



**CEF ENERGY
CALL FOR PROPOSALS
CEF-ENERGY-2015-2**

Guide for Applicants

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1. Introduction

The purpose of this Guide for Applicants is to provide guidance to those wishing to apply for financial support from the Connecting Europe Facility (CEF) programme under the 2015 call for proposals (CEF-Energy-2015-1) in the field of the trans-European energy infrastructure. The Guide aims to support applicants in preparing their applications.

The main legal documents referred to in this guide are the following:

- Regulation (EU) No 1316/2013 of European Parliament and of the Council of 11 December 2013 (hereinafter the 'CEF Regulation'),
- Regulation (EU) 347/2013 of the European Parliament and of the Council of 17 April 2013 (hereinafter the 'TEN-E Regulation') as amended by Commission Delegated Regulation (EU) No 1391/2013 of 14 October 2013 OJ L 349 of 21.12.2013, p.28 (hereinafter the 'PCI list'),
- Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 (hereinafter the 'Financial Regulation'),
- Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 (hereinafter the 'Rules of Application'),
- Commission Implementing Decision C(2014)2080 final of 31.3.2014 establishing the multiannual work programme for granting financial aid in the field of trans-European energy infrastructure under the Connecting Europe Facility for the period 2014-2020 as amended by Commission Implementing Decisions C(2014)9588 final of 18.12.2014, and C(2015)1363 of 3.3.2015 (hereinafter 'the work programme'), and
- Call for proposals concerning projects of common interest under the Connecting Europe Facility in the field of trans-European energy infrastructure: CEF-Energy-2015-1 (hereinafter 'the call text').

Other document referred to in this guide is:

- Model grant agreement.

All of the above-mentioned documents are available on the Innovation and Networks Executive Agency (INEA) website:

<https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/apply-funding/cef-energy-second-call-proposals-2015>.

This Guide is for information purposes only. It has no legal value and it does not supersede the rules and conditions laid out in the relevant legal bases above-mentioned.

2. Evaluation and Selection Process

The Commission and INEA carry out the evaluation and selection of proposals submitted under the CEF Energy with the support of technical experts. The aim of the evaluation is to ensure that only the highest quality proposals which best meet the award criteria as described in the work programme and call text are selected for funding.

The evaluation process is based on two key principles:

Equal treatment – all proposals are evaluated in the same manner against the same criteria, and

Transparency – adequate feedback is provided to applicants on the outcome of the evaluation of their proposals.

Proposals which meet the admissibility conditions, and the eligibility and selection criteria specified in the work programme and call text are evaluated on the basis of the award criteria also defined in the work programme and call text. The award criteria relate to maturity, cross-border dimension, positive externalities, the need to overcome financial obstacles, soundness of implementation plan of the proposed Action, priority and urgency, and stimulating effect of the CEF financial assistance.

A ranked list of proposals recommended for funding is then prepared by the Commission. The draft implementing decision establishing the list of Actions to receive CEF Energy financial assistance receives the positive opinion of the Member States representatives in the CEF Coordination Committee. The European Parliament is informed on the draft implementing decision proposed to the Member States and their opinion.

Successful applicants are then invited by INEA to finalise and sign individual grant agreements.

3. Preparing an Application

An application for CEF Energy financial assistance is submitted for an action – any activity which has been identified as financially and technically independent, has a set timeframe and is necessary for the implementation of a PCI, which may be granted financial assistance following a call for proposals and evaluation process.

Where possible, applicants are strongly encouraged to submit joint applications for actions relating to the same project of common interest (PCI).

When preparing a proposal, applicants are required to use the application form made available on INEA's website:

<https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energyjgy/apply-funding/cef-energy-second-call-proposals-2015>.

The application form is composed of four parts:

- **Part A** identifies the main characteristics of the proposal (e.g. PCI it relates to, applicants, proposal type, amount of CEF Energy assistance requested, description of the proposed Action),
- **Part B** requests additional administrative information about the applicants and their designated affiliated entities,
- **Part C** includes information on the compliance of the proposed Action with EU law in the fields of environmental protection, public procurement, state aid and other sources of EU funding, and
- **Part D** provides detailed technical and financial information on the proposed Action.

All information relevant for the evaluation of the proposal must be contained within the application form. The evaluators may disregard any additional documents submitted with the proposal, beyond those specifically requested in the application.

3.1. Part A

Application Form Part A must be filled in using the TENtec eSubmission module at the following link, available on the call website:

<https://webgate.ec.europa.eu/tentec/grant/esub/>.

Once created in the system, the application can be identified by a unique code composed of eight digits. The applicant must communicate with INEA using this unique identification code before submission.

A1 – General information on the PCI and the proposed Action

To create an application, an applicant must select a multiannual call it is applying under (only option CEF-Energy-2015-2 is available for this call).

General information on the PCI: Select from the drop-down list which PCI the proposed Action relates to. The PCI number and name to be selected corresponds to the projects listed in the PCI list. The energy sector, priority corridor, PCI description and the fields related to the location of the PCI will be automatically filled in.

In case the proposed Action relates to more than one PCI, add additional PCIs by selecting the appropriate project for the drop-down list.

Proposal type: The applicant must indicate the proposal type, by specifying whether it addresses works or studies (for definition, see section 5 of this Guide). It is not possible to combine works and studies activities in a single proposal.

General Information of the Action: Enter the title, start and end date of the proposed Action, and a concise description of the proposed Action. Do not put the entire title in capital letters.

Start date of the proposed Action is the day on which the implementation of a proposed Action actually begins, as stated in the individual grant agreement. It corresponds to the date from which costs may be eligible (for definitions, see section 5 of this Guide). For Actions supported under this call, costs may be eligible at the earliest as from the date on which the application is lodged.

The description must address the proposed Action that the proposal covers, and not the PCI, which is the overarching project to which the Action contributes. The summary of the proposed Action will be used in subsequent reporting on the results of the call as well as for the individual grant agreement if the proposal is selected for funding, so clarity and conciseness are important.

The description of the Action has to be complete and informative. At least the following main elements should be reflected:

- The link between the Action and PCI/corridor/region, including technical parameters. Explain the context of the proposed Action in the framework of the PCI and provide the necessary technical parameters of the infrastructure (i.e. electricity line in km/pipeline in km; gas capacity in bcm/year or mcm/day, etc.).

Example: The proposed Action is a part of/contributes to the implementation of/implements the project of common interest [number and title of the PCI] which aims to [main technical parameters should be included, e.g. the interconnection which consists of approximately 100 km of 330 kV AC line with a capacity of 1000 MW].

- State the objective of the proposed Action and the components that constitute it. For works, detail the objectives of the works and specify the technical parameters.

Examples:

(For studies) The main objective of the proposed Action is to prepare the feasibility study by providing the final technical requirements for.... The study will cover all system reinforcements, stability improvements, technical measures or operational limitations as well as the implementation plan.

(For works) The main objective of the proposed Action is to build an interconnection between X and Y and Z substations which consists of approximately 210 km of 330 kV AC line with a capacity of ...

- The scope of the proposed Action, which refers to the extent of the coverage of the Action. For studies, detail the studies that will be carried out and why. For works, detail the physical coverage including the geographic one.

Example:

(For studies) The scope of the proposed Action is the preliminary and detailed feasibility studies for the section of the overhead line.

(For works) The scope of the proposed Action is the construction of the gas transmission pipeline which will connect the LNG terminal and the gas transmission system in ...

- Explicitly spell out what the proposed Action aims to achieve as deliverables and what the outputs are (e.g. documents, infrastructure). Indicate where the results of the proposed Action bring to the PCI and its maturity.

Examples:

(For studies) The proposed Action's deliverables are the following: a common grid model; analysis and review of the feasibility study; the necessary networks infrastructure and development projects; the final technical requirement list; the summary of the study and the presentation for stakeholders and the final stage of the study. Once completed, the Action would lead to the finalisation of the technical part of the PCI.

(For works) The proposed Action's deliverables are the following: the construction of a double circuit 330kV and 110 kV overhead line from X to Y measuring approximately 210km with current rating of 1600 A for 330 kV line. The Action would fully implement the PCI.

A2.1 – Applicant

In this section the applicant must provide its official legal name and general administrative data. The legal status must be selected among the following options (for definitions, see section 5 of this Guide):

1. Member State
2. Third country
3. Public undertaking/body established in the EU
4. Private undertaking/body established in the EU
5. Public undertaking/body established in a third country
6. Private undertaking/body established in a third country
7. International organisation
8. Joint undertaking established in the EU

Note that for multi-applicant proposals, section A2.1 will appear as many times as there are applicants and must be completed for each applicant.

