives from the European Commission's Directorate-General for Energy (DG ENER). It reviews the assessment of the proposals by the external experts and evaluates the "priority and urgency of the Action" and the "stimulating effect

³ Common understanding on a proposal for the Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (COM(2018)0438 – C8-0255/2018– 2018/0228(COD))

of the CEF financial assistance" criteria. Member States or third countries are not consulted by the Evaluation Committee.

The European Commission then presents the final list of proposals recommended for funding in the form of a draft Commission Implementing Decision (known as Selection Decision). Before adoption by the Commission, the Implementing Decision must receive a positive opinion from the EU Member State representatives in the CEF Coordination Committee (Energy configuration). The European Parliament is also informed about the proposed list.

Third countries are therefore not consulted during this process. However, any application submitted by an entity from a third country must provide the agreement of the third country authority via application form part B3. Moreover, a proof of support from the EU Member State(s) concerned by the PCI must be provided (Form A2.3) and an explanation on why participation of the third country applicant is necessary and indispensable in order to achieve the objectives of the PCI to which the proposal relates must be included in the application form part B4. See also Q3.4.1 below.

2.4.3. Is it possible to apply for a CEF Energy grant at any time?

No, it is only possible to apply for a CEF grant during an open call for proposals. All call-related information is available on the INEA website: <http://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/calls>.

2.5. Information and communication

2.5.1. Are the statistics on funding requests publicly available?

After the call closure, statistics on the number of proposals received and the total requested funding are available on the [INEA website](#). Please regularly check the website and Twitter feed (@inea_eu) for additional information.

2.5.2. Where can the guidelines for participation in this call for proposals be found?

All requirements relevant to this call for proposals are contained in the work programme and call for proposals, which are accessible on the call website: <https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/calls/2020-cef-energy-calls-proposals/2020-call-proposals>.

2.5.3. Is there someone in the European Commission or INEA whom we could contact to confirm that our proposal fits in the scope of the 2020 CEF Energy work programme and call for proposals?

The European Commission and INEA follow a strict policy of equal treatment of all applicants. Therefore, individual advice to the potential applicants on the preparation of their proposals is not available. The Guide for Applicants provides step-by-step instructions on how to prepare an application. General questions about the call and submission process can be sent to the call helpdesk: INEA-CEF-energy-calls@ec.europa.eu.

Please note, however, that questions which are specific to a particular proposal and where the answer would provide a comparative advantage to the applicant will not be answered.

2.5.4. Is there a way of approaching promoters of existing PCIs or clusters of PCIs?

The Commission and INEA do not facilitate contacts with the PCI project promoters.

3. ELIGIBILITY CRITERIA/APPLICANTS

3.1 General information

3.1.1. In the application, who is responsible for determining the legal status of applicants?

It is the responsibility of the applicant to verify its legal status against the applicable national legislation and the definition of public sector bodies provided in [Rules on Legal Entity Validation, LEAR appointment and Financial Capacity Assessment](#). The applicants' legal status will be checked during the selection procedure. Applicants will be contacted by the Validation Services in due time.

3.1.2 If a proposal is submitted by a project promoter and if it is already known at the proposal preparation stage that a new company will be established to implement the proposed Action and be the legal successor of the initial promoter, which type of document should be provided at the proposal stage? Beyond the information related to the applicant, is it already necessary to provide administrative and financial information about the future project promoter?

The information to be provided should reflect the situation of the applicant as specified in the application form. If the new company taking over the implementation of the proposed Action is not officially established at the time of submission, no specific administrative documents need to be provided. Nonetheless, if important changes - such as a change to the legal structure of project promoter - are already known at submission stage, they should be described in the application. An explanation on how such changes will be implemented should also be provided in the application. Applicant(s) should also indicate to which extent and how the change may impact the implementation of the proposed Action. If the change would lead to new risks related to the implementation of the Action, these should also be described together with the risk mitigation measures envisaged. All of this information can be provided in Section 2.7 of application form part D on the control procedures and quality management planned during the implementation of the proposed Action.

3.1.3. Can a freelancer apply for funding under the call?

According to the Call of proposal, section 7.1, only the following types of applicants are eligible to submit a proposal:

- One or more Member States
- With the agreement of the Member States concerned, international organisations, Joint Undertakings or public or private undertakings or bodies established in Member States of the European Union

Furthermore, third countries and entities established in third countries may participate in Actions where their participation is indispensable to achieve the objectives of a given PCI.

Proposals may be submitted by entities which do not have legal personality under the applicable national law, provided that their representatives have the capacity to undertake legal obligations on their behalf and offer guarantee for the protection of the EU financial interests equivalent to that offered by legal persons.

Natural persons are not eligible.

3.1.4. Can UK applicants still apply for the 2020 CEF Energy call?

Yes. Following the entry into force of the EU-UK Withdrawal Agreement on 1 February 2020 and in particular Articles 127(6), 137 and 138, the references to natural or legal persons residing or established in a Member State of the European Union are to be understood as including natural or legal persons residing or established in the United Kingdom. UK applicants are therefore eligible to participate under this call.

3.2. Public undertaking or body

3.2. What is a "public undertaking or body"? Can you provide an example of "public undertaking" which may be eligible applicants under this call?

In the context of this call, please refer to the definition a public sector body/undertaking provided here:

https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/lev/h2020-rules-lev-lear-fvc_en.pdf

Please note that Ministries are omitted from this definition as they are considered as an entirely separate category, which is "Member State". However, any another public entity (such a national environmental agency) that has independent legal personality from a Ministry would be considered as being a public sector body governed by public law.

Pursuant to the Article 9 of the CEF Regulation and as described in the work programme and the call for proposals, proposals may be submitted by public undertakings with the agreement of the Member States concerned. The eligibility of proposals will be assessed on the basis of criteria laid down in the Work Programme and the call text.

Notably, the proposed Action must contribute to Projects of Common Interest as identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013 and the applicant should obtain the support of the concerned Member State. For further details on eligibility criteria, please refer to the Call for proposals.

Subject to an appropriate assessment on a case-by-case basis, examples of "public undertakings" which may be eligible under this call may include regional or local authorities (such as municipalities), bodies governed by public law , international organisations, etc.

3.3. Private undertakings

3.3.1. What is a "private undertaking or body"? Can you provide an example of private undertakings which may be an eligible applicant under this call?

A private undertaking is any legal entity established under private law which has a legal personality distinct from that of its founders/owners/members and which can exercise rights and be subject to obligations. Pursuant to the Article 9 of the CEF Regulation and as described in the work programme and the call for proposals, proposals may be submitted by private undertakings with the agreement of the Member States concerned. The eligibility of proposals will be assessed on the basis of criteria laid down in the Work Programme and the call text.

Notably, the proposed Action must contribute to Projects of Common Interest as identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013 and the applicant should obtain the support of the concerned Member State. For further details on eligibility criteria, please refer to the call for proposals.

3.4. Third countries

3.4.1. Could an entity from a third country receive financial support from CEF for energy infrastructure projects?

As mentioned in Article 9.4 of the CEF Regulation and detailed in the work programme and the call for proposals, promoters of PCIs from third countries may apply for CEF support as long as their project is included in the list of PCIs and their participation is indispensable to achieve the objectives of the given PCI.

In such cases the following documents must be provided:

- proof of support of the EU Member State(s) concerned by the PCI (application form A2.3),
- a declaration on why the participation of the applicant is indispensable (application form part B4), and
- proof of support of the third country authorities (application form part B3).

If possible, it is recommended that any proposals that include applicants from third countries are submitted jointly with applicants established in the EU.

3.4.2. Are entities from third countries and overseas EU territories eligible to participate in this call?

Applicants from these areas may apply for funding, as long as they comply with the eligibility criteria for applicants and actions proposed for funding as laid down in the work programme and the call for proposals.

3.5. Affiliated entities

3.5.1. What is an affiliated entity?

Pursuant to Article 187 of the [Financial Regulation](#), an entity that satisfies the eligibility criteria and that does not fall within one of the exclusion situations referred to in section 7.2 of the call for proposals and that has a link with the applicant, in particular a legal or capital link, which is neither limited to the Action nor established for the sole purpose of its implementation, may be considered as affiliated to the applicant.

An entity forming the applicant (together with other entities), including where the latter is specifically established for the purpose of implementing the action proposed for funding may also be considered as affiliated to the applicant.

For further details, please refer to Article 187 of the Financial Regulation.

3.6. Number of applicants

3.6.1. Is there a minimum number of applicants required to submit a proposal under this call?

There is no minimum number of applicants under this call for proposals. A proposal may be submitted by one or more applicants, if the eligibility criteria are met for each applicant.

3.6.2. Are there specific consortium requirements under this call?

There are no specific consortium requirements for this call.

3.7. Former participation to CEF Energy calls

3.7.1. Can an entity that has never applied for EU funding apply under this call for proposals?

Yes, an entity that has never applied for EU funding may apply under this call for proposals. There is no eligibility criteria linked to past EU grants. This means that an entity that has never received an EU grant may apply under this call for proposals if the eligibility criteria related to the applicant and the PCI as described in the work programme and in the call for proposals are met.

3.8. Examples of specific cases

3.8.1. Where there is more than one project promoter listed on the PCI list, do all project promoters have to be applicants for CEF funding or can just one of the project promoters be an applicant?

If several project promoters are involved in the implementation of the proposed Action and will be incurring costs in connection with the proposed Action, they should all be included as applicants in the proposal. In case only one project promoter is to be involved in the implementation of the proposed Action and will be incurring costs in connection with it, the application can be made just by that project promoter. The application should clearly explain how cooperation between the project promoters in the PCI is ensured.

3.8.2. For some of the activities of the proposed Action, the owner of the asset first pays the bills linked to the project and then passes on all the costs to the PCI project promoter (network operator responsible for project management). Is it sufficient if only the project promoter of the PCI is an applicant for CEF grants or should both companies be applicants in a proposal?

To be eligible, costs must meet the eligibility criteria laid down in Article II.19.1 of the model grant agreement. Notably, they must be "*identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary*". If the costs incurred by the project promoter can meet the costs eligibility criteria specified therein, then it may be sufficient that only the project promoter is an applicant in a proposed Action. See also Q3.8.4 below.

Please note that any activities of the proposed Action that are carried out by entities other than the applicant or its affiliated entities and for which the costs are billed to the applicant, must be referred to under Q3.6 "Procurements/Subcontracting" of application form part D.

3.8.3. Our proposed Action concerns the construction of infrastructure as part of a PCI. This Action will be implemented by a private company which is not a project promoter. Can this company apply for a CEF Energy grant and still receive funding?

Such entity may apply, if the eligibility criteria related to the applicant and the PCI as described in the work programme and in the call for proposals are met, i.e. the company is involved in the implementation of an Action related to one of the projects of common interest on the PCI list and it obtained support of the concerned Member State. However, please keep in mind the definitions of the PCI and the project promoter in Article 2 of the TEN-E Regulation. Please also note that as the proposal will be assessed notably against its direct contribution to PCI implementation, it should demonstrate appropriate cooperation with the project promoter of the PCI.

3.8.4. Who should be the applicant for grants for works when the Independent System Operator (ISO) model is in place: the ISO on behalf of the transmission asset owner or the transmission asset owner itself?

In such a situation, the Commission's interpretation is that, for practical reasons, both the ISO and the transmission asset owner should submit a joint application, i.e. the legal entity that incurs the expenses (receives the invoices) and the legal entity that develops the PCI/Action (has the detailed information for application/reporting etc.).

3.8.5. When the project promoter of a PCI has a number of shareholders, can the application for the PCI be made by one of these shareholders?

Such an entity may apply if the eligibility criteria related to the applicant and the project as described in the work programme and in the call for proposals are met, i.e. the company is involved in the implementation of an Action related to one of the projects of common interest on the PCI list and it obtained support of the concerned Member State. See also Q3.8.3 above.

3.8.6. If project promoters of a PCI change during the process (from receiving the PCI status until the CEF grant application), should it be justified in the CEF application and if so, how?

Yes, if the project promoters have changed between when the project was granted PCI status and the moment the CEF Energy application is made, the situation should be explained in Q3.8 and Q3.9 of application form part D. These questions refer to how the cooperation between project promoters and impacted Member States takes place and which companies and Member States contribute financially to the Action that is the subject of application for a CEF Energy grant.

