

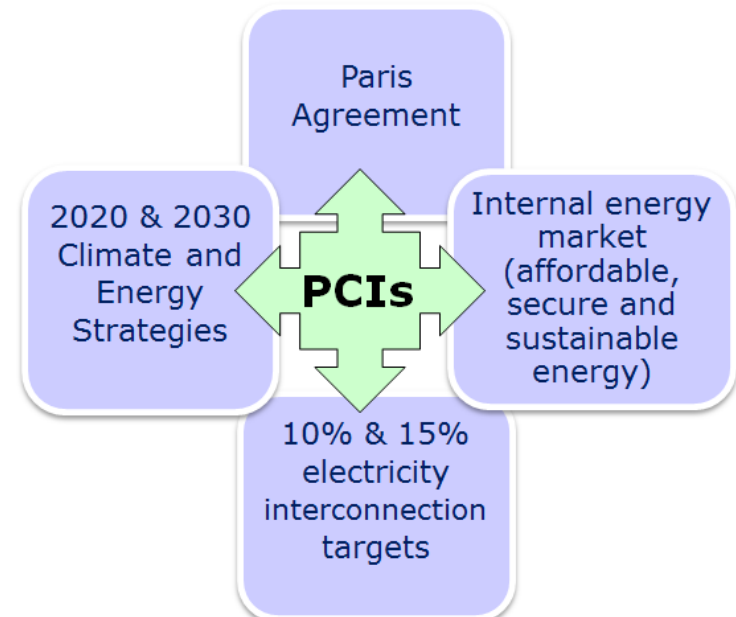


Projects of Common Interest **How Europe is progressing on electricity corridors**

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Context

- Well-interconnected, smart and digitalised infrastructure is indispensable for achieving low-carbon economy, delivering on the international commitments (Paris Agreement) and attaining climate and energy policy objectives (“2020 & 2030 Framework for Energy and Climate”, internal energy market).
- The Third Union List of **PROJECTS OF COMMON INTEREST (PCIs)** next to the “Clean Energy Package for All Europeans” is **KEY** to making the energy transition a **SUCCESS**
- Specific challenge for electricity TEN-E assets
 - 15% interconnection target to be missed by seven countries
 - Investments essential for
 - energy system stability,
 - averting curtailment of RES,
 - optimising the market
 - keeping prices in check



106 electricity PCIs

Strengthening Europe's grid to deliver on the energy and climate commitments and to address important challenges of the energy systems.

- Northern Seas -

- Enabling off-shore grid to harness significant RES potential.
- The first direct link between Ireland and Continental Europe.
- Reinforcements between DK-DE and in the northern DE.

- Western Europe -

- Integration of Iberian Peninsula with the rest of Europe.
- Integration of RES.
- Removal of the bottlenecks in the northern BE, and reinforcements between BE-DE, and IT-FR.

- BEMIP -

- Synchronising the Baltic grid with the continental European network (CEN).
- Reinforcements between the Baltic States to remove existing bottlenecks and to ensure the full operation of interconnectors with PL and SE.

- CESEC -

- Strengthening the existing grid and providing for new interconnections between BG-EL, SI-HU, and RO-Balkans.
- Integration of the RES.
- Prevention of uncontrolled energy flows ("loop-flows") in PL and CZ.

Recommendations of the Commission Expert Group on electricity interconnection targets

1. A refined framework with three relevant thresholds

- The €2/MWh threshold – minimising price differentials
- The peak load 30% thresholds – ensuring that electricity demand, including through imports, is met in all conditions
- The installed renewables 30% thresholds – enabling export potential of excess renewable production

2. Focus on well-functioning electricity market and efficient utilisation of existing infrastructure

3. **Cost-benefit analysis as *conditio sine qua non***

4. Public involvement

5. Technological dynamism and regular review

Projects of common interest - current status

- Total number of PCIs is declining:
 - 2013 (248 projects)
 - 2015 (195 projects)
 - 2017 (173 projects)
- Focus on electricity in line with the European Union's decarbonisation agenda is increasing
- 64% of all PCIs on the 3rd PCI list are in the field of electricity (2013 = 53%, 2015 = 55%)
- 30 PCIs completed between 2013-2018
- 31 electricity PCIs expected to be completed by 2020
- €1.2bn of co-financing has been awarded to electricity PCIs
 - 41 grants for studies, total of €250.5mn
 - 9 grants for works, total of €959mn

Future CEF – Continuity while stepping up

- Future CEF has to be even more about enabling the energy transition – 60% climate mainstreaming target (all three sectors)
- Electricity infrastructure drives the projected TEN-E investment needs of €179bn (2021-2027)
- CEF continuity needed pursuing the established priorities (North Seas, BEMIP, CESEC, South Western Europe)
- Specific challenge for electricity TEN-E assets
 - ✓ Decarbonisation across related sectors (mobility, heating) will lead to further electrification
 - ✓ Renewables will dominate electricity generation after 2030
 - ✓ 15% interconnection target to be missed by seven countries
 - ✓ Investments essential for energy system stability, averting curtailment of RES, optimising the market and keeping prices in check

Proposal of the European Commission for CEF 2021-2027

- **90% (€7.785bn) to make the EU's energy systems better interconnected and more resilient** to possible supply disruptions, as well as smarter and more digitalised. Back key trans-European energy network infrastructures, allowing for further integration of the internal energy market, boosting interoperability of networks across borders and sectors, and facilitating the overall decarbonisation of our economy
- **10% (€865mn) to foster Member State cooperation on cross-border renewable energy technology projects** - ensuring a lower cost for renewables integration and enabling the strategic uptake of renewables technologies

Way forward

- Reinforced application of the Regulation on Trans-European Energy Infrastructure
 - Improve the Cost-Benefit-Analysis
 - Incorporate the Recommendations of the Expert Group
 - Ensure the Interlinked Model is ready for new challenges
- Regional cooperation under the High-Level Groups and the upcoming Governance
- Timely completion of electricity and smart grids PCIs
- Connecting Europe Facility availability to address
 - electricity infrastructure projects becoming mature only after 2020
 - new projects that emerging due to sectorial integration/sector coupling
 - electricity storage projects emerging due to growing RES share