

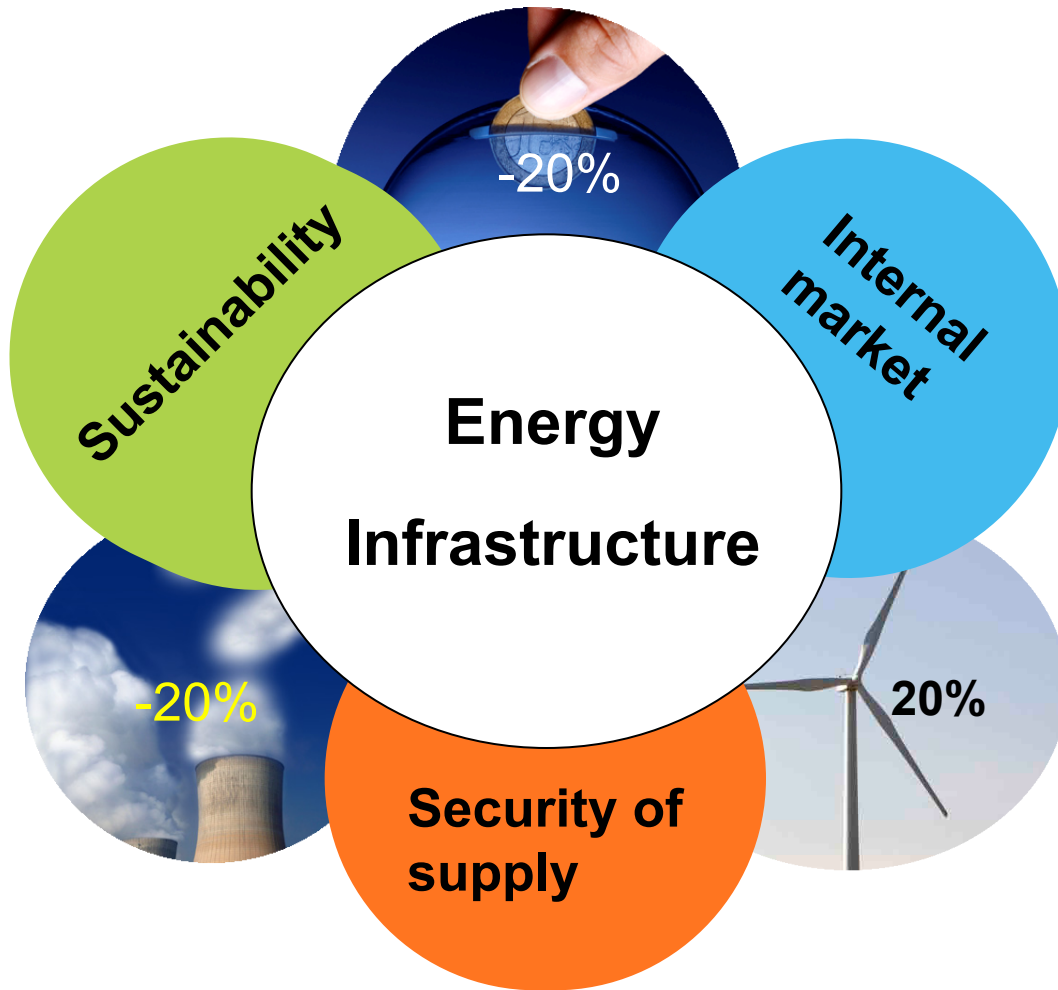


● Energy Infrastructure Package :