3.8.7. Is it possible to obtain financial support from the CEF if the applicant also wants to obtain some exemptions described in the Article 36 of the Directive 2009/73/EC concerning common rules for the internal market in natural gas (e.g. exemption from the Third Party Access [TPA] rule for the part of the new infrastructure)? Are there legal obstacles for this application?

PCIs included in Annex II.1 (a) to (d) and Annex II.2 of the TEN-E Regulation are eligible for grants for works if they meet the criteria specified in Article 14.2, notably having received a cross border cost allocation decision pursuant to Article 12.

Article 12.9 stipulates that projects which have received one of the following exemptions cannot apply for cross-border cost allocation decision and therefore not for grants for works:

- (a) an exemption from Articles 32, 33, 34 and Article 41(6), (8) and (10) of Directive 2009/73/EC pursuant to Article 36 of Directive 2009/73/EC;
- (b) an exemption from Article 15(6) of Regulation (EC) No 714/2009 or an exemption from Article 32 and Article 37(6) and (10) of Directive 2009/72/EC pursuant to Article 17 of Regulation (EC) No 714/2009;
- (c) an exemption under Article 22 of Directive 2003/55/EC; or
- (d) an exemption under Article 7 of Regulation (EC) No 1228/2003.

However, PCIs that have received any of the above exemptions are still eligible to receive CEF Energy funding for studies and can benefit from financial instruments according to Article 14 of the TEN-E Regulation.

4. ELIGIBILITY CRITERIA/PROJECTS

4.1. Can a proposal be submitted under the current call for proposals without the project to which it relates having been named a PCI?

Only Actions related to Projects of Common Interest as identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013 are eligible to apply for funding for grants under this Call.

4.2. Are all projects of common interest eligible for grants for studies under CEF?

According to Article 14 of the TEN-E Regulation, electricity, gas, smart grids and carbon dioxide PCIs may be eligible, but not the oil PCIs.

4.3. Can we submit an application under this call if our project is a Project of Common Interest as identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013?

Yes, if your Project of Common Interest is identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013 then you are eligible to submit proposals under this CEF Energy call for proposals, with exception of oil PCIs that are not eligible for funding under CEF. Please note that there are additional eligibility criteria for works proposals.

4.4. Can we submit an application under this call if our project is only included in the first/second/third PCI lists previously adopted by the Commission, but not on the fourth list?

No, only Projects of Common Interest as identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013 can apply under this call. Please refer to question 1.3. for further clarifications on which PCI list is applicable to this call.

4.5. Can we submit the proposal if our project is planning to apply to be on the next PCI list but is currently not on the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013?

No, if your project is not yet part of the list of Projects of Common Interest as identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013, your proposal will not be eligible for funding under the current call for proposals. Please refer to question 1.3. for further clarifications on which PCI list is applicable to this call.

4.6. Where can I find more information about the PCI identification selection?

You can find more information about the PCI identification selection process here: https://ec.europa.eu/energy/topics/infrastructure/projects-common-interest_en?redir=1

4.7. We know that the Union list of PCIs is normally established every two years. Can projects which are already listed, but not yet implemented, reapply to be included in the new PCI list?

Yes. The projects which are on the current PCI list need to reapply if they wish to be considered for inclusion in the next PCI list and therefore remain eligible for future CEF co-funding.

4.8. Is the adoption of a cross-border cost allocation decision (CBCA) and thus the submission of an investment request a prerequisite for the projects of common interest to apply for Union financial assistance for studies from the CEF Energy?

No. There is no need to have an investment request or a CBCA decision to apply for grants for studies. This requirement only applies to applications for works.

4.9. There are three project promoters in the PCI. Do we need two of these promoters to formally delegate the responsibility of applying to the call to the third project promoter?

If several project promoters are involved in the implementation of the proposed Action and will be incurring costs in connection with the proposed Action, they should all be included as applicants in the proposal. It is possible to create multi-applicant proposal and to designate a coordinating applicant amongst the applicants.

In case only one project promoter will be involved in the implementation of the proposed Action and incurring costs in connection with the proposed Action, the application should clearly explain how the cooperation between the project promoters will be ensured. It is not necessary to include any documents on formal delegation of the responsibility by the other project promoters in the application, but it is recommended to demonstrate the cooperation between the project promoters in the application itself.

Applicants may provide a formal delegation to the coordinating applicant for the purpose of submitting a proposal. However, such formal delegation is not a requirement under the Call for proposals.

4.10. Do we have to submit a single application for activities related to two PCIs in the same cluster or should we make separate applications?

If the two PCIs in a cluster are complementary (such as an interconnector and an internal line) and are in a similar stage of development, it is strongly recommended a joint application is submitted. In the application, both PCIs to which the proposal relates should be clearly identified by means of selecting the relevant PCIs from the drop down list in application form part A1.

However, if the two PCIs are in different stages of development or maturity, it is recommended to submit two separate applications.

4.11. In a single application for two PCIs in a cluster, could different grant agreements be concluded for the activities related to each PCI?

A single application may be submitted in relation to two PCIs in the same cluster, with all relevant project promoters listed as applicants. However in this case, only one grant agreement in relation to a single application may be concluded in case the proposal is selected for CEF funding.

4.12. In case of a cross-border PCI in which both promoters intend to submit proposals for studies, should the application be submitted as a multi-applicant proposal?

In case of a cross-border PCI when both project promoters intend to submit proposals for funding, it is strongly recommended that a joint application is submitted, with activities to be carried out by the two project promoters combined under the same application.

4.13. Two project promoters are involved in the development of the same PCI. They intend to submit two separate applications in relation to this PCI as Action A is very mature and will be submitting an application for a study and Action B is less mature and will be submitting a proposal for works. Should both promoters be listed as applicants on the two applications even if Action A is being carried out by one project promoter and Action B by another?

If only one of the two project promoters will be incurring costs in relation to the proposed Action, there is no need for the other project promoter to be listed as an applicant. Nonetheless, the application form should clearly explain how the cooperation between the project promoters takes place.

4.14. Is it possible for promoters to submit two applications for the same PCI - one for works and one for studies, given that it is not possible to combine both studies and works in one proposal?

It is possible to submit two applications relating to the same PCI under the same call for proposals. Please note, however, that all proposals will be assessed against the award criteria and notably the criterion on maturity of the Action with regards to the developmental stage of the project, based on the PCI implementation plan.

4.15. Can a PCI project be supported by grants for studies twice if the Actions are clearly different (e.g. feasibility study and detailed engineering)?

Yes, if the CEF financial assistance is requested for different Actions and these can be clearly defined and differentiated - such as a feasibility study and a detailed engineering study - it is possible to request grants for studies more than once for the same PCI, including under the same call. Please note however it is recommended that such studies are combined in the same proposal, if submitted under the same call for proposals.

4.16. Would a test deodorisation plant be eligible for funding under this call for proposals? Should it be submitted as a proposal for a study or works?

The current call for proposals does not define the nature of activities that may or may not be submitted for funding. Please note that all proposals will be assessed notably against their direct contribution to the PCI implementation. A clear explanation should be provided in the application on why the proposed Action represents a necessary step for the realisation of a specific PCI.

Whether a proposal should be submitted as a study or works will depend on the exact nature of its activities. Please refer to the definitions of works and studies provided in Article 2 of the CEF Regulation and Article 2 of the TEN-E Regulation.

4.17. Can any project of common interest receive a grant for construction ("works Actions") under the CEF Energy programme?

Projects of common interest included in Annex II.1 (a) to (d) and Annex II.2 of the TEN-E Regulation are eligible for grants for works if they meet the criteria specified in Article 14 (2) of the TEN-E Regulation. One of the eligibility criteria for CEF Energy grants for works Actions is that the project is NOT commercially viable, i.e. that the market cannot fully finance the project. The applicant also has to provide a project-specific cost-benefit analysis (CBA) demonstrating the existence of significant positive externalities and the project must have received as well a cross-border cost allocation (CBCA) decision. Both the CBA and the CBCA need to be standalone documents and the CBA needs to be consistent with ENTSOG/ENTSO-E methodology (see FAQ 6.2.1).

Projects of common interest included in Annex II.1 (e) and Annex II.4 of the TEN-E Regulation are also eligible for grants for works if they meet specific criteria as specified in Article 14 (4) of the TEN-E Regulation.

4.18. If a project addresses both the energy and transport sectors, but is considered as a Project of Common Interest only in the transport sector, can it be eligible under this call?

Only Actions related to Projects of Common Interest as identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013 are eligible to apply for funding for grants under this Call.

4.19. Is it possible to receive a CEF grant for a works proposal if the final investment decision (FID) has already been taken?

In most cases, projects promoters explore several options to finance a project before the FID is taken and the request for CEF funding may be done before the FID. Although there are no specific requirements regarding the final investment decision, having one in place may have an impact on the scores awarded to the proposal at evaluation stage, notably its maturity and the need to overcome financial obstacles.

4.20. Can a project promoter submit a CEF application for works before having the conclusion of the national regulatory authority (NRA) regarding the cross-border cost allocation decision and measures to cover the costs?

It is not possible for the project promoters to apply for grants for works for projects of common interest falling under the categories set out in Annex II.1(a) to (d) and Annex II.2 of the TEN-E Regulation (except hydro-pumped electricity storage) if the CBCA decision from the concerned NRAs (or ACER) is still pending. However, a proposal for grants for works can be submitted in a subsequent call, once the CBCA decision has been issued.

Furthermore, CEF funding may be allocated to a works proposal only if the PCI promoter(s) can demonstrate its non-commercial viability. Applicants for CEF funding should demonstrate, inter alia, that incentives received through the existing regulatory framework are not sufficient. Therefore, project promoters should be informed of the conclusion of the concerned NRA(s) regarding the measures to cover the costs before they submit a request for CEF funding in the form of grants.

Project promoters may apply for grants for works for PCIs falling under the categories set out in Annex II.1 (e) and 4 of the TEN-E Regulation (smart grids and cross-border carbon dioxide networks) and PCIs falling under the category set out in Annex II.1(c) and which are non-hydro pumped electricity storage without CBCA decision within the meaning of Article 12 of the TEN-E Regulation.

However, PCIs falling under categories set out in Annex II.1(e) and 4 will need to clearly demonstrate the significant positive externalities generated by the project and its lack of commercial viability, according to the business plan and other assessments, carried out notably by possible investors or creditors or, where applicable, a NRA, in line with Article 14(4) of the TEN-E Regulation. Moreover, for PCIs other than hydro-pumped electricity storage projects, falling under the category set out in Annex II.1(c) of the TEN-E Regulation, the project shall aim to provide services across borders, bring technological innovation and ensure the safety of cross-border grid operation.

4.21. Is it possible to apply for CEF financing for a study which is part of a contract which covers a number of activities, where some of the activities under the contract (other studies or works) have already been contracted, delivered and/or paid?

Yes, it is still possible to apply for CEF Energy funding for those activities which have not yet been delivered and/or paid, provided that the related costs are incurred during the Action duration.

According to Article II.19.1 of the CEF Energy model grant agreement, costs of contracts for goods, works or services or of subcontracts are considered to be incurred when the contract or subcontract (or a part of it) is executed, i.e. when the goods, works or services are supplied, delivered or provided, and not the date of the invoice, payment or signature of the contract. Please note that, for proposals submitted under this call, costs will be eligible from the start date of the Action, which may be at the earliest the date on which the application is submitted and until the date of completion of the Action, which should be 31 December 2025 at the latest.

4.22. In the case where the studies phase would cover the construction and operation of a sub-industrial scale installation to optimise technology in order to generate further input for the design and front-end engineering design (FEED) studies of a full scale installation, could this be all included in one studies proposal? Or would this require two separate but very closely interlinked proposals, one studies proposal and one works proposal?

If the construction and operation of such an installation is a part of the preparatory studies necessary to carry out further design and design studies for a PCI, such costs may be included in a studies proposal.

4.23. If a proposal is related to a PCI which is part of a cluster of PCIs, does the applicant need to provide information about the PCIs which are part of the same cluster? In particular, when it comes to the need to overcome financial obstacles, should the applicant refer to CBA data related to PCIs of the same cluster to better highlight the characteristics of a specific PCI?