Confirm whether the applicant has a legal personality in accordance with the applicable national legislation. If this is not the case, then statutes of the applicant (or the relevant abstracts) must be provided as a supporting document to demonstrate that the representative of the applicant has the capacity to undertake legal obligations on its behalf.

A2.2 - Contact points

In this section, contact details of the person in charge of the proposal and the representative authorised to sign the application must be provided. The person indicated as the contact point will be contacted by the INEA in the first instance should this become necessary during or after the evaluation process. For multi-applicant proposals, this section will appear as many times as there are applicants.

Once the information is entered in the system, print the form(s), and sign, stamp and date for each applicant. The signed version of section A2.2 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 document and send them to INEA/Commission upon request.

If the internal structure/rules of an applicant require a signature of two persons to approve the application, use the Word version of the application form part A available on the call website, in order to enter the information of the second person authorised to sign the application.

Please note that if the application form part A2.2 is not signed by the applicant, the proposal will be considered not compliant with the admissibility conditions specified in the call text and will not be evaluated. In case of a multi-applicant proposal, the applicant concerned may be excluded from the proposal.

A2.3 - Designation of an Implementing body and agreement of the EU Member State approving the proposal

Designation of an Implementing Body

This section applies only to applicants that are EU Member States and international organisations. This section will automatically appear only if one of these two categories of applicants has been selected in the application form part A2.1.

Should the applicant wish to designate an entity as implementing body to be involved in the implementation of the proposed Action, the official legal name of the entity and general administrative data to allow its identification without ambiguity must be provided (for the definition, see Section 5 of this Guide).

Agreement of the EU Member State approving the proposal

All applicants, except for EU Member States, require the approval of the EU Member State(s) concerned by the proposed Action. This section of the application form will automatically appear if one of the following categories is selected in section A2.1:

2. Third country
3. Public undertaking/ body established in the EU
4. Private undertaking/ body established in the EU
5. Public entity established in a third country
6. Private entity established in a third country
7. International Organisation
8. Joint undertaking established in the EU

'Member States concerned' are considered to be all Member States on the territory of which the action will be implemented.

Provide in this section the details of the Ministry and its representative that is providing the approval for the application.

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

Should there be more Member States concerned by the proposed Action than A2.3 forms generated, please use the Word version of the application form part A available on the call website, in order to enter the information of the additional Member States providing their support to the application.

Once the information is entered in the system, print the form, and have it signed, dated and stamped by the concerned Member State. The signed version of the section A2.3 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.

Please note that a Member State may have a particular process in place for providing its approval for proposals under CEF Energy. It is strongly recommended that applicants contact the relevant Member State authorities at an early stage of the preparation of proposal to clarify any specific procedures for obtaining such approval.

In addition to providing the approval of the EU Member State concerned by the proposed Action, applicants that are third countries or entities established in third countries must provide additional supporting documents (see section 3.2 of this Guide).

A2.4 - Affiliated entities

This section should be completed only if an applicant or any of the applicants in a multi-applicant proposal wish to designate one or more affiliated entities to be involved in the implementation of the proposed Action.

An affiliated entity is any legal entity that is under the direct or indirect control of an applicant, or under the same direct or indirect control as the applicant control taking any of the following forms:

- (a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
- (b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

Complete the information about an affiliated entity to be involved in the implementation of the proposed Action. If there is more than one affiliated entity per applicant, the same type of information must be introduced for each entity.

Any designated affiliated entities have to comply with the eligibility and selection criteria defined in the work programme and the call for proposals. In this respect, designated affiliated entities are requested to complete and sign the declaration on honour in Annex B-II to part B to the application form (see section 3.2 of this guide). The compliance of the affiliated entities with the selection criteria will be checked at a later stage, for those proposals that are selected for funding.

A2.5 - Coordinating applicant

This section needs to be filled in only if there is more than one applicant in a proposal and only if the applicants wish to designate a coordinating applicant.

The coordinating applicant leads and represents all of the applicants and acts as the point of contact with the Commission or INEA during the application phase. A coordinating applicant may not necessarily become the coordinator of the action in the grant agreement if the proposal is selected for funding. The designation of a coordinator in the grant agreement would require formal designation by the other beneficiaries before the signature of the grant agreement.

All applicants in the proposal will be automatically listed in this form. Mark the check box for the entity that will act as a coordinating applicant and enter the contact information for the person in charge of the application at this entity. The person indicated would be contacted in the first instance should this become necessary during or after the application or evaluation process.

A3.1 –Information about the Action for which a grant is requested under CEF Energy

Location of the Action: Choose among the pre-defined Member States and regions or third countries to identify the location of the proposed Action. NUTS2 nomenclature is used for the Member States regions. For more information about NUTS2 classification, see the following website: <http://ec.europa.eu/eurostat/web/nuts/overview>.

Note that applicants are also requested to provide a map representing the detailed location of the Action, as well as one or more vector datasets in the application form part D, question 2.5 (see section 3.4 of this Guide).

Activities: Enter name, description, start and end dates, and milestone for each activity of the proposed Action. The milestone for an activity refers to the milestone number listed in the milestone table. For example, if milestones 1 and 2 relate to activity 1, then "1,2" should be inserted in the verifying milestone column.

An activity is a part of the proposed Action that is distinct technically, financially or over time and which contributes to the completion of the Action. The implementation of an activity leads to the completion of an expected result or output. Together all activities contribute to the completion of the Action. Examples of activities include (for studies) feasibility studies, the final design studies, and (for works) the construction of an overhead transmission line.

Example for studies:

Activity No.	Activity name	Activity Description	Start date	End date	Milestone
1	Data collection, creation of a model and description of scenarios	The activity encompasses the data collection, creation of a common grid model and description of scenarios. The single grid model has to be created from the separate grid models or data by aggregating them into a common grid model, which is called the base case model. The identified scenarios from the previous feasibility study will be an input for the development of the base case model.	01/01/2015	01/01/2019	1, 2

Example for works:

Activity No.	Activity name	Activity Description	Start date	End date	Milestone
1	Construction of the transmission line [name]	The activity consists of the construction of a double circuit 330kV and 110 kV transmission line. The overhead line in [name] measures approximately 210km. From the substation X to Y a two 110kV circuit and one 330kV circuit on the common pylons will be built. In some locations, the 110kV lines and 330kV line will have separate right-of-way.	01/01/2015	01/01/2019	1, 2

Milestones: Enter the milestone description, expected date and means of verification for each milestone related to the proposed Action.

Milestones indicate how the activity and its associated expected result(s) are progressing. A milestone is a significant event or stage in the lifecycle of the Action that allows the Action to be monitored over time. It provides the Action management team with a means to track the development of the Action at intermediate intervals. Each activity should have at least two milestones related to it (i.e. start and end date) and, if relevant, one or more corresponding intermediate milestone. The number of milestones per activity will depend on the complexity of each activity.

Milestones have to be evenly distributed all over the duration of the proposed Action. In this respect, concentration of milestones towards the end of the Action must be avoided because it would give limited means for monitoring the implementation of the Action. The start-up event (which constitutes the start of the implementation period of the Action) and the end event (what constitutes the end of the implementation period of the Action) should be clearly identified. The indicative dates for the milestones must be consistent with the activity start and end date.

Examples of milestones include: approval or submission of a final design plan, publication of a tender, signature of contract, starting / end of construction works, and others.

Each milestone must have a clearly identified means of verification which will be used to ascertain that the milestone has been reached / completed. It must be specific, measureable, achievable, relevant and time-related. Examples are: publication of the notice of the tender to the appropriate media, the issuing of a certificate of acceptance, the signature of a contract by the last contractual party, date in an order notice to commence the works, etc.

Example for studies:

Milestone number	Milestone description	Expected date	Means of verification
1	Data collection, creation of a model and description scenarios started	01/06/2015	Notification from contractor
2	Data collection, creation of a model and description scenarios finalised	01/06/2016	Approved report by customer

Example for works (includes an intermediate milestone):

Milestone number	Milestone description	Indicative expected date	Means of verification
1	Start of tendering procedure for the construction of the transmission line [name]	01/06/2015	Announcement of tendering procedure
2	Start of the construction works of the transmission line [name]	01/11/2015	Construction of the first part of the line
3	Commissioning of the transmission line [name]	01/06/2018	Signing of the deed

A4.1 - Financial information on the Project of Common Interest

In this section, information on relevant budgetary and funding information related to the PCI as a whole has to be provided. Please indicate financial contribution to the PCI from all applicable sources of financing, including from applicant(s), EIB or other loans, other sources (e.g. financial instruments), state/regional/local budgets, other EU funds (such as EEPR, TEN-E, previous CEF contributions, EIPA, ESIF, IPA, etc.), contribution from cross-border cost allocation (CBCA), if applicable, and amount of CEF funding requested by the current application. For multi-applicant actions, split the sources of financing by applicant.

