



Looking beyond the Third Energy Package

Projects of Common Interest

Nordic-Baltic Conference 2015

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Networks and Regional initiatives

European Commission

DG Energy



Beyond the Third Energy Package

- ➔ Towards a resilient **Energy Union** with a forward-looking Climate Change Policy
- Secure, sustainable, competitive and affordable energy
- Vision of an integrated continent-wide energy system
- A sustainable, low-carbon and climate-friendly economy
- **5 mutually-reinforcing dimensions:**
 - Energy security, solidarity and trust
 - A fully integrated European energy market
 - Energy efficiency (= > moderation of demand)
 - Decarbonizing the economy
 - Research, innovation and competitiveness



Energy Infrastructure, vital for an Energy Union

- Import dependency
- Outdated and ageing infrastructure
- Need to shift to a low-carbon economy

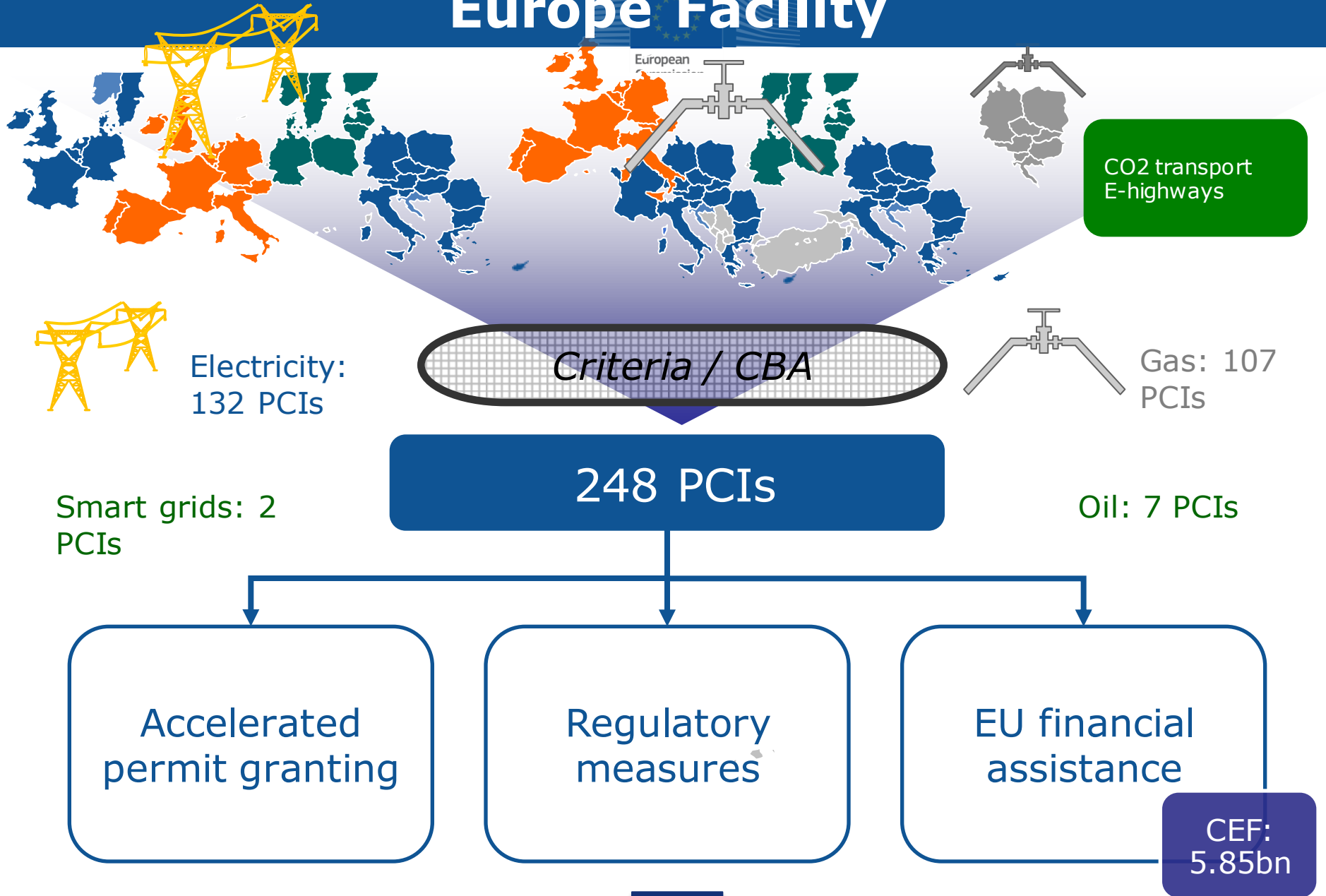
An interconnected European energy grid

- ➡ To make the internal energy market fully functional
- ➡ To integrate the remaining energy islands to the European network

Enhanced regional cooperation: the Baltic Energy Market Interconnection Plan (BEMIP)

- A success story
- A catalyst for other regions (Central and South-Eastern Europe)

The TEN-E Guidelines & The Connecting Europe Facility



Criteria for PCI selection under Regulation 347/2013

General criteria

*Contribute to the
implementation of the
infrastructure priorities*

*Economic, social and
environmental viability*

*Involve at least two Member
States:*

- **Cross-border infrastructures**
- **Infrastructure with significant cross-border impact**

Specific criteria

- **Market integration**
- **Security of supply**
 - Diversification
 - Secure system operations
- **Sustainability**
 - Integration of RES
 - GHG avoidance

→ *Cost-benefit analysis*
(in TYNDP by ENTSOs)