If a proposal is related to a PCI which is part of a cluster of PCIs, the information provided in the application form should relate to the proposed Action itself and, where relevant, to the PCI to which it is related. In particular, for works proposals, applicants should refer to the CBA of the concerned PCI when providing information on the need to overcome financial obstacles. However, if the CBA was prepared for a cluster of PCIs, rather than for a specific PCI within that cluster, the information can then be provided for the cluster.

4.24. Is there a minimum size in terms of CEF financial contribution and/or total budget for a proposal to be considered eligible for support?

No, there is no minimum size regarding the requested CEF financial contribution and/or total budget for proposals submitted under the CEF Energy programme.

4.25. Is it possible to include as part of a studies proposal, activities related to an electricity substation which lies along the path or at either end of a high voltage (HV) line which is on the PCI list?

Yes, in principle it is possible to include activities relating to the study which affect an electricity substation lying along the path or at either end of a high voltage (HV) line which is on the PCI list, provided that such substation is part of the technical description of the PCI.

5. COMMERCIAL VIABILITY

5.1. What is meant by "commercial non-viability" in Article 14(2)c of the TEN-E Regulation?

Commercial non-viability refers to a situation whereby the regulatory framework (bookings, tariffs, incentives) would not allow to fully cover the pertinent externalities provided by the PCI. In order to assess the commercial non-viability, available assessments from creditors or investors should be taken into account. The concerned national regulatory authorities should give special consideration and justification to the externalities underpinning non-commercial viability as part of the cross-border cost allocation. In any case the assessment should not be limited to the results of the business plan by the project promoters. Applicants are encouraged to provide results of market tests (such as open seasons), if available, and compare these to the outcome of the business plan.

5.2. One of the eligibility criteria for proposals for works is that "the project is commercially not viable according to the business plan and other assessments carried out, notably by possible investors or creditors or the national regulatory authority. The decision on incentives and its justification referred to in Article 13(2) of the TEN-E Regulation shall be taken into account when assessing the project's commercial viability." Does this mean that the project cannot yield any type of profit during its lifetime? Or is it related to the economic viability described in the ENTSO's CBA methodology?

Commercial non-viability refers to a situation whereby the regulatory framework (bookings, tariffs, incentives) would not allow to fully cover the pertinent externalities provided by the project. The project can still earn the normal rate of return during its lifetime for the investment made in addition to a possible grant. Please also refer to Q5.1 above on the definition of commercial non-viability.

Please note that proposals do not need to prove they are commercially not viable to apply for CEF funding for studies.

5.3. What kind of evidence should project promoters provide in order to duly justify the commercial non-viability of works projects?

Applicants must demonstrate the commercial non-viability of a project on the basis of the compulsory documents that are requested in the case of grant application for works: cross-border cost allocation (CBCA) decision (please see also Q4.21), business plan and cost-benefit analysis. In addition, where possible they can also base their answer on the results of market testing (gas projects) such as open seasons, results of TSO consultations or of NRAs and/or investors consultations.

5.4. Is a project commercially viable if in a cross-border cost allocation decision, 100% of the investment costs have been allocated?

Commercial viability refers to a situation whereby the regulatory framework allows to fully cover the externalities provided by the project. Most projects should become commercially viable through a cross-border cost allocation and/or through incentives provided by the national regulatory

authorities (Article 14(2) of the TEN-E Regulation). Pursuant to Article 14, the commercial viability should be assessed according to the business plan and other assessments carried out, notably by possible investors or the national regulatory authority.

5.5. Is a project commercially non-viable if it generates externalities in more than one Member State?

No. It is not the fact that a project generates externalities beyond the national borders which make it commercially non-viable, but rather that the cross-border cost allocation and incentives provided by the national regulatory authorities (Article 14(2b) of the TEN-E Regulation) and/or the use of financial instruments are not sufficient to make it a commercially viable project.

5.6 How can a project of common interest be eligible at the same time for financial instruments and grants for works if the criterion of Article 14(2)c of the TEN-E Regulation is the commercial non-viability? How can financial instruments and grants be combined?

Article 14.1 of the TEN-E Regulation specifies that projects falling under categories set in Annex II.1, 2 and 4 of the TEN-E Regulation are eligible for Union financial assistance in the form of grants for studies and financial instruments. Projects of common interest included in Annex II.1 (a) to (d) and Annex II.2 of the TEN-E Regulation are eligible for grants for works if they meet the criteria specified in Article 14.2.

Being commercially non-viable is not a sufficient condition for a project to be eligible for grants for works. The project should also demonstrate the existence of significant positive externalities that cannot be internalised through the existing regulatory framework (Article 14(2a) of the TEN-E Regulation).

Indeed, most projects should become commercially viable through the cross-border cost allocation and/or through incentives provided by the national regulatory authorities (Article 14(2b) of the TEN-E Regulation).

If PCIs are bankable (i.e. commercially viable) possibly through the use of financial instruments, they are not eligible for grants for works. Project promoters are recommended to first submit the request for investments to the EIB, or other banks, or provide opinions from third parties (investors, creditors) about the project financial obstacles. Financial instruments and grants may be combined, grants being the last resort measure for implementing a PCI after all other measures (tariffs, incentives, cross-border cost allocation contributions, financial instruments, equity and loans) have been exhausted.

5.7 Is it a prerequisite to have incentives granted for the projects of common interest before applying for grant for works from CEF Energy? What can be possible examples of incentives?

According to recital 38 of the CEF Regulation, grants should be targeted only at those projects which receive insufficient financing from the regulatory framework and private sector. Regulatory solutions should thus be explored before EU financial assistance is requested. Project promoters are encouraged to explore those solutions in cooperation with the national regulatory authorities.

5.8 If a PCI is commercially viable, can an Action relating to this PCI be eligible for a grant for studies?

Yes, all electricity, gas, smart grid and cross-border carbon dioxide networks PCIs are eligible for grants for studies. Only oil PCIs are not eligible for CEF co-funding.

6. INVESTMENT REQUEST/CROSS BORDER COST ALLOCATION (CBCA)

6.1. Investment Request

6.1.1. What is an "investment request" and who needs to make such a request?

An investment request is the instrument provided by the TEN-E Regulation to clarify the allocation of costs and benefits of a PCI among those Member States to which the project provides a net positive impact, the overall aim being to speed up the implementation of the PCI.

The investment request should include a request for a cross-border cost allocation and should be submitted to all national regulatory authorities concerned, accompanied by the following:

- (a) a project-specific cost-benefit analysis consistent with the methodology drawn up pursuant to Article 11 of the TEN-E Regulation and taking into account benefits beyond the borders of the Member State concerned;
- (b) a business plan evaluating the financial viability of the project, including the chosen financing solution, and, for a project of common interest falling under the category referred to in Annex II.2, the results of market testing; and
- (c) if the project promoters agree, a substantiated proposal for a cross-border cost allocation.

Where a project is promoted by several project promoters, the project promoters should submit their investment request jointly.

For further information, please refer to Article 12 of the TEN-E Regulation.

6.1.2. Who is the national regulatory authority in my EU Member State that the investment request needs to be submitted to?

A "National regulatory authority" (NRA) means an authority designated in accordance with Article 35(1) of Directive 2009/72/EC or Article 39(1) of Directive 2009/73/EC.

A list of the NRAs of each EU Member State can be found under the following link:
https://www.ceer.eu/ceer_about/members

6.1.3. Should the investment request be submitted to the national regulatory authorities of all significantly impacted countries, or only to those national regulatory authorities on which territory the project will be built?

The project promoters should first consult the TSOs from the Member States to which the project provides a significant net positive impact (see Article 12(3) paragraph 2 of the TEN-E Regulation). Project promoters should then submit the investment request to all concerned national regulatory authorities from the Member States to which the project provides a net positive impact.

6.1.4. If the process for a CBCA is ongoing but has not yet received a final decision by all concerned regulators, can we still participate in this call?

No, you may not participate. As stated in the call text, section 7.3, for a proposal for works for projects of common interest falling under the categories set out in Annex II.1(a) to (d) and Annex II.2 of the TEN-E Regulation the project must have received a legally valid cross-border cost allocation (CBCA) decision pursuant to Article 12; or, for projects of common interest falling under the category set out in Annex II.1(c) and that therefore do not receive a CBCA decision, the project shall aim to provide services across borders, bring technological innovation and ensure the safety of cross-border grid operation.

6.2 Cost-Benefit Analysis (CBA)

6.2.1. Is there a method used to quantify the significant positive impact on other Member States?

The project-specific cost-benefit analysis (CBA) submitted with the investment request including the request for a cross-border cost allocation (CBCA) should be consistent with the methodology drawn up by the European Network of Transmission System Operations (ENTSO) for Electricity (ENTSO-E) and the ENTSO for Gas (ENTSOG) following the requirements stipulated in Annex V of the TEN-E Regulation.

These respective methodologies have been approved by the European Commission and can be accessed at the following links:

- <https://tyndp.entsoe.eu/cba/>
- <https://www.entsog.eu/methodologies-and-modelling#2nd-cba-methodology>

6.2.2. Is a CBA mandatory for all Projects of Common Interest as identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013?

Yes, all projects must demonstrate that the potential overall benefits outweigh the costs as stipulated in Article 4.1.b of the TEN-E Regulation as one of the three general criteria applicable to projects of common interest for their inclusion in the second PCI list.

6.2.3. Can a project with an investment request based on a cost-benefit analysis (CBA) that was prepared before the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013 apply for a CEF grant for works under this call?

Project promoters requesting a CBCA decision are expected to do it on the basis of a CBA consistent with the approved ENTOS methodologies pursuant to Article 11 of the TEN-E Regulation and taking into account benefits beyond the borders of the Member State concerned, which was used in the selection process of PCIs for the most recent list.

Ultimately, it is the responsibility of the applicant to ensure that data provided in the application is up-to date and valid.

Please see Q6.2.1. to know where to find the approved ENTOS methodologies for CBAs.

6.2.4. How should a CBA for smart grids projects be prepared?

The European Commission's Joint Research Centre (JRC) issued guidelines on CBA for smart grid projects. This is available on the JRC website:

http://publications.jrc.ec.europa.eu/repository/bitstream/JRC67964/2012.2783-jrc_rr_cba_for_smart_grids_%28online%29.pdf

6.2.5. Projects eligible for grants for works should have a positive socio-economic value while being commercially non-viable. What is the source for the calculation/analysis? Is it the project promoters' own calculations or is it other calculations, e.g. the CBA calculation done by ENTOS in the Ten-Year Network Development Plans?

First, it should be noted that, in order to be eligible for grants for works, the project should provide significant positive externalities (such as security of supply, solidarity or innovation), which is typically not the same as positive socio-economic value. As to the analysis, it is the project promoters' own calculation at this stage. Information should be included in the project-specific cost-benefit analysis consistent with the methodology drawn up pursuant to Article 11 of the TEN-E Regulation, in the business plan and other assessments, carried out notably by possible investors or creditors or the national regulatory authority. The CBA should demonstrate the existence of significant positive externalities by country concerned, including their (monetary) quantification.

6.2.6. In case of an application for a feasibility study, should applicants prove the cross-border impact of the PCI by submitting a CBA?

It is not required to submit the PCI CBA to prove the cross-border dimension of feasibility studies. Nevertheless, if such information, is readily available it can be attached to the application as a supporting document.

Please refer to section 2.2 of the Guide for Applicants for more information on the award criteria and section 3.8 of the Guide for Applicants for more information on supporting documents.

6.2.7. When preparing the project-specific CBA for a gas PCI, should the project promoter use one of the reference methodologies to calculate tariffs established in the Tariffs Network Code or can one make an estimation on its own?

As stated in the answer to question 6.2.1, for a gas PCI the project-specific cost-benefit analysis (CBA) should be consistent with the methodology drawn up by the European Network of Transmission System Operators for Gas (ENTSOG) following the requirements stipulated in Annex V of the TEN-E Regulation.

The CBA methodology developed by ENTSOG includes specific guidance regarding how to calculate or estimate tariffs in Annex 1.

For further details regarding this methodology, please consult the related documents on ENTSOG's website: <https://www.entsog.eu/methodologies-and-modelling#>

6.2.8. We plan to submit a study proposal under this call. Is a CBA required with our application?

No. A CBA is only mandatory for works applications.

6.3 Business Plan

6.3.1 How should project promoters estimate the future revenues from the Inter-TSO compensation mechanism and take them into account when submitting an investment request?