The amounts in the table can include all costs related to the PCI, even costs that would not be considered as eligible under CEF Energy.

In case the application addresses studies in an early stage of the PCI development or studies the results of which will help to determine the scope and the value of the entire PCI, the financial information on the PCI should be completed with all available information at this stage of the PCI development, even if this is to be clarified or confirmed by the results of the proposed Action.

For CBCA, where applicable, indicate contribution from CBCA expected to be received by the respective applicant(s) from other applicants as well as entities which are not part of the proposal.

All amounts must be in euros, rounded to the nearest thousand. The exchange rate used when preparing the application should be specified. In converting to euros, 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>.

If the PCI has benefitted previously from any EU funding such as CEF, TEN-E, EEPR, EIPA, IPA, ESIF, etc., indicate the Action name, the amount granted and the grant Agreement or funding Decision reference number. The current proposal will be listed in the table automatically based on the data entered in the application, and will not be editable.

A4.2 – Financial information on the Action requesting grants under CEF

In this part, only the financial information relevant for the proposed Action should be indicated.

Indicate financial contribution to the eligible costs of the proposed Action from all applicable sources of financing, including from the applicants, EIB or other loans, other

sources (e.g. financial instruments), state/regional/local budgets¹, other EU funds, contribution from CBCA, other sources and amount of CEF funding requested. For multi-applicant actions, split the sources of financing by applicant.

For CBCA, (for works only) please indicate the contribution from CBCA expected to be received by the respective applicant(s) from other applicants as well as entities which are not part of the proposal.

Enter the indicative breakdown of the estimated eligible costs of the proposed Action (i.e. the action for which a financial contribution from the CEF is requested in this proposal) per activity and year. The total eligible costs of the proposed Action should match the total in the sources of financing for the proposed Action table.

Costs may be considered eligible at the earliest from the date on which the application for aid is lodged, i.e. the date of the submission of the application (refer to section 7.2 of the call text). For more information on eligible costs, see points (3) to (8) of Article 8 of the CEF Regulation as well as Article 126 of the Financial Regulation and Article 187 of its Rules of Application concerning the eligibility of costs as well as Article II.19 of the model grant agreement.

All amounts must be in euros. Round all amounts to the nearest thousand. The exchange rate used when preparing the application should be specified. In converting to euros, applicants should 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>.

Supporting documents

In order to submit the application, all other parts of the application (Parts B, C and D) and relevant supporting documents must be uploaded in the TENtec eSubmission module. First upload the additional documents and then choose a corresponding document type, if relevant, from the dropdown list. Upload any other supporting documents not included in the list and clearly identify each document in its name.

If some of the data is entered incorrectly or is missing, an error message will be displayed identifying the section of the application form part A where the data is missing.

IMPORTANT:

The submission will not be possible, if any of the following documents are not uploaded and identified with a corresponding document name:

- 1) Application form parts B, C and D
- 2) For works proposals, a project specific costs-benefit analysis, cross-border cost allocation decision, and business plan and other assessments (please note: a project-specific CBA is not a formal eligibility requirement for smart grid proposals, however a cost-benefit analysis is needed also for smart grids proposals in order to demonstrate the existence of significant positive externalities). A cross-border cost allocation decision is not required for electricity storage and smart grid proposals.
- 3) Financial identification form for each applicant.

¹ Should these state budgets contribute to the implementation of the Action please fill in Section II "Compliance with EU law on state aids" in the Application Form Part C.

As the working language of the evaluation is English, it is strongly recommended to provide any supporting documents requested in the application form in English. Where the original language of the document is in a different language, it is strongly recommended that the applicant provides a translation. An authorised translation is not necessary. Please note that administrative documents, such as Financial Identification Form, Legal Entity Form, and financial statements can be submitted in original languages.

Each document should be uploaded in the TENtec eSubmission module as a separate file and identified in the Supporting documents screen (upper part). Documents should not be uploaded in one file.

Contributors Panel

The TENtec eSubmission module provides the possibility to give access to the application to additional users, either in read-only mode or with rights to edit the application. It is recommended that the actual applicant (or coordinating applicant in case of a multi-applicant proposal that will also finalise and submit the application), creates the application in the first place and adds the contributors subsequently through the Contributors Panel tab.

3.2. Part B: Administrative information

This part of the application form requests the administrative information on applicant(s) and information used to demonstrate compliance with financial and operational capacity. For multi-applicant proposals, the relevant parts of the application form Part B must be completed for each applicant.

The application form part B must be downloaded from the call website, duly completed and then uploaded in the TENtec eSubmission module.

1. Legal Entity Form

All applicants (except EU Member States, third countries, and regions and provinces of the EU) as well as all designated affiliated entities need to provide the Legal Entity Form. The editable form can be downloaded in all Union languages at the following website: http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm.

Several additional documents referred to in the legal entity form must be attached to the proposal and must be clearly identifiable.

Applicants that do not have a legal personality, as declared in the application form part A2.1 are requested to provide evidence that their representatives have the capacity to assume legal obligations on their behalf by attaching to the application supporting documents to demonstrate that the representative of the applicant has the capacity to undertake legal obligations on its behalf (e.g. the statutes of the applicant or the relevant abstract thereof).

2. Grounds for exclusion

All applicants (except Member States, third countries, and regions and provinces of the EU) must complete and sign the declaration in Annex B-I of the application form part B.

All designated affiliated entities must complete and sign Annex B-II of the application form part B.

3. Financial Identification Form

All applicants must complete, sign and stamp the Financial Identification Form. The signed form should be scanned and uploaded into the TENtec eSubmission module as a separate and well-identified document.

The Financial Identification Form can be filled in all EU languages and is available at the following website:

http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm.

4. Requirements on financial and operational capacity

Applicants must choose one category applicable to them among the following categories:

- 1) Member State
- 2a) Transmission System Operator (TSO) certified in accordance with Articles 10 or 11 of EU Directive 2009/72/EC or EU Directive 2009/73/EC
- 2b) Transmission System Operator NOT certified in accordance with Articles 10 or 11 of EU Directive 2009/72/EC or EU Directive 2009/73/EC
- 3) Public undertaking/body established in the EU, for those applicants that do not fall under category 2a)
- 4) Private undertaking or body established in the EU, for those applicants that do not fall under category 2a)
- 5) Joint undertaking
- 6) International organisation
- 7) Third country
- 8) Public undertaking/body established in a third country
- 9) Private undertaking/body established in a third country

Applicants that fall within the scope of categories 1, 2a, 3 or 7 are exempt from demonstrating their financial and operational capacity. Certified TSOs (category 2a) must provide their valid certification decision. Note that applicants that are entities owned by certified TSOs must demonstrate their financial and operational capacity unless they fall under any other exempt category.

Applicants that fall under all other categories (2b, 4, 5, 6, 8, 9) have to prove that they have the financial and operational capacity to carry out the proposed Action.

Please note that TSOs which are not yet certified have to demonstrate their operational and financial capacity, unless they fall under the definition of a public body (see definition in section 5 of this Guide).

For multi-applicants proposals, complete the table in the application form part B, listing each applicant and its category, and whether documentation required to prove operational and financial capacity of this applicant is provided with the proposal. Rows may be added as required. If the documentation proving the financial and operational capacity is missing for one or several applicants, this must be explained.

Affiliated entities supporting the implementation of the proposed Action have to comply with selection criteria, however this compliance will be checked at a later stage, only for those proposals selected for funding. Documents demonstrating the financial and operational capacity of affiliated entities therefore are not needed at the application stage.

Financial capacity check

Applicants that do not fall in the exempt categories described above, must complete the financial capacity check form available on the call website and upload it to the TENtec eSubmission module **in Excel form** together with supporting documents.

The financial capacity check consists of a financial analysis based on a set of ratios. In order to be financially viable, an organisation must be liquid, solvent, profitable and autonomous. In other words, the organisation should be capable to cover its short-term and long-term commitments and it should be able to generate profits independently.

The form must be filled in with information from the two most recent completed annual accounting exercises of the organisation. It must be completed in the same currency as the supporting documents/financial statements. Converting the necessary figures for the co-financing ratio into Euro will be automatically calculated in a separate table using the exchange rate indicated by the applicant.