+ *urgency, number of MS,
complementarity and territorial
cohesion*

Projects of Common Interest benefit from



Accelerated permit granting

3.5
years

One
Stop
Shop

Public
Partici-
pation

Improved Regulatory treatment

Risk-
related
incentives

Cross-
Border
Cost
Allocation

Financial support

Access to
Financial
Instru-
ments

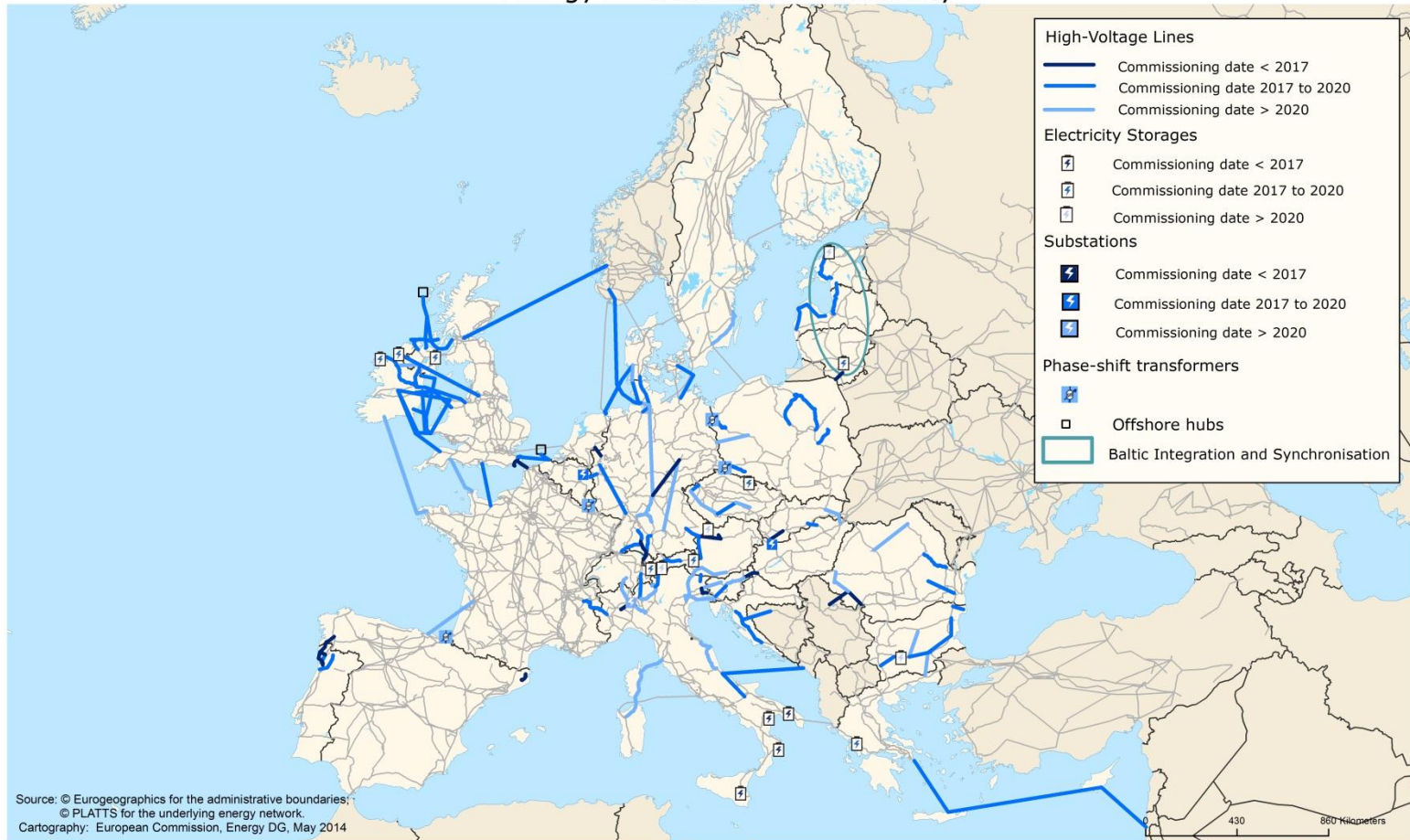
Grants for
Works and
for Studies



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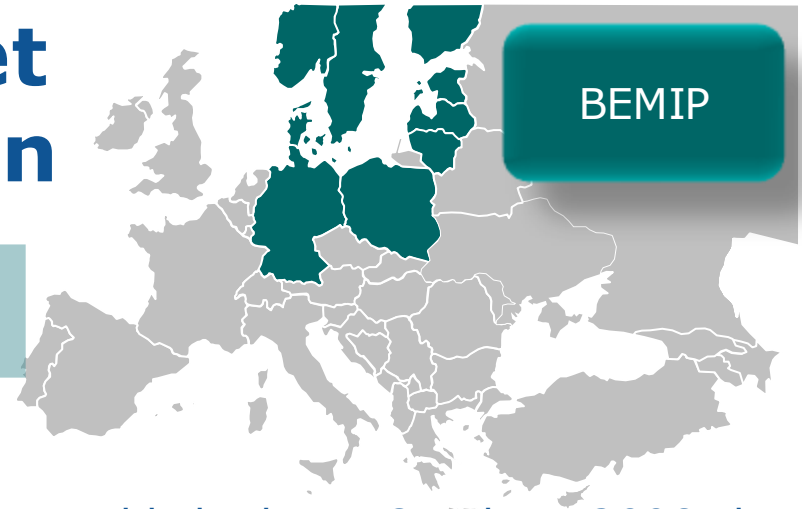
Energy Infrastructure - Electricity



Source: © Eurogeographics for the administrative boundaries;
© PLATTS for the underlying energy network.
Cartography: European Commission, Energy DG, May 2014

Baltic Energy Market Interconnection Plan

Baltic MSs are still isolated in terms of electricity



- **BEMIP High Level Group (HLG)** established in October 2008 by President José Manuel Barroso following an agreement of the MS of the Baltic Sea Region
- **BEMIP Action Plan** agreed on in June 2009
- Aims at bringing an end to this isolation, by setting out a roadmap:
 - Actions to open the markets in the Baltic Sea Region
 - Actions to deliver infrastructure projects to eliminate "energy islands"
- Reform on the future format and role of the BEMIP initiative (May 2015)