Article 12(4) of the TEN-E Regulation requires the national regulatory authorities to take into account actual or estimated revenues stemming from the inter-transmission system operator compensation mechanism when allocating the costs (across borders). Project promoters are encouraged but not obliged to include estimates on this when submitting an investment request.

6.3.2 Is there a guidance document on the requirements a business plan has to fulfil according to Article 12(3) b of the TEN-E Regulation?

No guidance document is available from the European Commission.

6.3.3 Is a project business plan required when applying for grants for studies?

No, a project business plan is not a requirement for studies applications.

6.3.4 Should the business plan submitted with the application concern the entire project of common interest or should it be limited to the action for which the grant is requested?

According to section 7.3 of the call for proposals and pursuant to Article 12 of the TEN-E Regulation, applicants are requested to submit a cost-benefit analysis and a business plan

concerning the entire project of common interest, where this is required, i.e. when applying for grants for works.

6.3.5 In which language should the investment requests be submitted?

Please check with your national regulatory authorities, as national rules apply.

6.3.6 Is it possible to submit two business plans according to Article 12 of the TEN-E Regulation if there are two project promoters involved in the project?

A PCI should be considered as one project, even if it involves two or more Member States. The TEN-E Regulation explicitly mentions "a business plan evaluating the financial viability of the project" and requires that "if a project is promoted by several project promoters, they shall submit their investment request jointly", so one business plan should be the aim. It is important that the chosen solution enables the assessment of the viability of the project as a whole. In cases where more than one PCI is considered under the investment request and more than one Member State is covered, separate business plans may be accepted.

6.3.7 For gas, Article 12(3)b of the TEN-E Regulation asks for the results of a "market testing" (and "assessment of market demand" according to Article 12(2)) to be submitted as part of the investment request (IR). What is meant by "market testing results"? Is it sufficient to submit results of a non-binding market test?

The investment request has to be submitted to the national regulatory authorities (NRAs) according to Article 12 of the TEN-E Regulation. The concerned NRAs need to assess whether the submitted documents are sufficient or if further information has to be submitted to complete the investment request. In the absence of a common harmonized European approach for the assessment of market demand, the assessment of the market demand should be done according to the national rules and practices in place. Whether it is sufficient to submit results of a non-binding market test only has to be assessed by the NRAs on a case-by-case basis.

ACER (the Agency for the Cooperation of Energy Regulators) has published a non-binding recommendation on good practices for the treatment of investment requests, including cross border cost allocation requests, which can be found here:

https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2005-2015.pdf

6.4. Cross border cost allocation (CBCA)

6.4.1 What is a cross border cost allocation (CBCA)?

A cross-border cost allocation (CBCA) is the instrument provided by the TEN-E Regulation for promoters to request a decision on the allocation of costs and benefits among those Member States to which the project provides a net positive impact, the overall aim being to speed up the implementation of the project. A CBCA request should be made as part of an investment request which may be submitted if at least one project promoter requests the relevant national regulatory authorities to apply Article 12 (1) of the TEN-E Regulation. Applicants for works grant should submit the CBCA decision as a standalone document with their application.

6.4.2. Article 12(3)c of the TEN-E Regulation asks the project promoters (if they agree) to submit a substantiated proposal for a CBCA. Is it mandatory to submit a CBCA proposal?

Article 12(3)c of the TEN-E Regulation stipulates that project promoters may come up with a substantiated proposal for a CBCA if they agree, but this is not mandatory. Also, the concerned national regulatory authorities are not bound by the proposal.

6.4.3. How can a project promoter assess if the project is mature enough to receive a CBCA decision? Is sufficient maturity a prerequisite for the submission of an investment request, e.g. through a defined level of progress such as launched permitting procedures in those countries where the project will be built?

Yes, sufficient maturity is a prerequisite for the submission of an investment request. This includes that the project-specific cost-benefit analysis and the business plan are of adequate quality with a high reliability of expected costs and benefits and that the chosen financing solution is defined. In addition, permitting procedures should have started in all Member States hosting the project at the time of submission of an investment request.

6.4.4. What if impacted transmission system operators (TSOs) do not respond to the consultation carried out by the project promoters for the cross-border cost allocation?

Consulted TSOs from the Member States to which the project provides a significant net positive impact are not obliged to react to the consultation carried out by the project promoters. The project promoters can proceed without their views but should provide proof that they have consulted the TSOs concerned and provided them with a reasonable time to react.

6.4.5. What if several national regulatory authorities are involved in the CBCA decision? Will they reach different agreements?

Concerned national regulatory authorities must coordinate and come up with one CBCA decision. If they cannot agree on one coordinated decision within six months of the date on which the request was received by the last national regulatory authority concerned, they should refer the question to ACER (Agency for the Cooperation of Energy Regulators) (see Article 12(6) of the TEN-E Regulation).

6.4.6. In case a national regulatory authority does not agree on the net positive impact of a project of common interest, can ACER (Agency for the Cooperation of Energy Regulators) oblige the national regulatory authority to include the related project costs in the national network tariffs even if the project of common interest is not located on the territory of the respective Member State?

According to Article 12(6), when national regulatory authorities cannot agree within six months on an investment request and the decision for the CBCA for a project of common interest, they have to submit the request to ACER for a decision. The national regulatory authorities can also refer the investment request to ACER for decision upon joint request. ACER's decision is binding on the national regulatory authorities. Appeal is possible in line with the provisions of the ACER Regulation (Regulation (EC) No 713/2009).

6.4.7. According to which methodology should the CBCA for gas storage projects be made? What costs are allocated to other Member States and how?

Article 12 of the TEN-E Regulation does not foresee a specific methodology for gas storage projects when requesting a CBCA decision. Concerned national regulatory authorities will assess the project and decide on the cost allocation depending on the net positive impact on the Member State(s) concerned.

6.4.8. If the CBCA decision was received in 2014/2015 and the project promoter applies for funding under the current call, is the decision still valid?

In principle yes, unless the CBCA decision itself contains a validity date or a provision on the need to revise it under certain conditions, or is not applicable anymore due to relevant changes in the project characteristics, costs, benefits, etc. The TEN-E Regulation does not provide for the expiration of a CBCA decision, nor does it for its revision. In line with Article 12(3) of the TEN-E Regulation, project promoters shall keep all concerned national regulatory authorities (NRAs)

regularly informed (at least once per year until the project is commissioned) of the progress and the identification of costs and impacts associated with it. However, relevant changes to the project, which are likely to have an effect on the CBCA decision (e.g. cost overruns or changes in benefits), should be notified to the concerned NRAs. In particular, if the CBCA Decision was prepared on the basis of a cost-benefit analysis which is not in line with the latest CBA prepared in the framework of the PCI selection process or is not consistent with ENTSO-E/ENTSO-G methodology, as stipulated in the answer to Q6.2.1, the CBCA Decision may need to be updated. NRAs should confirm in such case whether the CBCA Decision remains applicable in its current terms or it needs to be revised or updated.

6.4.9. Is there a template which should be used in order to make the cross-border cost allocation?

The national regulatory authorities may provide a template. The national regulatory authorities may also use the ACER (Agency for the Cooperation of Energy Regulators) non-binding recommendation on good practices for the treatment of investment requests, including cross-border cost allocation requests, which includes templates and can be found here: http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2005-2015.pdf.

6.4.10. If there is no decision by the concerned national regulatory authorities (NRAs) on the CBCA before the current call deadline, does it mean that the project promoter has to wait until the next call in order to apply for a works grant?

It is not possible for the project promoters to apply for grants for works under the current call if the CBCA decision from the concerned NRAs (or ACER - Agency for the Cooperation of Energy Regulators) is still pending. However, a works proposal could be submitted under the next call, once the CBCA decision has been issued. The European Commission encourages NRAs to find a solution that enables project promoters a timely participation in the CEF calls. Therefore it is recommended to keep the European Commission updated about any conflicts possibly arising from the deadlines.

6.4.11. What is the estimated timeframe for receiving a CBCA decision?

According to Article 12(4) of the TEN-E Regulation, the national regulatory authorities (NRAs) should take coordinated decisions on the allocation of costs within six months of the date the last investment request was received by the concerned NRA.

If concerned NRAs cannot agree on the cross-border cost allocation decision, the decision will be taken by the Agency for the Cooperation of Energy Regulators (ACER) (see Article 12(6) of the TEN-E Regulation) within three months of the date of referral to ACER. This three-month period can be extended by an additional period of two months where further information is sought by ACER.

6.4.12 The CBCA for a PCI was obtained in 2014. Would this CBCA be still valid for an application relating to the same PCI under the current call, if there has been a slight change in capital expenditure (CAPEX) or (operating expense) compared to the original CBCA and CBA documents?

Yes, in principle a slight change would be considered acceptable. The application must however clearly identify the difference compared to the original CBA and CBCA, explain the context for the change and how it will affect the PCI development as well as indicate whether the change is reflected in the latest PCI implementation plan and whether concerned NRAs (or ACER - Agency for the Cooperation of Energy Regulators) have been informed. See also Q6.4.8 and Q5.16 above.

6.4.13 Is it possible to receive a CEF Energy grant for works if a CBCA decision allocated 100% of the costs to one Member State only?

In principle, such a project may receive a CEF Energy grant for works. However, the commercial viability should be assessed according to the business plan and other assessments carried out, notably by possible investors or national regulatory authority.

6.4.14. If part of the works for which funding is requested is executed outside the EU for a PCI interconnector between a non-EU country and an EU Member State, is a CBCA needed?

Yes, a CBCA decision issued by the national regulatory authorities on the cost allocation between the EU Member States impacted by the project is required for applications for a CEF-Energy grant for works, according to Article 12 and 14 of the TEN-E Regulation. A CBCA decision is not needed for applications for works for proposals falling under the infrastructure category 1c (electricity storage), 1e (smart grids) and 4 (carbon dioxide) of Annex II of the TEN-E Regulation.

6.4.15. If an applicant has already provided the relevant CBA and CBCA in its application(s) under previous CEF Energy call(s), is it necessary to provide them again under this call?

Yes. The evaluation is done only on applications for the current call and does not take previous applications into account. Therefore it is necessary to submit all requested documents for each application, even in the case that an applicant would submit several proposals for the same call.

Please also note that it is the responsibility of the applicant to ensure that data provided in the application is up-to date and valid. See also Q6.2.3 above.

6.4.16. What is the procedure for taking a Cross-Border Cost Allocation (CBCA) decision? What steps should project promoters and National Regulatory Authorities (NRAs) follow?

The procedure for taking a Cross-Border Cost Allocation decision for a Project of Common Interest (PCI) is described in Article 12 of the TEN-E Regulation. According to it, the project promoter(s) of the PCI have to consult the TSOs from the Member States to which the project provides a significant net positive impact before submitting an investment request (including a CBCA request) to the NRA(s) concerned. The article sets out that, within six months of the date on which the last investment request was received by the NRAs concerned, the NRAs shall, after consulting the project promoters concerned, take coordinated decisions on the allocation of investment costs to be borne by each system operator for the project. ACER Recommendation 05/2015 (https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2005-2015.pdf) includes details on how the consultation requirements laid down in Article 12 of the TEN-E Regulation should be considered as fulfilled. Please see also section 7.3 of the call text on eligibility of Actions.

7. MEMBER STATES' SUPPORT

7.1. We intend to submit an application for a study concerning a section of the PCI on the territory of only one of the two Member States concerned by this PCI. Is it necessary to get the approval of such an application by both Member States concerned by the PCI or just the Member State where the section subject to our application is located?

'Member States concerned' in the context of this call for proposals are considered to be all Member States on the territory of which the proposed Action will be implemented. In this case, the signature of just the Member State concerned by the section subject to the proposed study is required in application form part A2.3.

Please note that the proposal must clearly explain how the Member States and relevant project promoters of the entire PCI cooperate in the implementation of the proposed Action.

7.2. Can an applicant send a copy of the national ministry approval and only send the original version upon request?

Once the information on the Member State representative approving the application is entered in the system, the form must be printed and signed by the Member State. The signed version then must be scanned and uploaded into TENtec eSubmission module as a separate and well-identified document.

There is no need to send any physical copies or the original of the document. However, applicants must be able to provide the original documents and send them to INEA or the European Commission upon request.

Please refer to section 13.2 of the Call for proposals and section 3.4.4. of the guide for applicants for further details.