Financial statements – balance sheet, income statement and cash flow statement – for the last two financial years for which the accounts were closed must be enclosed with the financial capacity check. Only those reference documents (or parts of documents) containing the data used to complete the financial capacity check form must be submitted. It is important that there is a clear link between the figures entered in the financial capacity form and the submitted supporting documents. One possibility to ensure this is to add the electronic excel table indicating the aggregated amounts.

The information in the financial capacity form on project costs must be entered regarding the proposed Action only (e.g. duration of the proposed Action, share of the applicant in the total costs of the proposed Action, CEF contribution requested) and not for the PCI as a whole.

The financial capacity ratios are calculated automatically and are shown in one of the worksheets 'Ratio Analysis'.

If the overall result is not satisfactory, this worksheet will recommend that the applicant submit a letter of support by a third party or by another applicant of the proposed Action. If a letter of support is submitted by a third party, it should be accompanied by the financial capacity check form completed by that third party showing 'satisfactory' or 'good' as the result of the ratio analysis, together with the financial statements (balance sheet, income statement and cash flow statement) for the last two years.

If the form shows "There is an error in..." message in the result field, any corresponding errors should be addressed before submission.

For a newly created company (applicants that do not have certified financial data available for two consecutive financial years), a letter of support must be presented together with the financial statements (balance sheet, income statement and cash flow statement) for the entity providing the support.

For proposals with multiple applicants, the financial capacity check form must be filled in separately by each applicant. For multi-applicant proposals, the conclusion 'weak' and the absence of a letter of support for an individual applicant does not automatically exclude the proposal from being evaluated.

The potential impact of the financial capacity check will be assessed on a case-by-case basis and may give ground to further steps. For example, applicants may be contacted during the period of the evaluation of the proposal for additional information.

In the event the financial capacity is not satisfactory for a proposal that is selected for funding, the payment of pre-financing may be subject to the receipt of a financial guarantee for up to the same amount as the pre-financing payment to be made. A financial guarantee is not necessary during the application stage.

Operational capacity check

There is no specific template for providing the operational capacity of an applicant. Instead, applicants must submit documents attesting that they have the technical and operational capacity to complete the Action for which the grant is sought.

Such documents may include annual reports of the company which describe similar activities undertaken (i.e. development of gas and electricity infrastructure), proof of adequate professional qualifications of the team responsible for implementing the proposed Action (such as CVs of management and key team members involved in the development of the Action), reports of similar projects realised where a company cooperated with European or international bodies.

5. Requirements for applicants that are third countries or entities established in third countries

Section 10.1 of the call text stipulates requirements for applicants that are either third countries or entities established in third countries, in order to ascertain that their participation is necessary and indispensable to achieve the objectives of a given project of common interest, as required by Article 9(4) of the CEF Regulation.

If possible, it is recommended that any proposal that includes applicants from third countries be submitted jointly with applicants established in the EU.

The following documents are required for applicants from third countries:

Applicant category	Supporting documents to be provided
Third country	EU Member State support provided in the application form part A2.3 AND Completed Annex B-IV of the application form part B AND Support letter from a European partner involved in the PCI to which the proposal relates
Entity established in a third country	EU Member State support provided in the application form part A2.3 AND Support from third country government (Annex B-III of the application form part B) AND Completed Annex B-IV to part B of the application form AND Support letter from a European partner involved in the PCI to which the proposal relates

3.3. Part C: Compliance with Union policy and law

The purpose of the application form part C is to present information regarding the compliance of the proposal with the EU policies and law, in particular on environmental protection, competition, public procurement and accumulation of EU funding sources.

Please bear in mind that the information in this form, including environmental information, is only requested for the proposed Action submitted for financial aid and not

for the PCI as a whole. If needed, however, the applicant may include documentation or information going beyond the proposed Action and related to the PCI if such documentation or information is indivisible.

The application form part C must be downloaded from the call website, duly completed and then uploaded in the TENtec eSubmission module.

Section I: Compliance with EU environmental policy

Indicate if the proposed Action is a study, a study with physical interventions or works (see definitions in Section 5 of this Guide).

Proposals for studies not involving physical interventions do not need to demonstrate their compliance with EU environmental policy. In this case, section I of the application form part C does not need to be completed.

All works and studies implying physical interventions (e.g. destructive tests, excavations) are required to demonstrate their compatibility with EU environmental policy and have to fill in section I of the application form part C. In particular, applicants must provide information about consultation of all relevant environmental, nature conservation and water bodies and that the proposed Action complies with the environment-related EU Directives.

Where the proposed Action addresses preparatory studies involving physical interventions, this section of the application form part C must only address activities that are part of the proposed Action, and not the PCI as a whole.

A proposed Action may include different activities in different locations or countries that might require approvals from different authorities. Therefore, this section of the application form part C can be completed as many times as the number of the respective environmental authorities to be consulted.

It is possible to also submit the relevant parts of the application form part C per activity rather than for the whole proposal, if it facilitates the process of collecting signatures from various environmental authorities.

1. Consistency of the project with environmental policy

Describe how the project contributes and takes into account the environmental policy objectives. As guidance, consider the following: resource efficiency, preservation of biodiversity and ecosystem services, reduction of greenhouse gas emissions, and resilience to climate change impacts.

Describe how the project respects the precautionary principle, the principle of preventive action, the principle that environmental damage should as a priority be rectified at source and the "polluter pays" principle. The polluter pays principle means that the environmental costs of economic activities, including the cost of preventing potential harm, should be internalized rather than imposed upon society at large.

2. Development Consent

Explain whether the development consent has already been granted to this Action. If yes, please specify on which date. If no, specify when the formal request was introduced and when the final decision is expected. Also specify which competent authority has given or will give the development consent.

Within the meaning of the EU environmental legislation (e.g. Directive 2011/92/EU), development consent means the decision of the competent national authority or authorities that entitles the developer to proceed with the Action.

3. Application of the Directive 2011/92/EU (Environmental Impact Assessment Directive)

An environmental assessment is a procedure that ensures that the environmental implications of decisions are taken into account before the decisions are made. More information can be found at: <http://ec.europa.eu/environment/eia/home.htm>.

Detailed information on the Directive 2011/92/EU of the European Parliament and the Council on the assessment of the effect of certain public and private projects (also called the Environmental Impact Assessment, or EIA, Directive) as amended can be found at (see codified version): <http://ec.europa.eu/environment/eia/eia-legalcontext.htm>.

Specify whether the proposed Action falls under a class of development covered by Annex I, Annex II or neither of the two Annexes of the EIA Directive. Provide the documents specified in the application form, based on which Annex the proposed Action falls under.

If the proposed Action does not fall under the scope of the EIA Directive (i.e. when the answer to question 3.1 in this section was "Neither of the two annexes"), provide the declaration of the competent authority in question 3.4.

The support provided by a Member State to the proposal (in the application form part A2.3) does not substitute the signature of the relevant authority under this question of the application form. Therefore, the certifications, if applicable, need to be signed separately.

Note that applicants must be able to provide the original documents and send them to the Commission/INEA services upon request.

4. Application of the Directive 2001/42/EC (Strategic Environmental Assessment Directive)

The text of the Council Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment, known as the Strategic Environmental Assessment Directive (also called the SEA Directive) can be found at: <http://ec.europa.eu/environment/eia/sea-legalcontext.htm>.

Provide information on whether the proposed Action is implemented as a result of a plan or programme and whether such plan or programme was made subject to a strategic environmental assessment in accordance with the SEA Directive.

If the proposed Action results from a plan or programme falling within the scope of the SEA Directive, provide non-technical summary of the Environmental Report carried out for the plan or programme as required by Article 5(1) and Annex I (j) of the SEA Directive and the information required by Article 9.1 (b) of the SEA Directive.

If the proposed Action does not result from such a plan or programme, explain and provide the name of the environmental authority consulted.

5. Application of the Directive 92/43/EEC (Habitats Directive); assessment of effects on Natura 2000 sites

The text of Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, known as the Habitats Directive, can be found at: http://ec.europa.eu/environment/nature/legislation/habitatsdirective/index_en.htm.

The text of Council Directive 2009/147/EC on the conservation of wild birds, commonly referred to as the Birds Directive, can be found at: http://ec.europa.eu/environment/nature/legislation/birdsdirective/index_en.htm.

Information on the Natura 2000 network can be found at:
http://ec.europa.eu/environment/nature/natura2000/index_en.htm.

If the proposed Action is not likely to have a significant effect on sites included or intended to be included in the Natura 2000 network, attach Annex C-I "Declaration by the Authority responsible for Natura 2000 sites" filled in, signed, stamped and dated by the authority responsible for monitoring Natura 2000 sites and enclose a map (at a scale of 1:100,000 or the nearest possible scale) indicating, with clear demarcation, the location of the action and the Natura 2000 sites concerned.