**European energy infrastructure  
priorities, new policy  
instruments 2014-2020**

**DG ENER.B1**  
**Jose A. Hoyos Pérez**  
**20/10/2011**

● Infrastructure is at the heart of our energy and climate policy goals



Included under the flagship initiative **“Resource efficient Europe”**

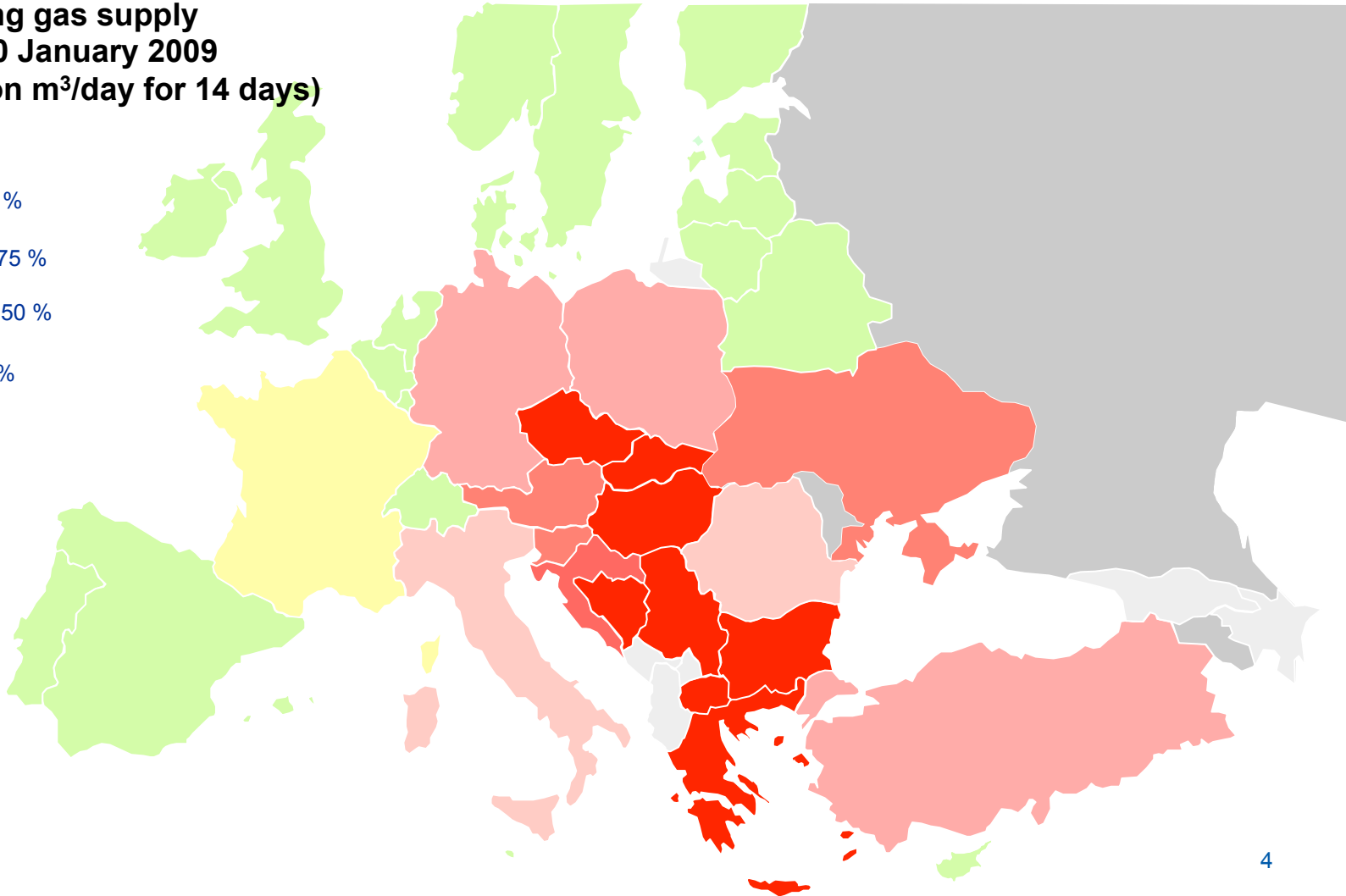
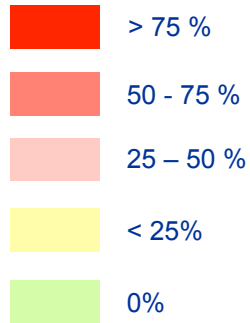


- Increasing integration of electricity from variable renewable sources puts grids under pressure