Future of the BEMIP initiative

- **A reform of the BEMIP High Level Group (HLG)**
 - ➔ to address recent policy, regulatory and geopolitical developments
 - ➔ Commission proposal on the future format and role of the BEMIP initiative
- **BEMIP HLG** - status and role strengthened
- **BEMIP Regional Group** (TEN-E Regulation) - responsible with coordinating and monitoring critical energy infrastructure projects
- **EUSBSR** - coordinating and monitoring of IEM, nuclear energy, renewable energy and energy efficiency

Investment needs in energy infrastructure in the Baltic States

➤ Further reinforcements needed in electricity

➡ to end isolation

➡ to allow MS benefit more from the open and integrated market

➤ Positive developments

- *Estlink2* interconnecting EE-FI - financially supported under the EEPR
- *NordBalt* interconnecting SE-LT – financially supported under the EEPR (to be brought into commercial operation in early 2016)

➤ Connecting Europe Facility (CEF)

➤ 1st call budget: €750 million (grants for works and grants for studies)

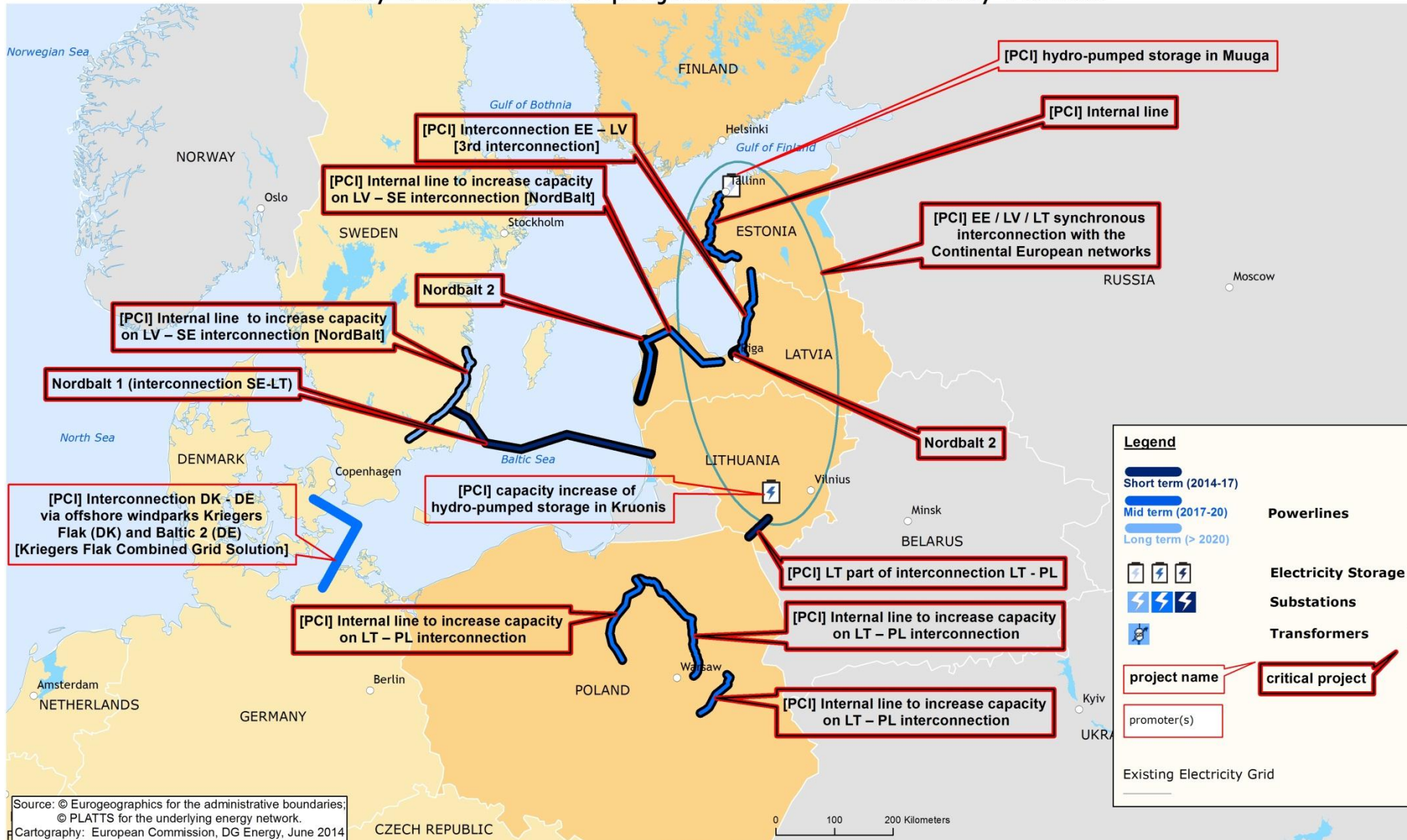
➡ €647 million allocated to co-finance 34 Actions