If the proposed Action is likely to have a significant effect on sites included or intended to be included in the Natura 2000 network, provide:

- 1) the decision of the competent authority approving the action;
- 2) the results of the appropriate assessment carried out in accordance with Article 6(3) of the Habitats Directive (this information is not needed, if it is already included in the decision mentioned under point 1);
- 3) a map (at a scale of 1:100,000 or the nearest possible scale) indicating the location of the action and the Natura 2000 sites concerned; and
- 4) only in cases where the competent authority has determined that the project has significant negative effects on one or more sites included or intended to be included on the Natura 2000 network, the following information should be provided:

(a) a copy of the standard notification form "Information to the European Commission according to Article 6(4) of the Habitats Directive, as notified to the Commission (DG Environment) and/or;

(b) an opinion of the Commission under Article 6(4) of the Habitats Directive in case of projects having significant impacts on the priority habitats and/or species and justified by imperative reasons of overriding public interest other than human health and public safety or beneficial consequences of primary importance for the environment.

The support provided by a Member State to the proposal (in the application form part A2.3) does not substitute the signature of the relevant environmental authority under Annex C-I of the application form part C. Applicants must be able to provide the original documents and send them to the Commission/INEA services upon request.

6. Application of the Directive 2000/60/EC (Water Framework Directive)

The text of the Water Framework Directive 2000/60/EC can be found at:
http://ec.europa.eu/environment/water/water-framework/index_en.html.

Indicate whether the proposed Action involves a new modification to the physical characteristics of a surface water body or alterations to the level of bodies of groundwater which deteriorate the status of a water body or cause failure to achieve good water status/potential.

If yes, please provide the assessment of the impacts on the water body and a detailed explanation of how the conditions under Article 4 (7) of the Water Framework Directive were/are fulfilled. Where appropriate, additional information can be provided on how each specific condition under Article 4 (7) is met.

Provide the confirmation by the Authority responsible for water management of information provided in the application form part C.

The support provided by a Member State to the proposal (in the application form part A2.3) does not substitute the signature of the relevant environmental authority under

Annex C-I of the application form part C. Please note that applicants must be able to provide the original documents and send them to the Commission/INEA services upon request.

Section II: Compliance with EU law on State Aids

All Actions must comply with Articles 107–109 of the Treaty on the Functioning of the European Union. In particular, except as otherwise provided in this Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the common market.

In order to be compliant to the Treaty, the applicant shall put into evidence that such aid is granted without discrimination. The following aids, amongst others, may be considered to be compatible with the common market:

- Aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment;
- Aid to promote the execution of an important project of common European interest or to remedy a serious disturbance in the economy of a Member State;
- Aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest.

Explain if any state aids have been granted or are foreseen to be granted to the proposed Action that might be incompatible with competition law.

Section III: Compatibility with the EU law on public procurement

Please provide further information as requested in the form on public procurements planned during the implementation of the Action and compliance with the Union law on public procurement.

The Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (OJ L 134, 30.4.2004, p. 114) and the Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.4.2004, p. 1) impose the application of specific procurement procedures for the award of contracts for a value exceeding specific thresholds. The application of inappropriate procurement procedures may have as a consequence that the costs related to these procedures will be considered ineligible.

Section IV: Other sources of EU financing

Please indicate whether the proposed Action benefitted or is expected to benefit from other sources of EU financing. If yes, please spell out each source and amount of EU financing (or expected EU financing) and ensure consistency of information with the application form part A4.2.

3.4. Part D: Technical and financial information

This part of the application form requests information on the PCI and the proposed Action necessary for the evaluation of the proposal. It is therefore important to answer all of the questions in this part of the application form, as the absence of an answer will not allow a full appraisal by the evaluators for the relevant criterion, thus diminishing the chance of the proposal to be selected.

Make sure to elaborate all answers and to substantiate any statements. Information provided should be complete and clear, taking into consideration the level of detail and the supporting data included. If an answer is not available / not applicable for a particular question, this should be clearly explained.

Make sure that the application is consistent and provides measurable information (i.e. Gantt charts, milestones, risks assessment, Action plan and timetable - see under point 2.7 and 2.8 among others).

Make sure not to include conflicting or inconsistent indications throughout the several sections of your application, particularly on important information, such as the purpose, the costs or timeframe of the proposed Action.

The application form part D must be downloaded from the call website, duly completed and then uploaded in the TENtec eSubmission module.

1.1 – General outline of the PCI(s)

Give a general outline of the PCI(s), including any relevant technical description (type, size, main features, etc.). Give an indication of the current status of the PCI(s) development, including any past achievements.

1.2 – Current situation and main needs addressed by the PCI(s)

Describe the current situation and the main needs addressed by the PCI(s).

1.3 – Main objectives of the PCI(s)

Describe the main objectives of the PCI(s).

2.1 – Description of the proposed Action and of the related Activities

Provide a detailed description of the proposed Action and of the related activities into which the proposed Action is divided. The description included in this question should be consistent with the summary provided in the application form part A1 and part A3.1.

2.2 – Key physical characteristics of the infrastructure

Provide the information on the length (in kilometres), route type (onshore, offshore, both) and other technical specifications of the infrastructure.

2.3 – Location of the proposed Action

Provide the relevant geographical coordinates of the start and end points of infrastructure by means of X, Y coordinates.

The coordinates

- can be reported in any text format (MS Word, Excel, Text file, CSV, XML), but vector dataset is preferred (see below)
- must clearly mention which reference system is applicable (ETRS89 or WGS84)
- must be reported either in Degrees Minutes Seconds (DMS) or Decimal Degrees (DD). DD is preferred. For DMS, the value of minutes and seconds must never exceed 59 (e.g. 51° 23' 94" is not a valid coordinate).

In addition, use the following means to explain the location of the proposed Action:

Cartographic representation

Provide a map as annex to the application form part D representing the detailed location of the proposed Action and the PCI the Action is related to. To ensure sufficient level of detail, both types of actions, works and studies, should be digitised at a scale of at least 1:100.000.

Vector datasets

In addition to the map, GIS data of adequate quality should also be delivered as one or more vector datasets:

- If the proposal concerns a specific geographic location, a point vector file should be supplied or, alternatively, a text file containing a comprehensive list of coordinates as described above.
- If the proposal concerns a linear segment or section of infrastructure, a line vector should be supplied.
- If the proposal concerns an area, a polygon vector file should be supplied.
- A conclusive list of NUTS codes corresponding to the proposed Action's geographical coverage can be supplied as an alternative to a polygon vector file.

The following requirements apply for all vector datasets:

- Vector File format: ESRI open format (shapefile), ESRI proprietary format (personal geodatabase, file geodatabase), OpenGIS format (Google KML). Please note that the ESRI formats are the preferred option.
- Scale: The source scale of point, line and polygon vector data must be of adequate quality to yield good display results at a cartographic scale of 1/100 000. It is therefore recommended to digitise vector data at this scale. It is commonly accepted that the accuracy for a same level of 1/100 000 is about 50 meters.
- Reference system: All geographic vector data must be referenced in the spatial reference system ETRS89 (EPSG code 4258 – ESRI GCS_ETRS_1989)

```
GEOGCS["ETRS89",  
  DATUM["European_Terrestrial_Reference_System_1989",  
    SPHEROID["GRS 1980",6378137,298.257222101,  
      AUTHORITY["EPSG","7019"]],  
    AUTHORITY["EPSG","6258"]],  
  PRIMEM["Greenwich",0,  
    AUTHORITY["EPSG","8901"]],  
  UNIT["degree",0.01745329251994328,  
    AUTHORITY["EPSG","9122"]],  
  AUTHORITY["EPSG","4258"]]
```

If it is not possible to produce data in this reference system, the only other accepted reference system is WGS84 (EPSG code 4326).

```
GEOGCS["WGS 84",  
  DATUM["WGS_1984",
```

```
SPHEROID["WGS 84",6378137,298.257223563,  
AUTHORITY["EPSG","7030"]],  
AUTHORITY["EPSG","6326"]],  
PRIMEM["Greenwich",0,  
AUTHORITY["EPSG","8901"]],  
UNIT["degree",0.01745329251994328,  
AUTHORITY["EPSG","9122"]],  
AUTHORITY["EPSG","4326"]]
```

- Spatial Feature Attributes: Any spatial feature attributes are optional for vector files, but if they are supplied, they must be adequately documented, meaning at least a comprehensive description of attribute fields and explanation of possible attribute code values (if applicable).