# Lack of infrastructure prevented the effective mitigation of the 2009 January gas crisis

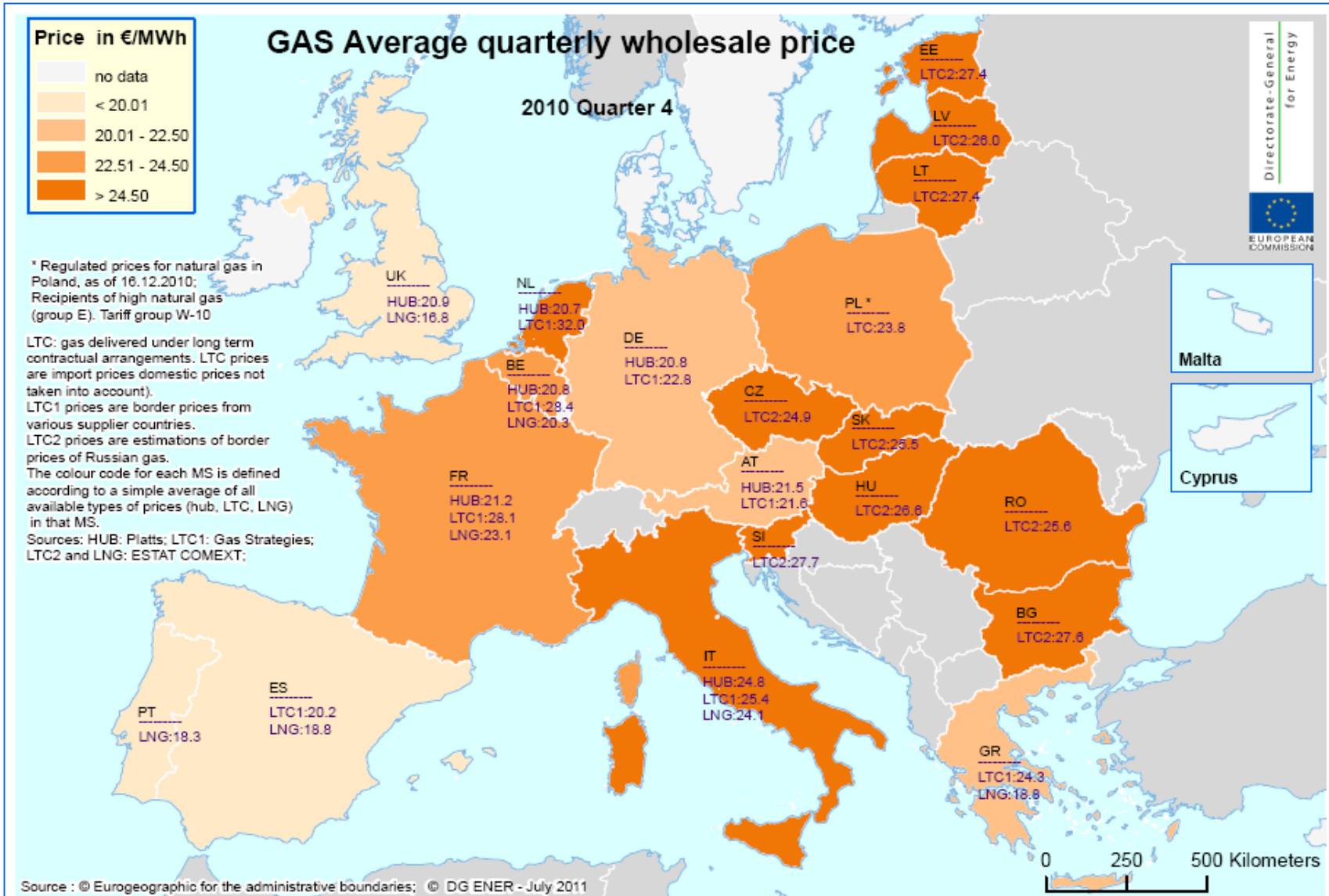
% of missing gas supply  
from 6 to 20 January 2009  
(- 300 million m<sup>3</sup>/day for 14 days)