7.3. Application form part A2.3 asks for approval of an EU Member State. A proposed Action and a PCI to which it relates are not located in an EU Member State. Is an EU Member State approval needed in this case?

Yes, as mentioned in section 7.1 of the call for proposals and application form part B, proof of support of the EU Member State(s) concerned by the PCI is necessary for applications filed by third countries or entities from third countries.

Please note that, in addition, such applicants must also provide the following information:

- a declaration on why the participation of the applicant is indispensable (application form part B4), and
- proof of support of the third country authorities (application form part B3).

If possible, it is recommended that any proposals that include third country applicants are submitted jointly with applicants established in the EU.

7.4. Do we need approval of an EU Member State if the project promoter from that Member State will not take part in the application?

As stated in Article 9 of the CEF Regulation, "Proposals shall be submitted [...] with the agreement of the Member States concerned". 'Member State concerned' should be understood as the Member State in the territory of which the proposed Action is planned to be (or is being) implemented.

If the activities of the proposed Action are taking place on a territory of a Member State, its approval is necessary even if there is no applicant from that Member State participating in the proposal.

For proposed Actions fully implemented in a third country, the approval of the Member State(s) concerned by the PCI is required (form A2.3).

In any case, the application should also clearly explain how the cooperation between the project promoter and the EU Member State that is not involved in the application takes place.

7.5. Can we analyse as part of our proposal a route which would cross a third country? Do we need any approval from this third country for the analysis, if there is no promoter from this country involved in the study?

If the proposal relates to a study in which there is no direct participation by a promoter from a third country, the third country approval is not needed.

The application form should however clearly explain how the cooperation between the project promoter and the third country takes place.

7.6. How can entities established in third countries provide evidence of the support of an EU Member State? Is there a template letter which can be provided by INEA? By which national authority should this support be provided?

The support of an EU Member is provided by completing application form part A2.3 and having it signed by a competent Member State Ministry concerned by the proposal or the PCI. Please note that there is no formal network of contact points for the CEF Energy programme at the national level. Nonetheless, the Ministry responsible for energy in a particular Member State typically has the responsibility for CEF Energy.

Please also note that for multi-applicant proposals, application form part A2.3 must be completed for each applicant, even if there is more than one applicant from the same country.

See also Q3.4.1 above. Please also refer to section 7.1 of the call for proposals on the requirements for third countries and entities established in third countries.

7.7. For a proposed Action which is not physically taking place in any Member State, which country should sign application form "A2.3 Member State Approving this Proposal"?

In the case of an Action taking place entirely outside of the European Union, applicants need to provide proof of the support of the EU Member State(s) concerned by the PCI to which the Action relates in application form part A2.3. For instance, support of the Member State for which the related PCI or PCI cluster has a significant cross-border impact and/or who supported the inclusion of the candidate project into the PCI list should be provided.

8. COMPLIANCE WITH EU LAW

8.1. In application form part C, section III "Compatibility with EU law on public procurement" is it sufficient if we confirm the compliance of the proposed Action with national law transposing EU Directives?

Section III of application form part C aims to establish whether the proposed Action is to be implemented in compliance with EU law on public procurement, especially with Directives 2004/18/EC and 2004/17/EC as amended. If the answer to this question is "yes", no further information from the applicant is necessary. If "no", further explanations in this section should be included.

In case of doubts, you may contact the European Commission's Directorate General Internal Market, Industry, Entrepreneurship and SMEs Public procurement ex-ante assessment mechanism. This helpdesk provides guidance, answers questions and clarifies specific issues at an early stage in the preparation of a public procurement plan: <https://ec.europa.eu/growth/tools-databases/pp-large-projects/>

8.2. As our proposal has not yet received development consent, we are unable to provide at this stage the documents required under points 3.2 and 5 of section I of application form part C. How should this be addressed in the application form?

Q2.1-2.4 of section I of application form part C ask for detailed information on the development consent, where applicants must clearly explain the administrative steps already undertaken and when the development consent is expected. If other documents requested in application form part C are not yet available due to pending development consent, this must be clearly indicated and explained in the application.

Please note that lack of environmental permits may have an impact on the maturity of the proposed Action during the evaluation phase. It may also lead to specific conditions regarding the fulfilment of environmental legislation being included in the individual grant agreement, if the proposal is selected for CEF funding.

8.3. The project in question is a study with physical intervention for the connection of two EU Member States through a subsea cable. The route of this cable also runs through the offshore territories of two other Member States 200 km from their coastlines. Should the two Member States of these offshore territories through which the cable runs also sign chapter I.6. (Application of the Water Framework Directive) in application form part C?

Regarding maritime spaces, the Water Framework Directive is only applicable to coastal water and according to the Water Framework Directive (Article 2 (7)) it means surface water on the landward side of a line, every point of which is at a distance of one nautical mile on the seaward side from the nearest point of the baseline from which the breadth of territorial waters is measured, extending where appropriate up to the outer limit of transitional waters.

Therefore, the Directive is not applicable to works at 200 km distance from the coast.

8.4. According to Q5 of section I of application form part C, Application of the Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora (Habitats Directive); assessment of effects on NATURA 2000 sites, the decision of the competent authority approving the Action is needed. However, the Ministry of Environment of the Member State in question claims that they are not the authority that approves the application in application form part A2.3, therefore the approval from the competent authority (in this case the Ministry of Environment) is not needed. Is an approval by the competent authority necessary or not?

If the Action involves works or any type of physical intervention, the competent authority in the Member State in question needs to approve the declaration on the impact on NATURA 2000 sites to certify that there is no impact on NATURA 2000 areas.

The authority that needs to sign the Declaration on NATURA 2000 in the application form is the national authority responsible for the monitoring of NATURA 2000 areas under national law. This is not necessarily the Ministry which is supporting the submission of the application in application form part A2.3. The designation of the responsible authority for NATURA 2000 falls under the responsibility of each Member State.

8.5 How should I complete application form C, in case the authority responsible for the monitoring of NATURA 2000 sites (in this case, the Ministry of Environment) refuses to provide a signed Annex C-I but I can provide statements from regional authorities?

In case your proposal requires Annex C-I of application form part C, the absence of this Annex may have an impact on the scoring of maturity criterion during the evaluation phase. It is highly recommended to include in the proposal a clear explanation about why the requested environmental documentation was not included in the proposal and attach any other explanatory documentation (e.g. statements of regional authorities). If the proposal is selected for funding, the documentation signed by the responsible authority for monitoring NATURA 2000 sites must be provided before the signature of the grant agreement. The financial aid is conditioned to the full compliance of the EU environmental legislation.

8.6 If a proposed Action takes physically place in a Member State and in a third country, do permitting procedures have to be performed both in the Member State and the third country? Does the permit granting process have to be performed in compliance with chapter III, Article 10 of the TEN-E Regulation also in the third country?

The permit granting process has to be carried out both in Member State(s) as well as in third countries. In Member States this has to be done according to the provisions of Article 10 of the TEN-E Regulation, whilst in each third country, where the TEN-E Regulation is not applicable, it has to be done according to the national legislation in force.

8.7 If a proposed Action takes physically place in a Member State and in a third country, does compliance with EU law have to be ensured also in the third country?

Compliance with EU law (e.g. environment, competition, energy infrastructure, procurement) has to be ensured in EU Member states, where EU Directives and Regulations are applicable. For third countries, where EU legislation does not apply, national legislation on the subject will be applicable and needs to be complied with. Accession countries to the EU have to adopt EU law, so the same obligations may be already in force in the national law of these countries.

9. SELECTION CRITERIA: FINANCIAL AND OPERATIONAL CAPACITY

9.1. Must documents proving financial capacity be submitted with the proposal?

No. Please see section 3.3 of the Guide for Applicants and section 1 of application form part B for more information.

9.2. Do all applicants have to demonstrate their operational capacity?

No. The requirement for applicants to demonstrate their operational and financial capacity does not apply to Member States, third countries, international organisations, public bodies established in the EU, transmission system operators certified following the procedures laid down in Articles 10 or 11 of Directive 2009/72/EC or Articles 10 or 11 of Directive 2009/73/EC and Joint Undertakings established in the EU which qualify as public bodies. The certified transmission system operators are requested to submit their valid certification decisions.

9.3. The Applicant has designed an affiliated entity to carry out an Action. In the case in which the designated affiliated entity will be the only one implementing the proposed Action, does the Applicant also have to demonstrate its financial and operational capacity?

Yes. The requirement to demonstrate financial and operational capacity applies to all applicants and affiliated entities, except for the categories set out in Section 8 of the call text.

9.4. Does the exact date of a TSO certification decision matter? Does it need to be a recent date and would a certification decision dated in 2012 be acceptable?

According to the conditions of the call, certified TSOs are exempt from demonstrating their financial and operational capacity, but are requested to provide their valid certification decision as part of the proposal. The date of the certification does not matter, as long as the certification decision is valid and no changes in the structure of a TSO that would require a new certification decision have taken place.

10. AWARD CRITERIA

10.1. Can you provide more information on how studies should demonstrate the need to overcome financial obstacles considering that the regulatory framework of our Member State allows financing the costs of such investments in the grid tariffs?

All proposals should provide a sound explanation on how EU funding can help to overcome financial obstacles for the completion of the proposed Action. In cases where the regulatory framework allows to finance the costs of studies through the regulated tariffs, applicants can for instance demonstrate to which extent the CEF funding will allow to finance more comprehensive studies or will allow to perform these studies at an earlier stage and thus contribute to accelerating the

implementation of the PCI, in particular in situations where the applicant is facing other significant investment needs/costs. See also section 3.7. of the Guide for Applicants for more information.

10.2. Is it mandatory for a proposal for a feasibility study to address the "Cross-border dimension" award criterion by proving the existing agreements with the countries affected by the gas infrastructure? If this is the case, would relevant correspondence be enough?

Information on the cross-border impact of the Action is requested to be provided in application form D (see notably Q3.8), independently from the nature of the proposed Action (i.e. studies or works). It is not required to submit proof of existing agreements with the countries concerned. Nevertheless, should agreements already be in place then proof of these may be attached as supporting documents to the application. Relevant correspondence may also be provided outlining the agreements in place.

Please refer to section 2.3 of the Guide for Applicants for more information on the award criteria and section 3.8 of the Guide for Applicants for more information on supporting documents.

10.3. If a CBA is not an eligibility requirement, can adding it help nonetheless in the evaluation of the proposal's maturity?

If a CBA is not an eligibility requirement it can still be included as a supporting document to the application and the information it contains will be used during the proposal's evaluation

10.4. How is the maturity criterion assessed?

The maturity of the Action criterion is clearly defined and explained in section 9 of the call for proposals, which reads:

Maturity of the Action with regards to the developmental stage of the project, based on the implementation plan (Article 5(1) of the TEN-E Regulation)
Maturity refers to the specific status of preparation of the Action for which the funding is requested, in order to establish the capacity for its implementation in accordance with the foreseen time plan and technical specifications, as well as the state of readiness for commencement at short term of the proposed Action. In addition, the appropriateness of the proposed Action as the next step in the development of the PCI will also be considered under this criterion.

The proposal should show evidence that the Action can be carried out without delay as preparatory or earlier activities have been concluded or are about to be concluded and that the Action is the next logical step in carrying out the PCI.

Information on the maturity of the Action is requested in application form D, independently from the nature of the proposed Action (i.e. studies or works). See also section 4.5. of the Guide for Applicants for more information.

External experts will use the information provided by the applicant to individually score this criterion on a scale between 0 (zero) and 5 (five). They will then come together in a consensus meeting to agree on a final score.

11. CO-FUNDING RATES

11.1. Section 11.2.1. of the call text notes that "The funding rates may be increased to a maximum of 75% for actions which, based on the evidence referred to in Article 14(2) of the TEN-E Regulation, provide a high degree of regional or EU-wide security of supply, strengthen the solidarity of the EU or comprise highly innovative solutions." Does this possible increase of funding rates apply to studies, works, or both types of Actions?

This only applies to works proposals.

11.2. What are the criteria that an Action should meet to be considered as an innovative project in order to benefit from the increased co-financing rate of 75%?

In order for a proposal to benefit from the increased co-financing rate of 75% for "highly innovative solutions", the project specific cost-benefit analysis must provide evidence that significant positive externalities are generated by the Action in terms of technological innovation. The applicant should explain and demonstrate the innovative solutions that the proposal would implement and provide information on the benefits of an innovative technology to citizens and/or business in comparison with a conventional solution, explaining the replicability of results and cost reductions for future projects.