2.4 – Resources needed for implementing the Action

Describe and justify for each activity the level of resources needed for implementing the proposed Action. These may relate, for example, to human resources, financial resources for buying equipment, etc. It is very important to provide evidence that the proposed Action has been correctly designed.

2.5 – Contribution of the proposed Action to the PCI (s)

Describe how the proposed Action will contribute to the PCI development. The proposal should explain why proposed Action represents a necessary step for the realisation of the PCI(s). Bear in mind the distinction between the proposed Action, for which EU financial aid is requested by this application, and the PCI(s) to which the proposed Action belongs.

2.6 - Revenues of the proposed Action

Indicate if the proposed Action is expected to generate any revenue. If this is the case please specify the source(s) and the expected amount. In accordance with Article 125 of the Financial Regulation, grants shall not have the purpose or effect of producing a profit within the framework of the Action. Where the profit is made, the Commission shall be entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the Action.

Revenues of the proposed Action are not the same as revenues generated by the PCI, once the infrastructure in question has been constructed and commissioned.

2.7 – Planning overview of the Action

Provide as annex to the application form part D a graphical representation of planning of the proposed Action (e.g. using graphic project management tools like Gantt, PERT, CPM), detailing the critical path as well as the milestones of the proposed Action and their interdependencies.

2.8 – Control procedures and quality management

Describe the control procedures to be put in place for the implementation of the proposed Action. Explain the main features of the quality assurance plan and quality control system to be used during the implementation of the Action.

2.9 – Ex-post monitoring

Describe in detail the arrangements for monitoring and evaluation applied to the proposed Action after its completion.

2.10 – Risk assessment grid by activities

Provide information concerning the risk management plan for the proposed Action. The plan shall include description of:

- The risks (linked to specific activities)
- Their potential impact
- Their likelihood of occurrence
- The level of control of these risks and
- The mitigation actions undertaken or planned

3.1 – Maturity of the Action

For every activity, describe the precise state of preparation or implementation at the time of the submission of the application (e.g. terms of reference ready, tendered, contract signed, started, etc.), and why these activities are mature enough to be financed from this call for proposals.

Provide evidence that the proposed Action can be carried out without delay and that the main activities of the proposed Action will start closely to the defined starting date of the proposed Action.

Describe also how the activities of the proposed Action are interrelated and contribute to the subsequent physical implementation of the PCI(s).

Overall, the objective is to provide evidence that the proposed Action can be the next logical step for the PCI(s) implementation as preparatory activities have been concluded or are about to be concluded (see point 3.2 and 3.3 in particular)

3.2 – Preceding steps

Describe steps that have been/are being completed for the proposed Action and their main findings/conclusions. Describe possible dependencies on the results of any previous or on-going feasibility or technical studies undertaken for the proposed Action (and, if applicable, for the PCI).

3.3 – PCI implementation plan

For each PCI to which the application relates, attach the latest PCI implementation plan (within the meaning of Article 5(1) of the TEN-E Regulation) as an annex to the application form part D as updated by the information sent to the Agency for the Cooperation of Agency Regulators (ACER). Provide the pdf file containing the answers given in the ACER survey.

3.4 – Summary of the public consultation (only for works)

Describe briefly the public consultations carried out and the feedback received or any planned public consultations. Provide information on the plans to involve stakeholders throughout the proposed Action.

3.5 – Building permits (only for works)

Provide a full list of activities of the proposed Action, as described in question 2.1, for which a separate building permit procedure must be obtained. Indicate the risk that already obtained permits can still be challenged (e.g. indicate deadlines until when an appeal could be filed).

Complete the table, indicating in the first column the subject of each individual procedure, date of award of building permit or foreseen date of award of building permit, as well as foreseen start date of works. Code numbers should be avoided.

3.6 – Procurements/Subcontracting

Summarise in the table the information on the planned tendering and procurement procedures during the implementation period of the Action and the status of the procurement process.

Indicate the subject of procurement/subcontracting, date of award or foreseen date of award, as well as foreseen start date of activities subject to procurement/subcontracting.

3.7 – Pending legal/administrative/technical issues

Describe any problems or issues of a legal, administrative, technical or other nature which remain to be settled before activities of the proposed Action can start (e.g. appeal against a contract award). This should also be reflected in the risk management plan, as described in question 2.10.

3.8 – Area of impact of the proposed Action and cooperation between Member States and with third countries

Describe the area of impact of the proposed Action and which Member States are impacted by the proposed Action. Describe how Member States and relevant project promoters cooperate or plan to cooperate during the implementation of the proposed Action, or in preparatory activities. If third countries are involved or concerned by the proposed Action, describe how the cooperation is ensured with/between them.

Where relevant, cooperation can also refer to the need to include other countries, beyond those where the proposed Action takes place (e.g. for works proposals).

3.9 – Member States/ companies' financial contribution to the proposed Action

Describe which Member States and companies financially contribute to this Action and how. For applications for works, this is also linked to point 3.10 (see below). For Member States financial contribution, please ensure consistency with the information already provided in the application form parts A and C.

3.10 – Cross-border cost allocation for the PCI and its main outcome (only for works)

Please describe the cross-border cost allocation for the PCI and its main outcomes. This question is not applicable for smart grids and electricity storage works proposals.

The investment request referred to in the Article 12 of the TEN-E Regulation, including the request for a cross-border cost allocation, provides an instrument to address the allocation of costs and benefits between the EU Member States to which the PCI provides a net positive impact with the aim to speed up the implementation of the project. The investment request may be submitted if at least one project promoter requests the relevant national regulatory authorities to apply this article of the TEN-E Regulation.

Such a request is a prerequisite to apply for grants for works under a CEF Energy call for proposals, although it is not a prerequisite to apply for grants for studies (or to access financial instruments).

The (valid) cross-border cost allocation decision must also be uploaded in the TENtec eSubmission module to allow the electronic submission of the application (see also section 3.1 "Supporting documents" of this Guide).

3.11 – Positive externalities, impact on solidarity (only for works)

Identify the significant positive externalities that the proposed Action provides, in terms of security of supply, solidarity or technological innovation.

The project specific cost-benefit analysis pursuant to Article 12(3)(a) of the TEN-E Regulation shall provide evidence concerning the existence of significant positive externalities and which cannot be internalised through the existing regulatory framework.

The project specific cost-benefit analysis should demonstrate the expected distribution of the externalities among Member States. Existence of significant positive externalities is one of the eligibility criteria for proposals for works.

Regarding security of supply, quantify, if possible, the positive impact of the Action at the regional level, also beyond involved Member States (e.g. constructing) in regards to diversifying gas sources, counterpart or routes or significantly affecting the quality and reliability of service. Security of supply should be seen in a macro-regional context. If non-involved Member States are negatively affected by an Action, please describe and quantify, if possible.

Regarding solidarity, quantify, if possible, the impact of the proposed Action in regards to impacts not directly related to the grid, such as changes to tariff and commodity price. If non-involved Member States are affected by an Action, describe and quantify, if possible.

Regarding innovation, quantify, if possible, and provide information on the benefits of the technology in comparison with a conventional solution, and explain the replicability of results and cost reductions for future projects. Innovation under CEF Energy does relate neither to research nor to custom-built solutions or demonstration projects.

Any changes compared with the project-specific cost-benefit analysis submitted to the national regulatory authorities with the investment request must be substantiated and explained.

Provide evidence that the claimed externalities have been cross-checked with the dimensioning of the project.

Cross-border cost allocation decision must be uploaded in the TENtec eSubmission module to allow the electronic submission of the application (see also section 3.1 "Supporting documents" of this Guide).

3.12 – Commercial viability of the PCI and related financial obstacles (only for works)

Provide information on the main features of the CBA and the business plan and explain why the PCI cannot be financed within the regulatory framework (tariffs) taking possible regulatory incentives into account. Applicants are encouraged to provide results of market tests, if available and to compare the outcome with the business plan. Provide, if possible, opinions from third parties (investors, creditors, national regulators, etc.) to validate any statements.

Business plan must be uploaded in the TENtec eSubmission module to allow the electronic submission of the application (see also section 3.1 "Supporting documents" of this Guide).

3.13 - Financial obstacles and public funding

Describe the financial obstacles faced by the proposed Action and how public funding, including EU funding, would help to overcome them. Describe also how the proposed Action will be implemented in case of less than requested co-financing. Where appropriate, describe also the efforts that have been undertaken to lower the need for public support. For works proposals, describe if regulatory incentives or financial instruments have been explored and explain why these cannot address the project specific risks.

3.14 – Method used in calculating tariffs (only for works)

Describe the general method used in calculating the tariffs. Indicate also how the impact on the tariff increase translates into prices paid by users, taking into account the benefits that the new infrastructure will give access to.