➡ **€506.5 million** allocated to co-finance **7 Actions in BEMIP**

┌ 3 Actions from Electricity

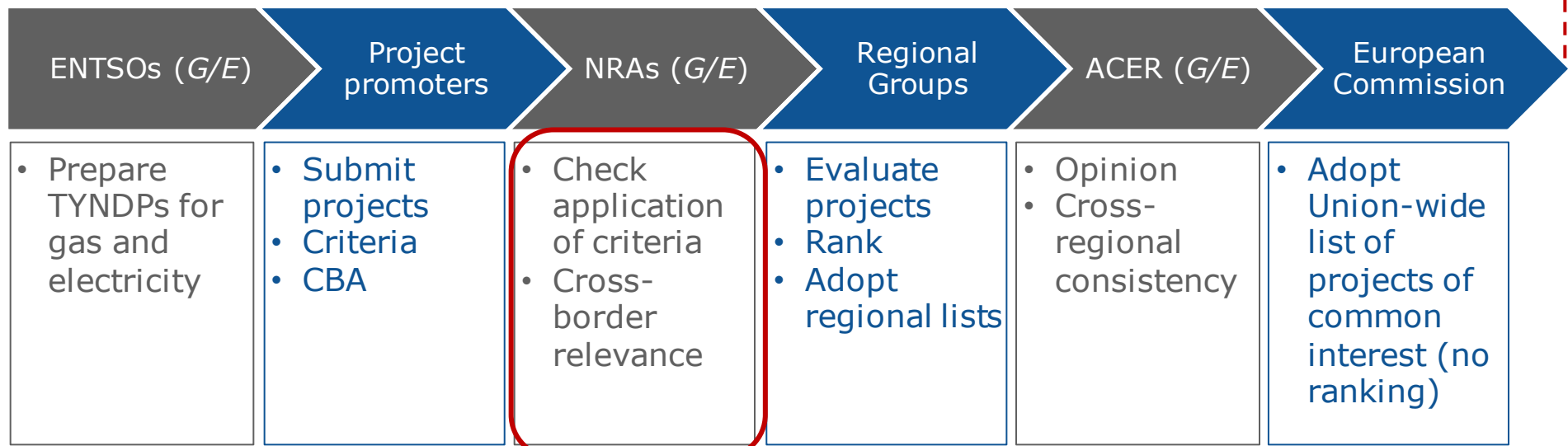
└ 4 Actions from Gas

Key infrastructure projects - Baltic Electricity Market



Process to identify PCIs under the 2nd process

2015 End of February -> <- - March - May- -> <- June-August -> End November ->



TYNDP / CBA process

↑
We're here



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Commission

Thank you for your attention!