Only grants for works regarding projects of common interest falling under the categories set out in Annex II.1(a) to (d) and Annex II.2 (except for hydro-pumped electricity storage projects) may benefit from an increased funding rate.

12. ELIGIBLE COSTS

Note: the "model grant agreement" referred to in the questions/answers below is available on the call webpage for reference.

12.1. Are costs for acquisition of property rights and easement (e.g. pipeline rights of way) eligible costs?

No, costs for acquisition of property rights and easement are not eligible.

12.2. Section 11.1.b of the call for proposals states that a grant cannot be awarded for an Action that has been completed but it may be awarded for an Action which has already begun provided that the applicant can demonstrate the need for starting the Action prior to the signature of the grant agreement. What kind of explanation should we provide and where should it be included in the application form?

According to section 11.1.b of the call for proposals and pursuant to Article 193 of the Financial Regulation, no grants may be awarded retroactively for Actions already completed. Therefore, if all activities which are subject of the application are completed before the grant agreement enters into force such Action cannot receive the CEF funding.

CEF funding may however be awarded to Actions which have started and are ongoing when the grant agreement enters into force. In such cases, the application must clearly explain why and which activities of the proposed Action are ready to start before grant agreement signature, how the proposed Action fits within and affects the timeline of the PCI implementation, and whether all preparatory steps for the proposed Action have been carried out, allowing for its start. This can be done, as appropriate, in Q2.4, 3.1 and 3.2 of application form part D.

Please note that according to the section 11.2.2 of the call for proposals, the earliest date from which the incurred costs could be considered eligible is the date of submitting a grant application. An Action may start before the submission of the application, however any costs that are incurred before submission of the application will not be considered eligible.

12.3. Given a situation in which a PCI promoter applies for grants for studies which are largely carried out by personnel of a parent or sister company (meaning that a study which a subject of the application largely entails costs for services provided by the parent or sister company), can these service costs be considered as the PCI promoter's eligible costs? If yes, should the parent or sister company be mentioned in the application?

Assuming that the PCI promoter is an applicant in a proposal and would become a beneficiary in the grant agreement, its personnel costs would be considered as eligible costs provided they meet the conditions of the Article II.19 of the model grant agreement. If a parent or a sister company is designated as an affiliated entity, such costs may be considered as eligible costs, provided that they comply with the same eligibility conditions as for beneficiaries and those laid down in Article II.20 of the model grant agreement. Any cost incurred by affiliated entity must be requested with the financial statement of the beneficiary only. For the definition of an affiliated entity please see the definition in the Guide for Applicants as well as FAQ section 3.5 above.

If the parent or the sister company is not listed as affiliated company, the PCI promoter will need to be invoiced for the services performed by the company in question. These services must be clearly identified in Q3.6 of application form part D.

12.4. In case the financial viability of an infrastructure project is threatened by particularly high operation costs, can these "post commissioning costs" be considered as eligible for grants?

No, such costs would not be considered as eligible costs.

12.5. Are costs of detailed planning studies for infrastructure construction eligible under the conditions of this call?

Such costs may be eligible, provided that they are incurred in connection with the proposed Action and are necessary for its implementation. They also have to meet other general conditions for the eligibility of costs as specified in Article II.19 of the model grant agreement.

12.6. From what date onwards are costs eligible for CEF funding?

According to section 11.2.2 of the call, the earliest date from which the incurred costs may be considered eligible is the last date of submission of the grant application in the TENtec eSubmission system. An Action may in practice start before the submission of the application, however any costs that are incurred before the last submission of the application will not be considered eligible.

12.7. Are the costs incurred in relation to the preparation of the application for the CEF grant eligible costs?

No, costs incurred for the preparation of an application for the CEF grant are not eligible for reimbursement under the call.

12.8. Are interest payments for the loans for the construction phase considered to be eligible costs?

No, according to Article II.19.4 "Ineligible costs" of the model grant agreement, debt and debt service charges, as well as interest owned are not considered as eligible costs.

12.9. Could you please specify from which date the costs of the Actions submitted under this call are considered eligible?

Costs may be eligible from the date of the last submission of the application in the TENtec eSubmission system, at the earliest. The actual eligibility of costs will be defined by the start date and the end date of the Action (which should be 31 December 2025 at the latest) that has been awarded CEF Energy funding, as specified in the grant agreement.

12.10. Are costs relating to personnel working on an Action and staff travelling costs eligible for CEF co-funding?

In general, personnel and travel costs are eligible for reimbursement, as long as they meet the general criteria for the eligibility of costs according to Article II.19 of the model grant agreement, in particular that they are incurred in connection with the Action and that they are necessary for its implementation.

12.11. What is the correct way of calculating the exchange rate for application for Actions that are taking place in countries outside the euro zone?

The exchange rate used when preparing the application should be specified in the application. In converting to Euro (€), use the monthly accounting rate established by the Commission (ideally the rate of the month of submission of the application or, if not published at the time of the submission, the rate from the preceding month). The exchange rate is published on the following website: <http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>.

12.12. Are costs related with land acquisition considered as eligible costs?

No. As stipulated in Article 8.6 of the CEF Regulation, costs related to the purchase of land are not considered as eligible costs.

12.13. How do we justify personnel costs? What type of data should be provided?

In order to simplify the declaration of costs of beneficiaries, the reimbursement of personnel costs declared as unit costs (so called 'average personnel costs') is authorised under the CEF programme by Commission Decision C(2016)478. Therefore, CEF beneficiaries may declare either actual personnel costs or average personnel costs on the basis of usual cost accounting practices.

The number of actual working hours declared for a person must be identifiable and verifiable; they must be necessary for implementing the action and must be actually used during the action. Evidence regarding the actual hours worked should be provided by the participant, through a time recording system for which the following minimum requirements (section 2.3 of Commission Decision C(2016)478) are set out.

The time recording system should record all working time including absences and may be paper or electronically based. The time records must be approved by the persons working on the action and their supervisors, at least monthly. The absence of an adequate time recording system is considered to be a serious and systematic weakness of internal control.

The type of data requested to justify the personnel costs is the following: Name or identification number of the person or category of staff, Hourly rate and Hours charged on the action. No additional personal data is requested.

For further information, please read the Commission decision on the reimbursement of personnel costs of beneficiaries of CEF on the call webpage as well as Template of Declaration of Staff costs on the INEA website: <https://ec.europa.eu/inea/connecting-europe-facility/useful-documents-and-forms>

12.14. Would a permanently moored floating asset (e.g. a floating storage and regasification vessel) be considered as an eligible cost under this call? If not, how could it be considered as an eligible cost?

Would financial lease payments for this asset - while retaining its ownership be considered as an eligible cost? If not, how could it be considered as an eligible cost?

Floating storage and regasification units may be supported under the CEF Energy provided that such installations can demonstrate their contribution to the implementation of a PCI as specified in the TEN-E Regulation. Specific provisions regarding investments in mobile assets apply in this case as established in the call text.

Please note that the costs incurred for the purchase of this permanently moored floating asset may be eligible, provided that they are treated as capital expenditure in accordance with the tax and accounting rules applicable to the beneficiary and are recorded in the fixed assets account of its balance sheet (see Article II.19.2.(c) of the model grant agreement).

Costs relating to the use of the infrastructure after its commissioning are not eligible, pursuant to Article II.19.1 (a) of the model grant agreement.

Leasing costs of equipment or other assets incurred during the implementation of the action may be eligible if they do not exceed the depreciation costs of similar equipment or assets and are not subject to a finance fee (Article II.19.2(c) of the model grant agreement).

Finally, financing costs are not eligible if they are considered as debt costs, pursuant to Article II.19.4 of the model grant agreement.

As proposals relating to floating storage and regasification units may be works proposals, please also note that there are additional eligibility criteria to be met for such proposals. In particular, works proposals should provide a cross-border cost allocation (CBCA) decision, a business plan and a cost-benefit analysis (CBA).

12.15. We understand that the maximum co-financing rate of the CEF funding in this call is 50%, which means that our financial contribution to the Action is also 50%. If we employ external staff (e.g. external consultants from a service provider) to carry out activities contributing to the success of the Action, is it possible to declare in the financial reporting only this external staff? Our internal staff working on the project would be financed from our own financial resources.

CEF Energy grants take the form of a reimbursement of a *percentage* of eligible costs actually incurred. To be eligible, costs declared must comply with the eligibility criteria laid down in Article II.19 of the model grant agreement.

You may contract part of your Action's activities, in line with Article II.9 of the model grant agreement.

As regards the financial reporting during the Action's implementation, only eligible costs incurred for the implementation of the Action must be declared in the financial statement accompanying the cost claims, regardless of whether they are internal costs or external costs linked to contracting. The final amount of the CEF grant will be calculated on the basis of *those costs* found eligible. In any case, the grant will not exceed the maximum amount as specified in Article 3 of the grant agreement.

Please note that indirect costs are not eligible under this call.

12.16. Can activities which were included as part of a previous EU co-funded Action, but not implemented under the related grant agreement, be included in a new proposal?

If the activities in question have not been implemented under a previous grant agreement and no costs related to these activities were declared and reimbursed under this grant agreement, then they can be included as part of another proposed Action as long as they fulfil the criteria of the new call and if the previous grant has been closed. Please pay particular attention to Article 11.1.1 of the call text, which reads:

"An Action may only receive one grant from the EU budget. To ensure this, applicants must indicate in the application the sources and amounts of EU funding received or applied for the same Action or part of the Action, as well as any other funding received or applied for the same Action. In this respect, any proposed Action or part(s) thereof that receives or has received EU funding under the CEF or other EU Programmes (e.g. European Structural and Investment Funds (ESIF), Horizon 2020, etc.) will not be funded under this call."

Please note also that double funding is considered as fraud to the EU budget, which may lead to an exclusion procedure as described under Article 7.2 (g) of the call text.

12.17 The proposed Action includes several activities. What happens if some of the activities are evaluated positively, whereas one or more activities are not? Does this mean that the proposal will be rejected as a whole or just that the given activity(ies) would not be co-financed by CEF while others may be granted?

Every proposal is evaluated as a whole. It may happen that, during the evaluation, a part of the proposal is found not to be fulfilling the requirements of the Call or not having the relevance expected. If the rest of the proposal is valid and the Action can be done without the activity(ies) that were not retained, the Evaluation Committee may propose to finance only part of the Action. It may also happen that, during the preparation of the Grant Agreement, it is discovered that the information contained in the proposal does not correspond with the actual situation. In that case, it could be decided not to finance the proposal.

13. SUB-CONTRACTING/AWARD OF CONTRACTS

13.1. If the project promoter has to award implementation contracts for the carrying out of a part of the activities of the proposed Action is it still possible to apply for CEF funding?

Yes, it is possible to apply for CEF Energy funding if a part of the activities of the proposed Action will be implemented through implementation contracts. All procurements to be done in relation to the activities of the proposed Action should be clearly explained in the application form part D (Q3.6 in particular).

Please refer to Article II.9 and II.10 of the model grant agreement for further details on specific eligibility conditions applicable to award of contracts necessary for the implementation of the Action and subcontracting costs, respectively.

13.2. An affiliated company of a project promoter is involved in the implementation of an Action, but all of its services are billed to the project promoter and the corresponding invoices can be made available. Should this affiliated company be officially mentioned in the application or should it be considered as a normal contractor?

Directive 2004/17/EC (as transposed into the national legislation) indeed provides the possibility to award direct contracts to an affiliated entity, subject to compliance of strict applicability conditions. If these conditions are met, the affiliated entity may not need to be named in the application (and grant agreement), however the application must clearly identify the procurement and its status in application form part D, Q3.6. Please note that it is the responsibility and choice of the applicant/beneficiary to designate an affiliated entity, taking into account its involvement in the Action implementation and where relevant, the procurement procedures implemented. See also Q12.3 above.

13.3. Is there a proposal eligibility requirement that there should be no signed contract between project promoter and contractor prior to submitting an application?

There is no requirement outlining that there should be no signed contract between project promoter and contractor before a proposal has been submitted. Nevertheless if a contract already exists, this should be stated in application form part D (Q3.6 in particular).