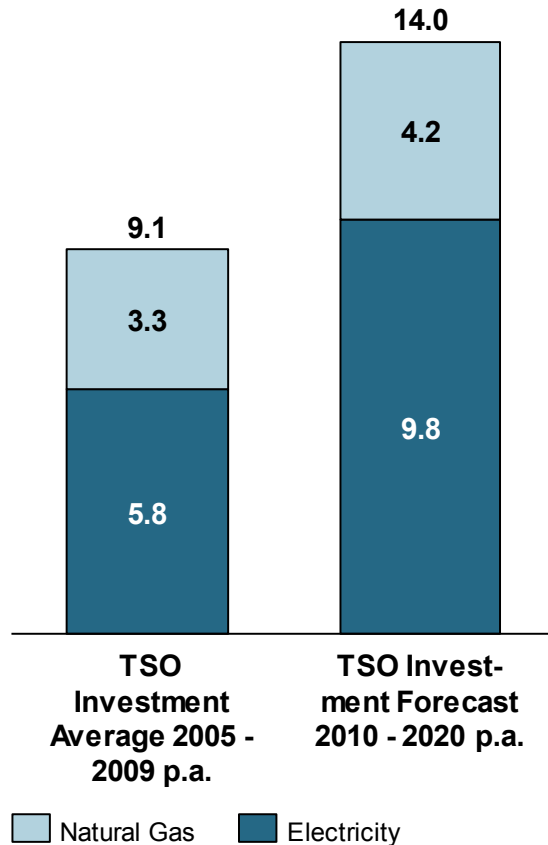
● Italian peninsula in the black in 2003



# The internal market is not complete



# The investment challenge is substantial



Estimated investment need is **EUR 200bn** until 2020 (~20bn/y)

About half of this investment is expected to be hindered by:

- **Permit granting delays**
- **Regulatory obstacles**
- **Financing difficulties**