3.15 – Impact on tariffs if no Union grants obtained (only for works)

Describe what would be the impact on tariffs/prices if no Union grants are obtained. Union funding can help to limit or prevent an unsustainable/disproportionate increase in overall energy prices. Proper consideration should be given to macroeconomic situation (e.g. impact on energy prices, income spent on energy, purchasing power of the country, etc.).

3.16 – Priority and urgency - contributions of the proposed Action

Indicate whether the proposed Action addresses the priorities of this call for proposals, namely in regards to removing bottlenecks, ending energy isolation, contributing to the implementation of the internal energy market and/or other benefits. Explain how the Action addresses each of the selected options.

3.17 – Stimulating effect of the CEF grant

Describe how the CEF Energy funding will accelerate the implementation of the proposed Action and whether the PCI is expected to leverage public or private financing. If relevant, explain difficulties in obtaining market finance and how the grant can help to overcome this shortage, and, in case of works, instead of financial instruments.

3.18 – Financial net present value (FNPV) and the financial internal rate of the return (FIRR) (only for works)

Indicate the financial net present value (FNPV) for the PCI and the financial internal rate of the return (FIRR) if no Union financial assistance is granted, in line with what is provided in the business plan. The financial figures should be explained in the regulatory context.

3.19 – Estimated revenues to be generated by the PCI (only for works)

Indicate the estimated revenues to be generated by the PCI, once in operation.

4. Procedure for Submission of Proposals

4.1. Deadline for submission

The deadline for the submission of proposals is **30 September 2015**.

4.2. Electronic submission

All parts of the application form must be submitted electronically through the TENtec eSubmission module before the deadline of **17h00 (Brussels local time) on 30 September 2015**.

Application form part A must be filled in directly in the TENtec eSubmission module. Application form parts B, C, D and their annexes must be duly filled in and uploaded in the TENtec eSubmission module before the proposal submission.

For any parts of the application where signatures or stamps are required (such as forms A2.2, A2.3, part B annexes, part C), the signed, stamped and dated forms must be scanned and uploaded into the TENtec eSubmission module with the rest of the

application. For application form part A2.2 and A2.3, the forms must be scanned and uploaded separately. Please note that applicants must be able to provide the original documents and send them to INEA/Commission upon request.

Make sure to name all documents of the application in a way that will allow their easy identification. Where necessary, for example in multi-applicant proposals, clearly mention the applicant entity when naming any applicant-specific documents.

Following the submission of a proposal, each application receives a proposal code linked to the PCI it is related to, the location of the proposed Action and type of the Action. INEA will use this proposal code in any subsequent contacts with the applicant on the status of the proposal and during the grant agreement preparation phase, if the proposal is selected for funding.

4.3. Correcting or revising the proposal

It is not possible to make changes to a proposal once it has been submitted in the TENtec eSubmission module. If changes are necessary, a new proposal must be submitted before the deadline, which will replace the previous version.

If more than one copy of the same proposal is received, only the most recent eligible version will be evaluated. Inform INEA through the call helpdesk if a proposal is re-submitted citing both proposal codes, to avoid complications during the evaluation.

Applicants must inform INEA as soon as possible through the call helpdesk of any change of an operational or financial nature that might affect them or the proposal.

4.4. Further information or clarifications

Applicants are encouraged to regularly consult the call website where further clarifications or information on the call may be published:

<https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/apply-funding/cef-energy-second-call-proposals-2015> .

Any specific questions related to this call must be addressed to the **call helpdesk**: INEA-CEF-energy-calls@ec.europa.eu.

Answers to submitted questions will be published in the FAQ list on the call website, to ensure equal treatment of all potential applicants. Questions that are specific to a particular proposal and where the answer of INEA would provide a comparative advantage to the applicant will not be answered.

Questions related to the call should be submitted at the latest on 16 September 2015 to ensure sufficient time for the last update of the FAQs by 23 September 2015.

The helpdesk will respond individually up to the call deadline to questions of technical nature related to TENtec eSubmission module. General TENtec support service will not reply to call-related questions.

Applications shall not be delivered to the call helpdesk email address.

4.5. Processing of personal data

As specified in the call text, the personal details of applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, may be registered in the Early Warning System (EWS) or Central Exclusion Database (CED) if they are in one of the situations mentioned in:

- Commission Decision 2008/969 of 16.12.2008 on the Early Warning System, or
- Commission Regulation 2008/1302 of 17.12.2008 on the Central Exclusion Database.

The EWS is a system of warning signs to inform the various services of the Commission and the Executive Agencies. It alerts them that third parties concerned by those warnings and with whom the Commission has or is likely to have financial relations:

- Are suspected of having committed fraud or serious administrative errors,
- Are subject to an attachment order ("saisie-arrêt" in French) which prevents the Commission to pay directly the third parties,
- Are subject to significant recovery orders issued by the Commission on which payment is significantly overdue, i.e. are "very bad debtors".

It incites the Commission services in these various situations to take the appropriate measures provided in the EU legislation to protect the financial interest of the EU. Access to the EWS is restricted to a defined category of authorised users, who have to keep the information confidential, except in certain circumstances where they can disclose some information only to the third party directly concerned by the warning (but not to other persons). For further information see:

http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm.

The CED was set up by the Commission at European level as from 1 January 2009, containing all the entities which are under an exclusion situation (Articles 106, 107 and 108 of the Financial Regulation). For further information see:

http://ec.europa.eu/budget/library/sound_fin_mgt/privacy_statement_ced_en.pdf.

5. Glossary

The following explanations are provided for clarity and ease of reference. They have no legal authority and they do not replace any official definitions.

A

ACER: Agency for the Cooperation of Energy Regulators.

Acknowledgement of receipt: An email sent to applicants shortly after the call deadline, confirming that the proposal has been successfully submitted.

Action: Any activity which has been identified as financially and technically independent, has a set timeframe and is necessary for the implementation of a PCI. The application for funding under CEF is submitted for an Action, such as for preparatory studies or works. An Action is made up of one or more activities.

Activity: A part of the Action that is distinct technically, financially or over time and which contributes to the completion of the Action. Together all activities contribute to the completion of the Action. Examples of activities include (for studies) feasibility studies, the final design studies, and (for works) the purchasing of material and the construction of an overhead transmission line. An action can be also composed by a single activity.

Affiliated Entity: Any legal entity that is under the direct or indirect control of an applicant, or under the same direct or indirect control as the applicant control taking any of the following forms:

(a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;

(b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

Any designated affiliated entities have to comply with the eligibility and selection criteria defined in the relevant Work Programme.

Applicant: The organisation submitting a proposal to a call for proposals. It is assumed that the applicant becomes automatically the Action's beneficiary, if the proposal is selected for funding. There may be several applicants in a proposal.

B

Bank account: Applicants have to specify the bank account for the possible transfer of the EU assistance by means of the Financial Identification Form (see below).

Building permit: An official document issued by the relevant authority authorizing the holder to proceed, in accordance with the approved plans, with the construction or alteration of a specific structure at a specific location.

C

Call for proposals: Call for proposals concerning projects of common interest under the Connecting Europe Facility in the field of trans-European energy infrastructure.

CBA: Cost-benefit analysis. A project specific cost-benefit analysis, consistent with the methodology drawn up pursuant to Article 11 of the TEN-E Regulation, must demonstrate the existence of significant positive externalities by country concerned, including their (monetary) valuation.

CBCA: Cross-border cost allocation. A cross-border cost allocation is an instrument provided by the TEN-E Regulation to address the allocation of costs and benefits to those Member States to which the PCI provides a net positive impact with the aim to speed up the implementation of the project. It may be applied if at least one project promoter requests the relevant national regulatory authorities to apply the article. All works proposals applying for CEF funding, with exception of electricity storage and smart grid, require a CBCA decision to be considered eligible.

CEF: Connecting Europe Facility.

CEF Regulation: Regulation (EU) No 1316/2013 of European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.13, p.129).

Comprehensive decision: Within the meaning of the TEN-E Regulation, 'comprehensive decision' means the decision or set of decisions taken by a Member State authority or authorities not including courts or tribunals, that determines whether or not a project promoter is to be granted authorisation to build the energy infrastructure to realise a project without prejudice to any decision taken in the context of an administrative appeal procedure.

Coordinating applicant: For multi-applicant proposals, the coordinating applicant leads and represents all of the applicants and acts as the point of contact with the Commission or INEA during the application phase. The coordinating applicant will be contacted in the first instance should this become necessary during or after the application or evaluation process. A coordinating applicant may not necessarily become the coordinator of the action in the grant agreement.