Please refer to Articles II.9, II.10 and II.19.1 of the model grant agreement for further details on specific eligibility conditions applicable to award of contracts necessary for the implementation of the Action and subcontracting.

13.4. The proposed Action is structured in two phases: the development of a small-scale demonstrator and the development of a full-scale plant. The first phase is implemented by an affiliated entity of the applicant and is an absolute prerequisite to begin phase 2, which will be implemented by the project promoter of the PCI. Can an Action be implemented by various entities?

Yes, as long as all entities involved in the implementation of the Action are in the proposal either as an applicant (beneficiary) or an affiliated entity. For the definition of an affiliated entity, see also FAQ 3.5.1.

13.5. Article II.10 of the model grant agreement stipulates that subcontracting cannot cover the core tasks of the Action. What is understood as core tasks of the Action?

Core tasks should be understood as being those related to carrying out the main activity(ies)/object of the Action. A beneficiary may therefore only subcontract tasks which are needed to support the beneficiary to carry out the main activity(ies) of the Action. The purpose of the subcontracting is to facilitate/make possible the implementation of the main activity(ies) of the Action.

If it is necessary to subcontract certain activities of the proposed Action, this must be clearly identified in the application, in particular in application form part D, question 3.6. Proposals involving subcontracting should explain which tasks will be subcontracted and for what reasons, how the potential subcontractor will be selected in accordance with the provisions of the grant agreement (e.g. transparency, equal treatment and best value for money) and the basis on which the estimated cost of subcontracting has been calculated.

If a coordinator is designated, it should be noted that pursuant to Article II.1.3 of the model grant agreement, the coordinator shall not subcontract any part of the tasks specified in the above-mentioned Article.

Please note that in any case the beneficiary remains responsible for all its rights and obligations under the grant agreement, including the tasks carried out by a subcontractor, as stated in Article II.10.4.

14. APPLICATION FORM

14.1. Application form Part A

14.1.1. In application form part A4.1, the list of all Actions co-financed by the EU is requested. Should all grants received in the past years by the applicant for all PCIs be listed under this question or only those actions related to the PCI concerned by the current application?

The response should only list the Actions co-financed by the EU that relate to the PCI(s) addressed by the proposal.

14.1.2. Is the limit of 2000 characters of the field "Summary of Action" in application form part A1 a strict limit?

This field is a bit larger than 2,000 to allow for spaces and other formatting characters. However, applicants must make their utmost effort to provide answers that are concise and fit within the specified limit.

Please note that Q2.1 of application form part D does not have a character limit and allows the applicants to expand on the summary of the proposed Action and activities, consistent with the information provided in application form part A.

14.1.3. Application form parts A2.2 and A2.3 require the forms to be signed. How can these be uploaded into the system?

As described in the Guide for Applicants, once the information the representative authorised to sign the application or the Member State providing support is entered in the system, the respective form should be printed and signed.

The signed version of the document must then be scanned and uploaded into TENtec eSubmission module as a separate and well-identified document. Please note that applicants must be able to provide the original documents and send them to INEA/Commission upon request. See section 3.2. of the Guide for Applicants.

14.1.4. In application form part A3.1, is it possible to only indicate a location in a third country?

Yes, it is possible.

14.1.5. The proposed Action takes places exactly on a PCI line. Is it still requested to draw a line or a polygon in the interactive map editor of the TENtec eSubmission module?

Even if your proposed Action takes place exactly on the line of a PCI, you must indicate a location (e.g. a line or a polygon notably to locate the PCI section to which the Action relates) in the interactive map editor of the TENtec eSubmission module, as you will not be able to submit your proposal otherwise. Uploading an additional map in the "Supporting documents" section is also possible but it is not mandatory, as the data you provide in the map editor is sufficient.

14.1.6. If a proposed Action addresses only studies without physical interventions, is it necessary to enter a location in the interactive map editor?

For all Actions, whether studies or works, applicants are requested to explicitly identify the (parts of) PCI to which the proposal relates, notably in view of the eligibility requirements related to the Action (section 7.3 of the call text) and to facilitate the whole evaluation process.

Furthermore, as indicated in the Guide for Applicants (section 3.4.5.), entering a location in the form of a line, a point or a polygon, representing the elements of infrastructure or areas affected by the proposed Action, is a necessary requirement to be able to submit a proposal within the TENtec system.

14.1.7. If a proposed Action addresses only studies without physical interventions, what object types in the map editor should be chosen?

In this case, the applicant should indicate the 'not physical location' object type in the map editor. However, please note that the geographical location of the concerned Action within the PCI should always be precisely indicated (see FAQ 14.1.6 above).

14.2. Application form Part B

14.2.1. We understand that we need to provide application form part B1 with our proposal. Do we also need to provide the "evidence requested" along with the B1 form?

By signing the declaration form B1, the public or private undertaking declares on its honour that the body or undertaking represented is not in any of the situations listed in point I of applicant form part B1.

If, however, it has been declared that the body or undertaking is in one of the situations of exclusion listed in section I of declaration form B1, an annex to the declaration must indicate the measures taken to remedy the exclusion situation (see declaration B1 for more details).

The Agency may request to provide information and the applicable evidence as follows:

- For situations described in (a), (c), (d) or (f) of section I of part B1 and B2: production of a recent extract from the judicial record or, failing that, an equivalent document recently issued by a judicial or administrative authority in the country of establishment of the entity showing that those requirements are satisfied.
- For the situation described in point (a) or (b) of section I of part B1 and B2: production of recent certificates issued by the competent authorities of the Member State concerned.

However, UNLESS you/one of the applicants in your proposal declares itself in an exclusion situation at the time of application, you do not need to provide any additional evidence at the time of your application.

Keep in mind however, that the Agency reserves the right to ask for more information and applicable evidence as indicated above during the evaluation process, and grant agreement/implementation stage should specific circumstances arise concerning the applicants.

14.3. Application form Part C

14.3.1. According to section IV of Application form part C (COMPATIBILITY WITH EU LAW ON PUBLIC PROCUREMENT), it is requested to indicate whether the proposed Action is implemented in compliance with EU law on public procurement, especially with Directives 2004/18/EC and 2004/17/EC as amended. However, the two aforementioned Directives have been repealed by Directive 2014/24/EU and Directive 2014/25/EU. Could you please confirm which Directives should be referred to in the application form part C?

In Section IV of application form part C, applicants are requested to indicate whether the proposed Action is (foreseen to be) implemented in compliance with EU law on public procurement, especially Directives 2004/18/EC and 2004/17/EC but not limited to the latter. These Directives have been repealed by Directive 2014/24/EU and Directive 2014/25/EU respectively. However, any reference to the repealed Directives shall be understood as references to the 2014 Directives, in accordance with Article 91 of Directive 2014/24/EU and Article 107 of Directive 2014/25/EU.

It is the responsibility of the applicant to determine which Directive may be applicable to the contracts signed or to be signed for the implementation of the proposed Action and to fill in section IV accordingly.

14.3.2. Does section II of Application form part C (COMPLIANCE WITH EU LAW ON ENERGY INFRASTRUCTURE) relate to the proposed Action or to the PCI?

Application form part C (section II) relates to the PCI and NOT to the proposed Action.

14.3.3. Is a project notification to the Competent Authority (as per Article 10(1)(a) of Regulation (EU) No 347/2013, the 'TEN-E Regulation') needed to be submitted for studies without physical interventions?

Application form C section II should be filled in for any type of Action, regardless of whether they encompass physical interventions or not.

All PCI promoters have to notify the competent authorities when the PCI has reached sufficient maturity to start permitting (Article 10(1) of the TEN-E Regulation). It is the responsibility of project promoters to determine whether the PCI has reached sufficient maturity in this respect. The acknowledgement of the notification by the competent authority is considered as the start of the permit granting process in line with the provisions of article 10 of the TEN-E Regulation.

14.3.4. Is it possible to apply for CEF Energy grant for works for which permitting procedures have not started yet?

Yes, it is possible to apply for a CEF Energy grant for a works Action even if permitting procedures have not yet started. However, this will be taken into account during the evaluation of the proposal and notably for the "maturity" criterion based on the implementation plan, and for the "priority and urgency of the proposed Action" criterion. Please also refer to FAQs 8.2 to 8.5.

14.3.5. Our entity is not obliged to comply with the Procurement Directive, but voluntarily applies the directive in respect of certain key services. If the Action includes activities that are being contracted in accordance with the EU procurement regulations and others that are performed by already contracted parties at the moment of the application, what should be the answer to the question in the Application Form, Part C - Section IV "Compatibility with EU Law on Public Procurement"?

You should select "Yes" and provide an explanation in the comments box (e.g. 'Our entity is not obliged to comply with the Procurement Directive, but voluntarily applies the directive in respect of certain key services'). Please also see FAQ 4.21.

14.4. Application form Part D

14.4.1. A number of questions in application form part D have a limit of 2000 characters. Is this a strict limit and will the application be penalised if the answer provided exceeds this limit by a small amount of characters?

Only Q1.1-1.3 in application form part D include a limitation on the length of the response. The applicants must make their utmost effort to provide answers that are concise and fit within the specified limit. Applications will not be penalised outright for any excess characters.

14.4.2. What is the difference between Q1.1 and Q1.2 of application form part D?

Q1.1 asks for the general outline of the PCI, including any relevant technical description (type, size, main features, etc.) and it should also refer to the current status of the PCI development. Q1.2 requests a more detailed description of the current situation/status of the PCI development referred to in Q1.1.

14.4.3. Q3.7 of application form part D asks about pending legal, administrative and/or technical issues. The PCI is at an early stage of development and there are inevitably a number of uncertainties. What examples or types of "issues" should be included under this question?

The question does not refer to the pending legal/administrative/technical issues for the implementation of the PCI as a whole, but to any other issues that exist in relation to the activities of the proposed Action, including those that may cause any delays in the implementation of the proposed Action. Such issues could be, for example, an appeal against an award decision, any pending technical studies that would have an impact on the activities of the proposed Action, or any pending administrative permissions.

14.4.4. In Q3.8 of application form part D, what is meant by "area of impact of the proposed Action"? Are there any specific criteria to identify this "area of impact"?

The area of impact of the proposed Action refers to the Member States and/or a region which will be impacted by the proposed Action. There are no specific criteria to identify this area of impact, as it will depend on the precise contents of the proposed Action, but it may be related to the area of impact of the PCI as well as its cross-border impacts described in Article 4 and Annex IV of the TEN-E Regulation.

14.4.5. Does Q2.9 'Risk Assessment Grid by Activity' of application form part D need to be completed if the application concerns a feasibility study which will be a desktop study?

Yes, Q2.9 must be fully completed for all proposals. Although a desktop feasibility study may entail lower risk than a study at a more advanced stage of the project development, possible risks should nonetheless be identified together with their control and mitigation measures.

14.4.6. Should the timeline presented in Q2.6 'Planning overview of the Action' of application form part D be the same as in the investment request or be updated on the basis of the indicative call timeline?

A realistic project implementation timeline reflecting the latest state-of-play on the PCI development at the time of submission must be included in the application. If the indicative timeline of the call and Selection Decision would result in a delayed project implementation schedule compared to what was in the investment request, the application must reflect the updated schedule. It is recommended a clear explanation is given on the reasons for the inconsistency between the investment request and the information provided in the application form.

14.4.7. In Q1.2 of application form part D what is meant by "needs addressed by PCI"? Does it mean problems the project helps to solve, or further steps or possible issues in project implementation?

In this question, "needs addressed by PCI" refers to problems (e.g. security of supply, market situation, etc.) that the PCI will address and solve once the infrastructure has been developed.

If the next steps in the PCI development are subject of the proposal, this should be explained under Q2.1 of application form part D "Description of the proposed Action and of the related Activities". Any risks related to the implementation of these activities should be described in Q2.11 "Risk Assessment Grid by activities".

14.4.8. In Q2.3 of application form part D, we are asked to describe and justify the level of resources needed for implementing the proposed Action. For the financial resources, do we need to relate them to the human resources or to describe the cost for each activity of the present Action? What other specific things should be described?

The aim of this question, as also explained in the Guide for Applicants, is to provide evidence that the proposed Action has been correctly designed from the human and financial resource point of view and that resources to be allocated are both sufficient and reasonable to carry out the proposed Action within the indicated timeframe and consistent with its objectives. Financial resources should not only be linked to the human resources but should also relate to other costs, such equipment costs. Where specific contracts have been concluded for implementation of any of the activities, these should be described, including if they were subject to tender procedures.