Source: Study by Roland Berger, 2011



# Energy infrastructure priorities for 2020 and beyond - A Blueprint for an integrated European energy network

*Communication November 2010*

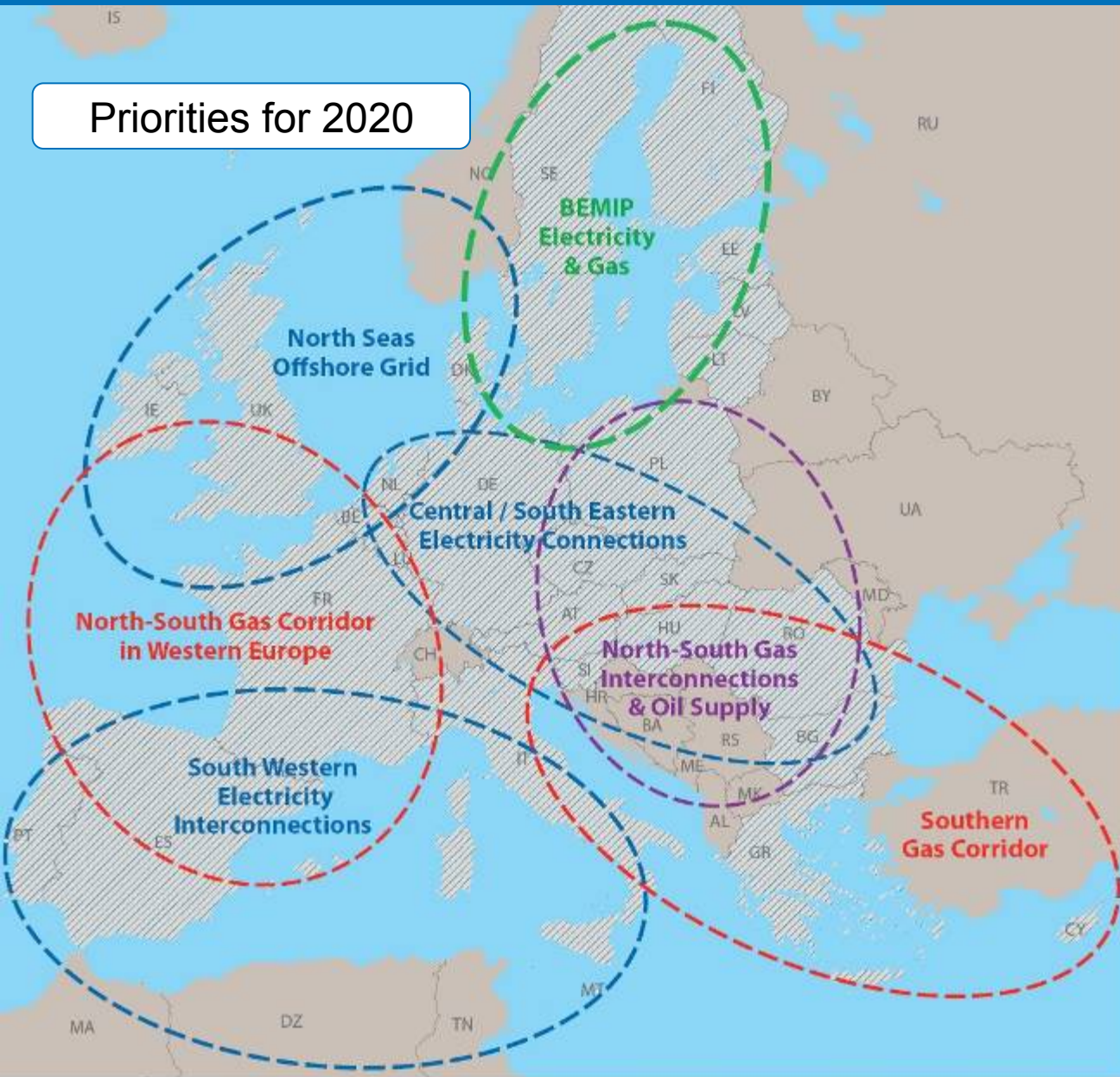


## Identification of:

- energy infrastructure priorities
- selection method of projects of common interest
- regional approach and criteria
- investment challenges
- toolbox to implement projects