CPM: Critical Path Method (a project management method). Critical path is the longest sequence of activities in a project plan which must be completed on time for the project to complete on due date. An activity on the critical path cannot be started until its predecessor activity is complete. If an activity on the critical path is delayed, the entire project will be delayed for the same amount of time unless the activity following the delayed activity is completed earlier.

Commissioning: The process of bringing a project into operation once it has been constructed.

D

Development consent: Within the meaning of the EU environmental legislation (e.g. Directive 2011/92/EU), development consent means the decision of the competent national authority or authorities that entitles the developer to proceed with the Action.

Direct costs: Costs which can be attributed directly to the Action and are identified by the participant as such, in accordance with its accounting principles and its usual internal rules (for a detailed description, see Article II.19 of the model grant agreement).

E

Eligible costs: The same meaning as in the Financial Regulation (see below). For a detailed description, see Article II.19 of the model grant agreement. Eligible costs refer to the part of the Action's costs taken into consideration by the Commission for the calculation of the Union financial aid and which comply with eligibility criteria as laid down in Article II.19 of the model grant agreement. For Actions supported under this call, expenditure may be eligible as from the date the application is lodged at the earliest.

End date: This refers to the date within which the Action is considered to be completed, as stated in the individual grant Agreement. It is also the date until which costs may be considered eligible; any costs incurred beyond this date will not be considered eligible.

Energy infrastructure: any physical equipment or facility falling under the energy infrastructure categories (described in Annex II of the TEN-E Regulation) which is located within the Union or linking the Union and one more third countries.

Energy infrastructure bottleneck: A limitation of physical flows in an energy system due to insufficient transmission capacity, which includes inter alia the absence of infrastructure.

ENTSO-E: European Network of Transmission Systems Operators for electricity.

ENTSO-G: European Network of Transmission Systems Operators for gas.

ESIF: European Structural and Investment Funds. Among them are the European Regional Development Fund (ERDF) and the Cohesion Fund (CF).

F

FID: Final investment decision.

Financial Identification Form: Applicants must provide the Financial Identification Form used by the Commission services. The form can be downloaded at the following link:

http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm.

Financial Regulation: Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2013 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

G

GANTT: A project planning tool used to represent the timing of tasks required to complete a project. GANTT diagrams are used by most project managers for all but the most complex projects.

GIS: Geographic Information System. It is a collection of computer hardware, software, and geographic data for capturing, managing, analysing and displaying all forms of geographically referenced information.

I

Implementing body: A public or private undertaking or body designated by a beneficiary, where the beneficiary is a Member State or an international organisation, to implement the action concerned. Such designation shall be decided upon by the beneficiary under its own responsibility and, if it requires, the award of a procurement contract, in compliance with the applicable Union and national public procurement rules.

Indirect costs: Costs which are not identifiable as direct costs, but which have nevertheless been incurred in connection with the eligible direct costs of the Action. Indirect costs are not eligible under this call for proposals.

International organisation: According to Article 43(1) of the Commission Delegated Regulation (EU) No 1268/2012 (on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union), international organisations are:

- (a) international public sector organisations set up by intergovernmental agreements, and specialised agencies set up by such organisations;
- (b) the International Committee of the Red Cross (ICRC);
- (c) the International Federation of National Red Cross and Red Crescent Societies;
- (d) other non-profit organisations assimilated to international organisations by a Commission decision.

Investment request: An investment request including a cross-border cost allocation request submitted in accordance with Article 12 of the TEN-E Regulation by project promoters to the national regulatory authorities.

J

Joint undertaking: Joint undertaking is a private-public partnership established as a legal entity by a Council regulation for the implementation of specific tasks and for a specific period of time (e.g. SESAR Joint Undertaking, Fuel Cells and Hydrogen Joint Undertaking). Typically, joint undertakings pool a large number of actors and financial resources.

M

Means of verification: Means by which the completion of a milestone will be measured. It must be specific, measurable, achievable, relevant and time-related – for example publication of the notice of the tender to the appropriate media, the issuing of a certificate of acceptance, the signature of a contract by the last contractual party, date in an order notice to commence the works, etc.

Member State: State member of the European Union. In the context of CEF, the Member State approval of an application may be provided by any Ministry entitled to represent the Member State authority. It is still expected that applications under the CEF Energy would gather the support of the Ministry competent in the area of energy policy and/or CEF.

Milestones: Milestones indicate how the activity and its associated expected result(s) are progressing. A milestone is a significant event or stage in the lifecycle of the Action that allows the Action to be monitored over time. It provides the Action management team with a means to track the development of the Action at intermediate intervals. The number of milestones per activity will depend on the complexity of each activity.

Multi-applicant proposal: An application for CEF Energy funding that is submitted by more than one applicant. It is strongly advised that a coordinator is indicated for multi-applicant proposals to facilitate communication with the Commission and INEA on the application (see also 'coordinating applicant').

N

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

P

PCI list: A list of projects of common interest in the energy sector selected pursuant the process described in the Article 3 of the TEN-E Regulation. The list currently valid has

been established by Commission Delegated Regulation (EU) No 1391/2013 of 14.10.2013 amending Regulation (EU) No 347/2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure as regards the Union list of projects of common interest (L 349, 21.12.2013, p.28).

PERT: Programme evaluation and review technique. A statistical tool used in project management designed to analyse and represent the tasks involved in completing a given project.

Project of Common Interest: A project necessary to implement the energy infrastructure priority corridors and areas set out in Annex I of the TEN-E Regulation which is part of the Union list of projects of common interest.

Project promoter: A TSO, distribution system operator or other operator or investor developing a project of common interest. Where there are several TSOs, distribution system operators, other operators, investors, or any group thereof, the entity with legal personality under the applicable national law, which has been designated by contractual arrangement between them and which has the capacity to undertake legal obligations and assume financial liability on behalf of the parties to the contractual arrangement.

Proposal: This refers to the entire application including the application form parts A, B, C and D and their relevant annexes and supporting documents, as specified in the call for proposals.

Proposal code: Proposal code automatically generated by TENtec eSubmission module upon the submission of a proposal for CEF funding. Under CEF Energy, the proposal code is generated depending on the PCI number the proposal relates to, the location of the proposed Action, the year the proposal is submitted, as well as the type of the Action.

Public sector body: regional or local authorities, body governed by public law or association formed by one or several such authorities or one or several such bodies governed by public law, international organizations. A body governed by public law is a body:

- (a) established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character; and
- (b) having legal personality; and
- (c) financed, for the most part by the State, or regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities or by other bodies governed by public law

R

Rules of Application: Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p.1).

S

Selection Decision: A Commission Implementing Decision establishing a list of proposals selected for financial aid submitted under a specific call for proposals.

Smart grid: An electricity network that can integrate in a cost efficient manner the behaviour and actions of all users connected to it, including generators, consumers and those that both generate and consume, in order to ensure an economically efficient and

sustainable power system with low losses and high levels of quality, security of supply and safety.

Start date: The day on which the implementation of an Action begins, as stated in the individual grant Agreement. It corresponds to the date from which costs are eligible. For Actions supported under this call, costs may be eligible at the earliest as from the date on which the application is lodged.

Study: 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. Studies with physical interventions are proposals in which the majority of the activities are studies, but where some physical intervention is undertaken, typically excavations for testing the ground.

Study with physical intervention: Studies that imply physical interventions such as destructive tests, excavations, etc., aimed to define and develop a project fully and decide on its financing or final design.

T

TEN-E: Trans-European networks for energy.

TEN-E Regulation: Regulation (EU) 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (OJ L 115, 25.04.13, p.39).

TENtec: The information system for the trans-European networks, used for grant management cycle under CEF.

TENtec eSubmission: TENtec eSubmission module allows the electronic submission of the applications for CEF financing.

Third country: Any neighbouring country or any other country with which the Union may cooperate to achieve the objectives pursued by the CEF Regulation.

TSO: Transmission Systems Operator.

U

Unique identification number: A unique code composed of eight digits which is assigned to an application, once it is created in the system. The applicant can communicate with INEA using this unique identification code before submission of the application. The proposal receives a specific proposal code, once the application is submitted (see "proposal code").

W

Works: 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.

Work Programme: A formal Commission document adopted for the implementation of a specific programme for a specific period that sets out the objectives and results

expected. The work programme applicable for this call for proposals is Commission Implementing Decision C(2014)2080 final of 31.3.2014 establishing the multiannual work programme for granting financial aid in the field of trans-European energy infrastructure under the Connecting Europe Facility for the period 2014-2020 as amended by Commission Implementing Decisions C(2014)9588 final of 18.12.2014, and C(2015)1363 of 3.3.2015.