



2019 CEF Energy Call for proposals: Award criteria

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Award criteria

	Weight (works)	Weight (studies)
Maturity of the Action with regards to the developmental stage of the project, based on the implementation plan (Article 5(1) of the TEN-E Regulation	20%	25%
Cross-border dimension of the Action, area of impact and number of Member States involved in the Action	10%	10%
Extent of the positive externalities provided by the Action and impact of the action on solidarity (<i>Works only</i>)	15%	N/A
Need to overcome financial obstacles	15%	15%
Soundness of the implementation plan proposed for the Action	10%	10%
Stimulating effect of the CEF financial assistance on the completion of the Action	15%	20%
Priority and urgency of the Action , how will the project remove bottlenecks, end energy isolation and contribute to the implementation of the internal energy market	15%	20%

Maturity of the Action

Maturity refers to the specific status of preparation of the Action for which the funding is requested and to the appropriateness of the Action as the next step in the development of the PCI

Info to be provided:

- The proposed Action is the next logical step for the PCI implementation
- Preparatory activities have been concluded or are about to be concluded
- The proposed Action can be carried out without delay
- The proposed activities are mature enough to be financed from this year's call for proposals
- How the activities of the proposed Action are interrelated and contribute to the subsequent physical implementation of the PCI
- Implementation in accordance with the foreseen time plan and technical specifications, state of readiness for commencement at short term of the proposed Action (ACER PCI annual report)

Cross-border dimension of the Action, area of impact and number of Member States involved in the Action

This criterion refers to the extent of the cross-border impact of the Action, taking into consideration the area, the number of Member States positively impacted by the Action (as seen in relation to the geographical location of the action) and the level of cooperation between the involved countries

Info to be provided:

- Area of impact of the proposed Action and which Member States are impacted
- How Member States and project promoters cooperate or plan to cooperate during the implementation of the Action or in preparatory activities (third countries where relevant)
- 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)
- Financial contribution to the Action by Member States and companies (for **Works** proposals: CBCA)

Extent of the positive externalities provided by the Action and impact of the Action on solidarity (**Works only**) - 1

This criterion reflects the extent of the positive externalities provided by the PCI that go beyond its direct benefits and relate to: macro-regional security of supply, solidarity between Member States or technological innovation

Info to be provided:

- Building on the CBA, identify the significant positive externalities that the proposed Action provides among Member States → prerequisite for Works proposals
- For SoS, e.g. quantify the positive impact of the Action at the regional level, also beyond involved Member States (e.g. constructing). Explain the SoS level beyond the commercial benefits in comparison to current SoS level

Extent of the positive externalities provided by the Action and impact of the Action on solidarity (*Works only*)- 2

Info to be provided:

- For solidarity, e.g. quantify the impact (for both constructing and non-constructing countries) of the proposed Action regarding impacts not directly related to the grid, such as changes to tariffs and commodity price
- For innovation, e.g. information on the benefits of the technology in comparison with a conventional solution, compare the benefit to cost savings, and explain the replicability of results and cost reductions for future projects
- Evidence that the claimed externalities have been cross-checked with the dimensioning of the project

Need to overcome financial obstacles - 1

This criterion refers to financial obstacles that impede the timely completion of the Action and how public funding would help to overcome this situation

Info to be provided:

- Description of the financial obstacles
- Description of how public/EU funding would help to overcome them
- Explain how the Action can proceed if only partial (or no) funding is awarded!
- Explanation of the efforts undertaken to lower the need for public funding, e.g. financial instruments (e.g. from EIB) or regulatory incentives

Need to overcome financial obstacles - 2

Info to be provided:

- More info to be provided for **Works** proposals:
 - 1) Reference to the main elements of the CBA and business plan (explain why the PCI cannot be financed within the regulatory framework, taking possible regulatory incentives into account)
 - 2) Reference to CBCA decision and regulatory framework
 - 3) Description of the method used in calculating the tariffs
 - 4) Description of the impact on the tariffs/prices, if no grant was obtained

Soundness of the implementation plan

The criterion refers to the coherence between the proposed Action's objectives and planned resources/activities leading to its timely completion, the appropriateness of the project management processes and risk control issues

Info to be provided:

- A detailed description of the proposed Action (divided into activities)
- A detailed description of the resources to carry out the Action (per activity), evidence that the Action is correctly sized
- A detailed planning overview
- Management of the Action, control procedures, risk assessment

Stimulating effect of the CEF financial assistance

This criterion refers to how CEF funding will ensure/accelerate the implementation of the proposed Action

Info to be provided:

- Explain why the CEF grant makes a difference to the Action in terms of accelerating its implementation
- Explain the difficulties in obtaining market finance and how the grant can help to overcome this shortage
- If all costs are included in the tariffs and there are no substantial risks with the project promoters, there might not be a stimulating effect of the grant!
- For works proposals, indicate FNPV and FIRR (if no EU financial assistance granted)

Priority and urgency of the Action

This criterion refers to the priority of the proposed Action and to the importance to start it urgently, in relation with its impact on removing bottlenecks, ending energy isolation and contributing to the implementation of the internal energy market. It also takes into account that due consideration should be given to electricity projects

Info to be provided:

- Indicate how the proposed Action will address the priorities in regards to removing bottlenecks, ending energy isolation, contributing to the implementation of the internal energy market and/or provide other benefits)



Overall remarks

- Your explanations for the different criteria must **be coherent** and consistent across the various sections of the application
- **Don't forget supporting documents!**
(e.g. updated PCI annual report, detailed financial assessments for works proposals)
- A full financial picture is necessary regarding costs/cost-bearers/tariffs **vs.** beneficiaries/benefits/burdens
Financial assessments must explain why you need public money!
- Remember the difference between Action and PCI!
funding is requested for an Action, but financial data and CBA-CBCA are on a PCI level -> **be consistent!**



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Look for INEA!

Thank you!