# Priorities for 2020 and beyond

Priorities for 2020



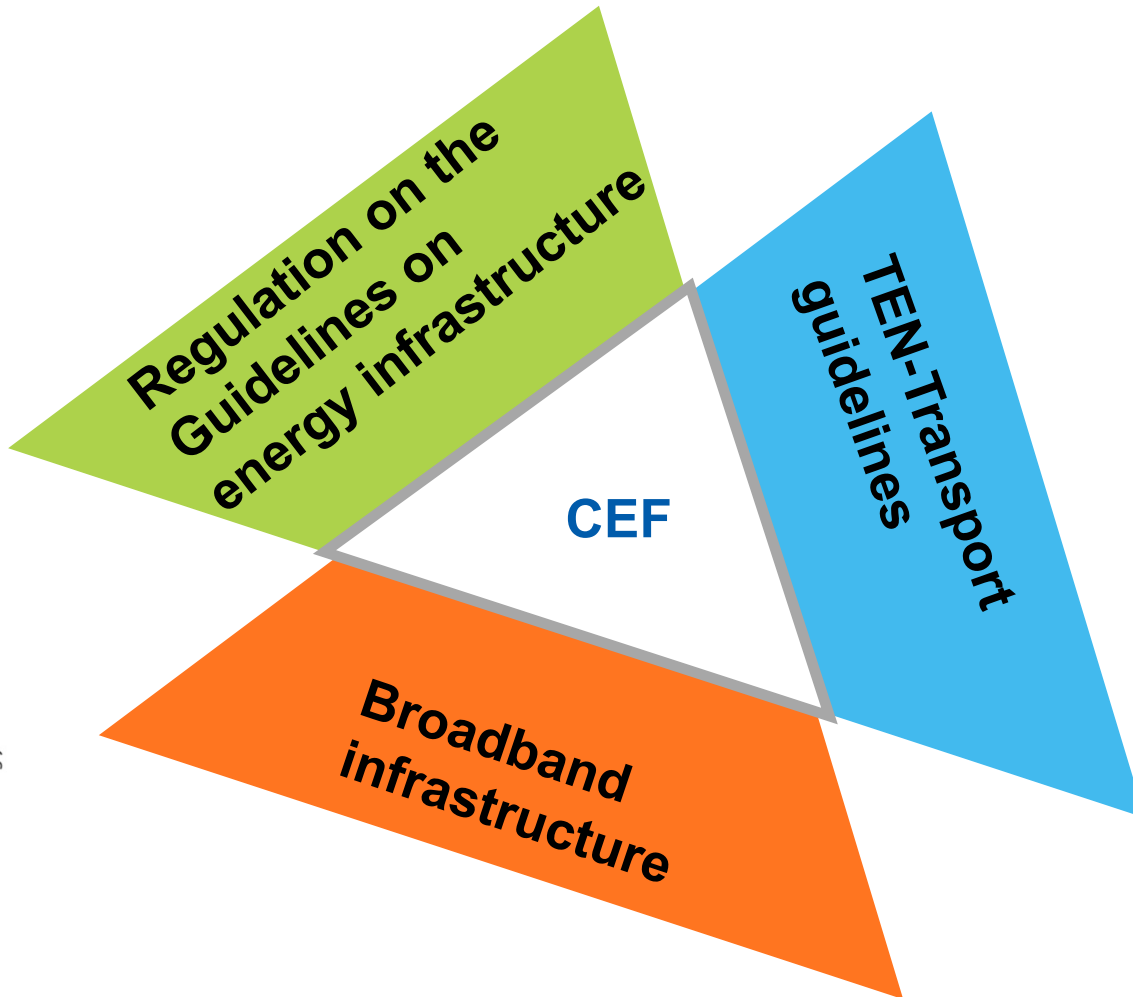
Electricity  
Highways

CO2 transport  
network

Priorities beyond 2020

- Gas
- Electricity
- Electricity and gas
- Oil and gas
- Smart Grids for Electricity in the EU

# ● The legislative proposals



## Three sectoral infrastructure policy proposals

### Connecting Europe Facility:

Budget EUR

Energy – 9.12bn

Transport – 50bn

ICT

# ● Regulation on guidelines for trans-European energy infrastructure

## ● Scope:

- » Rules to identify **projects of common interest (PCI)**
- » Facilitate their implementation through accelerated **permit granting** and enhanced **public participation**
- » Rules for cross-border **allocation of costs** and **risk incentives**
- » Conditions of eligibility of PCIs for **Union financial assistance** under the CEF

# ● Infrastructure categories covered under the Regulation

## Electricity:

- Transmission: overhead lines  $\geq 220$  kV, underground or subsea  $\geq 150$  kV
- Storage: installation connected to network of min 110 kV
- Certain system equipments
- Smart grids: transmission / distribution networks aiming at efficiently integrating behaviour and actions of all users

## Gas:

- High pressure transmission
- Underground storage
- LNG / CNG

Oil: pipelines, pumping stations, certain equipment

CCS: transport pipelines, buffers and certain system equipments

## ● General selection criteria for PCI

---

- Contributes to the implementation of the infrastructure priorities
- Economic, social and environmental viability
- Involves at least two Member States:
  - » Cross-border infrastructures
  - » Infrastructure with significant cross-border impact

## ● Specific selection criteria for PCIs (gas, electricity)



**Indicators**, such as: impact on capacities, RES transmitted, price convergence potential, capacity HHI index, contribution to (N-1) rule etc.

**Ranking** within the same priority: urgency, number of MS benefitting, complementarity with other projects, nr of users etc.


## ● Specific selection criteria for PCIs (oil, CCS)

### Oil transport projects

- Security of supply, reducing single-source dependency
- Mitigation of environmental risks
- Interoperability

### CO<sub>2</sub> transport

- Avoidance of CO<sub>2</sub> emissions at lowest cost
- System resilience and security of transport
- Connection of multiple sources and storage sites

 **Indicators for oil**, such as: impact on capacities, system resilience, reverse flows, improvement in system efficiency

# ● Measures to facilitate the implementation of projects of common interest

- Permit granting and public participation
- Regulatory treatment
- Financing
- Other measures

## ● Financing – measures in the Connecting Europe Facility 2014-2020

- Incentivising networks for the implementation of internal energy market and achieving Europe's energy and climate targets by 2020 and attract new investors
- € 50 bn for transport, energy (€9.12 bn) and ICT
- Financial Instruments (equity/debt incl. project bonds in cooperation with IFIs) and grants for studies and works
- Reducing the risks through market-based approach complementing regulation and permitting as appropriate – eligibility rules defined in the Guidelines

## ● Other measures

- **Monitoring** of PCI implementation by regional groups and ACER
- PCI **transparency platform**
- Measures in case of significant delay of a PCI
- Possibility to **withdraw** a PCI from the Union-wide list
- **European coordinators** to facilitate coordination and implementation
- **Implementation report** from the Commission



**Thank you for your attention**



**Contact: [joseantonio.hoyosperez@ec.europa.eu](mailto:joseantonio.hoyosperez@ec.europa.eu)**