14.4.9. Can you provide more information on the type of information which should be provided in Q2.3 of application form part D on the description and justification of the level of resources needed for implementing the Action, particularly for proposals that base the level of financial resources on previous experience as tender pricing information is not yet available?

Q2.3 of application form part D aims to collect general information on the various types of resources foreseen to implement the proposed Action: e.g. information on the joint resources to be used in case of multi-applicant proposal, team members and profiles involved in the proposed Action, funding sources used (e.g. CEF financing and own resources). It is important to link the resources needed to the various dimensions of the proposed Action, such as its complexity and size.

In case the budget of the proposed Action is based on previous experience and tender pricing information is not yet available, this should be clearly explained and the uncertainty on the level of resources should be indicated. This should also be consistently reflected in the proposal's risk assessment.

The detailed budget of the proposed Action should be provided in the "Costs" section of the TENtec eSubmission module (application form part A3.2).

14.4.10. In case the PCI project is still under consideration and the financial information related to the sources of financing for the PCI is still uncertain, is it possible to indicate only the amount of the requested CEF funding in table 1.4 of application form part D on the Financial Information on the PCI?

As indicated in the Guide for Applicants (section 3.7.), in case the application addresses studies in an early stage of the PCI development or studies whose results will help to determine the scope and value of the entire PCI, the financial information on the PCI should be completed with all available information at the current stage of the PCI development, even if this is to be clarified or confirmed by the results of the proposed Action. Applicants may include information on the other possible sources of funding for the PCI beyond what is already planned.

14.4.11. Can you clarify what type of information is expected under Q1.3 "Main objectives of the PCIs"?

The description of the main objectives of the PCI should allow evaluators to understand the context in which the proposed Action is implemented and to which extent the Action as a whole contributes to the main objectives and expected results of the call. This includes increasing competitiveness by promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders, enhancing the EU security of energy supply, and contributing to sustainable development and protection of the environment, *inter alia* by the integration of energy from renewable sources and by the development of smart energy networks.

14.4.12. Is the breakdown by activities in Part D going to be correlated with the payment schedule of the Grant Agreement, or is it possible for feasibility studies to have just two payments, irrespective of the number of activities?

Payment arrangements are independent from the total number of activities in the proposed Action. In principle, studies are considered simple Actions and will receive a pre-financing payment within 30 days after the signature of the grant agreement, followed by a final payment. Please refer to Article 11.3 of the call text for additional information.

14.4.13. Is it useful to repeat important information already present in other parts of the application in the relevant sections of application form D?

If important information (financial or of any other nature) that is relevant for application form part D is present in other sections of the application then this should be mentioned in application form part D by making a reference to where the relevant information can be found in the application, without however duplicating this information.

14.4.14: In which section of the application should the Financial spreadsheet be explained?

Explanations on the financial spreadsheet may be given in the spreadsheet itself, in the "Input Sheet" under the section "Applicant Comments". Any further points may be made in particular in sections 3.12 to 3.18 of Form D as applicable.

14.4.15: In which section of the application should the efforts to lower public funding (regulatory incentives, financial instruments etc.) be addressed?

EU Financial instruments should be explained in Section 1.6 of Form D. Discussion on the support from public funding to the Action should be made in Section 3.13 of Form D.

15. SUPPORTING DOCUMENTS

15.1. Two of the supporting documents we will provide in the application are not in English. As these are official documents, they are in the national language of our Member State. Do these documents need to be translated to English?

The working language of the evaluation is English, so it is strongly recommended that key supporting documents (e.g. cost-benefit analysis, business plan, cross-border cost allocation decision) requested in the application form are also provided in English. Where the original language of the document is in a different language, it is strongly recommended that the applicant provides a translation. A certified translation is not necessary.

Please note that administrative documents, such as the Financial Identification Form, Legal Entity Form, and financial statements can be submitted in original languages.

15.2. Can supporting documents be sent to INEA after the call submission deadline?

All supporting documents should be attached to the application in TENtec. No documents should be sent to INEA on the initiative of the applicant after the call submission deadline. Should INEA nevertheless receive such documentation, it will not be taken into consideration during the proposal evaluation stage. In order to ensure transparency and fair treatment of all proposals, each proposal will be assessed and evaluated on its own merits, based on the information that it contains.

However, in accordance with Article 151 and 200(3) of the Financial Regulation, the authorising officer responsible may correct obvious clerical errors in application documents after confirmation of the intended correction by the participant. Where a participant fails to submit evidence or to make statements, the evaluation committee or, where appropriate, the authorising officer responsible shall, except in duly justified cases, ask the participant to provide the missing information or to clarify supporting documents. Such information, clarification or confirmation shall not substantially change application documents.

15.1. Financial Spreadsheet

15.1.1: In instances where there is currently no established methodology for the application of the transmission charge, what answer should the promoter select to the question: 'Is the investment going to be included in a Regulated Asset Base (RAB)?' (Question in 'RAB' tab of the financial spreadsheet)

The Regulated Asset Base "RAB" tab of the Financial Spreadsheet aims at allowing promoters to provide details about the influence of the project on their RAB and tariffs. Consequently, the promoter should select the "Yes" option, in all cases where the project will be included in the Regulated Asset Base. However, in order to provide flexibility to promoters, especially in the case where there is no established methodology, steps 1 to 4 (if the "Yes" option is selected) are provided as a guidance only. Applicants may adopt a different sequence as long as the information provided is presented in an excel format with open cell formulas, without external links, and cross-referenced with the information contained in the application forms.

15.1.2: In the Financial Spreadsheet (Tab titled 'Input Sheet') there is a question on the dependence of the revenue to the CEF grant. Can you confirm that, when there is no link between the tariff and the CEF Grant, this question should be selected as 'No'? Can you also confirm that this implies that the cash-flows and indicators presented in the "financial analysis" Tab, without/with CEF grant, is undertaken on the basis of an identical tariff?

The promoter should check the "No" box when it does not intend to differentiate its revenues based upon the existence of a CEF Grant, either because of the absence of a "link" imposed by regulation or otherwise. It should then provide, in the sections 3.12 to 3.17 of form D of its application, qualitative explanations describing the reasons why revenues, in their tariff and/or demand components, are not dependent upon the existence or the amount of CEF Grant.

The selection of the "No" option in the "Input Sheet Tab" of the Financial Spreadsheet indeed implies that revenues displayed in the "Financial Analysis" Tab will be identical in both cases: project "without" the grant and project "with" the Grant.

15.1.3: As the Financial Spreadsheet is optional for the works proposal, could you please indicate how it will be evaluated?

The Financial Spreadsheet will be evaluated along with the other elements of the proposal. The use of the financial spreadsheet would help applicants to provide key information on the business plan in a streamlined manner, and provide a reference for checking the consistency of quantitative information throughout the proposal. This would contribute to the clarity and completeness of the proposal. In addition, any information in the Financial Spreadsheet that complements the qualitative information provided in Form D 3.12 to 3.17 may be relevant and used for the assessment of the "Need to overcome financial obstacles" and "Stimulating effect of the CEF financial assistance on the completion of the Action."

16. SUBMISSION PROCEDURE

16.1. Could you confirm that only an electronic submission is required?

Yes, only electronic submission of proposals in the TENtec eSubmission module is accepted for this call. For full details of the submission procedure, please refer to the section 13.2 of the call text and the Guide for Applicants.

17. GRANT PREPARATION/MANAGEMENT

17.1. What are the conditions related to the ownership of the results of the Action (study or works) by the beneficiaries of CEF Energy grants?

As indicated in Article II.8.1 of the model grant agreement, unless stipulated otherwise in the individual grant agreement, ownership of the results of the Action, including industrial and intellectual property rights, and of the reports and other documents relating to it, shall be vested in the beneficiaries.

17.2. The model grant agreement (Article II.8.3) foresees the possibility for the Agency to summarise and distribute the results of a funded action. Could you please specify which data is published and distributed?

In order to promote the results of the CEF programme and provide information on the type of actions funded under CEF, INEA publishes on its website basic information on the funded actions, including a general description and location. A brochure providing an overview of actions funded under CEF Energy is also available. See: <https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy>.

17.3. Is there any official template for an internal cooperation agreement between the beneficiaries referred to in Article 12 of the model grant agreement?

No, there is no such template. Nevertheless, when preparing and signing such an agreement, beneficiaries must ensure that it is consistent with the terms and conditions of the grant agreement to be signed with the Agency, in line with Article II.1 (c) / II.1.1 (c) of the model grant agreement:

"The beneficiaries shall:

(...)

(c) make appropriate internal arrangements for the proper implementation of the action, consistent with the provisions of this Agreement; where provided for in the Special Conditions, those arrangements shall take the form of an internal co-operation agreement between the beneficiaries."

It should be noted that under this call, the signature of an internal cooperation agreement is not mandatory. However, it is strongly recommended in view of the implementation of the grant agreement if the proposal is selected for funding.

17.4. In case the project promoter of a proposal recommended for funding changes after the evaluation procedure and before the signature of the grant agreement stage or in the course of the implementation of the grant, which type of documents are required and how this may affect the proposal?

If the change of promoter occurs in the course of the evaluation process and if the proposal is recommended for funding, additional information will be requested at the grant agreement preparation stage and the eligibility of the new entity will be checked, together with its operational and financial capacity. In case a change of promoter will occur in the course of the implementation of the grant, an amendment may be requested to reflect the new situation, subject to the assessment of the situation and approval by the Agency.

See also Q3.1.2. above.

17.5. Section 11.3 of the call text indicates that for complex Actions, the first pre-financing payment corresponds to 40% of the first instalment of grant awarded as specified in the grant agreement. How is this first instalment calculated?

The annual instalments of the maximum CEF grant are specified in Table 2 of Annex III of the grant agreement. Depending on the budgetary availability, the first instalment may correspond to the first year, or to more than the first year of the Action's implementation. The first pre-financing payment for complex Actions corresponds to 40% of that amount.

17.6. Referring to section 11.3 of the call text, in the case of complex Actions, we understand that as applicants, we can request further pre-financing payments. What would be the maximum amount of each pre-financing payment?

Further pre-financing payments shall be calculated on the basis of 40% of the cumulated financing needs until the end of the on-going reporting period, provided that at least 70% of the previous pre-financing payment(s) has been used.

The financing needs are calculated on the basis of the updated indicative breakdown by activity of the eligible costs of the Action as provided by beneficiaries in the related Action Status Report (ASR), in line with Article II.23.1.1 of the grant agreement. For further details, please refer to Articles 4.1.2 and II.24.1.3 of the model grant agreement.

17.7. How can we as applicants reach a cumulative amount of all pre-financing and interim payments up to 80% of the maximum amount of the grant awarded? Do you have an example of this?

Typically, the ceiling of 80% may be reached in case of long lasting Actions, where several interim payments would be requested along the Action's implementation. It yet highly depends on the spending profile of each Action, which is closely linked to its actual pace of implementation. No example may thus be provided in this respect.

17.8. Can a grant be awarded for an Action that has been completed before the signature of the Grant Agreement?

As mentioned under Q12.2, according to section 11.1.3 of the call for proposals and pursuant to Article 193 of the Financial Regulation, no grants may be awarded retroactively for Actions already completed. Therefore, if all activities which are subject of the application are completed before the grant agreement enters into force such Action cannot receive the CEF funding.

18. MISCELLANEOUS

18.1 Is it possible to have an appointment with someone at INEA to prepare/discuss a proposal?

For reasons of equal treatment of all applicants, INEA does not provide tailored advice to potential applicants on the preparation of their proposals.

Any questions related to the call should be addressed in writing to the call helpdesk. The questions received are anonymised and the replies are made available to all potential applicants through these Frequently Asked Questions to support the preparation of proposals.

Questions which are specific to a particular proposal and where the answer would provide a comparative advantage to the applicant will not be answered.

18.2. Due to some delays in obtaining the necessary authorisations and signatures from the Member States involved, we might miss the deadline for submitting our application. Would it be possible to extend the call deadline by a few days?

For reasons of transparency and equal treatment of applicants, it is not possible to extend the call deadline. We strongly encourage all applicants to start the application process early enough to make sure they obtain all necessary documents and authorisations on time.