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# ENTSO-E Procedure

## INCLUSION OF THIRD PARTY PROJECTS IN THE 2014 RELEASE OF THE TYNDP

**FINAL**

**Published 21 January 2013**

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## 1 BACKGROUND

Regulation (EC) 714/2009<sup>1</sup> calls for the creation of the European Network of Transmission System Operators for Electricity (ENTSO-E). According to Article 8(3) (b) of this Regulation, ENTSO-E shall adopt “a non-binding [Union]-wide ten-year network development plan” (TYNDP) with the objective of ensuring greater transparency regarding the pan-European electricity transmission network and supporting decision making processes at regional and European level.

Additionally, Article 3(7) of the “draft Regulation on guidelines for the implementation of trans-European energy infrastructure”<sup>2</sup> makes the TYNDP the basis for the selection of Projects of Common Interest (PCI). The draft Regulation aims at supporting these projects in two different ways:

- by establishing a legal framework for a faster permitting process: “one stop shop” permitting authority, fixed time limits for the completion of permitting procedures, assignment of an EC coordinator (if necessary),
- by providing financial support, under the form of:
  - o financial instruments (equity/debt including project bonds in cooperation with International Financial Institutions); or
  - o grants for studies and works.

In order to better address the purposes of the above-mentioned legislations ENTSO-E updated the TYNDP process for the inclusion of third party projects that will be identified as contributors to the EU energy goals:

- market integration, competition and system flexibility;
- sustainability, inter alia through transmission of renewable generation to major consumption centres and storage sites;
- interoperability and secure system operation;

and by consequence expected to adhere to the market target model principles and the operational arrangements that will be put forward in the ENTSO-E network codes.

The present procedure was developed in close collaboration with European Commission, ACER and the impacted stakeholders (20 November workshop<sup>3</sup> 2012 and TYNDP Stakeholder group<sup>4</sup>). It presents the process for inclusion of projects promoted by non-ENTSO-E members in the TYNDP 2014 and the necessary documentation for demonstrating compliance to the criteria defined herein.

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<sup>1</sup> [Regulation \(EC\) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation \(EC\) No 1228/2003](#)

<sup>2</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0658:FIN:EN:PDF> published 19.10.2011

<sup>3</sup> [ENTSO-E workshop on third party projects](#)

## 2 PROCEDURE ADDRESSEES

The present procedure is addressed to all interested promoters which are planning to develop electricity transmission infrastructure (third party project) that is entirely or in part situated in at least one country represented within ENTSO-E and is considered as of pan-European significance as defined in section 3 of the present document<sup>5</sup>.

The third party promoters can fall under the following categories:

**A. Promoter within a regulated environment**, which can be either:

- A.1. a promoter who holds a transmission operating license and operates in a country not represented within ENTSO-E; or
- A.2. any other promoter.

**B. Promoter within a non-regulated environment:** promoter of which investments are referred as “merchant lines” in accordance with Article 17 of EC Regulation (EC) N° 714/2009.

## 3 WHAT CONDITIONS SHALL BE FULFILLED

For a third party project to be considered of pan-European significance and therefore presented and assessed in the ENTSO-E TYNDP it shall fulfil the following criteria:

### 3.1. Technical criteria:

- a. the main equipment is an high-voltage overhead transmission line, if it has been designed for a voltage of 220 kV or more, and underground and submarine transmission cables, if they have been designed for a voltage of 150 kV or more, at least partially located in one of the 34 countries represented within ENTSO-E; and
- b. the project increases the Grid Transfer Capability increase (GTC) at a network boundary<sup>6</sup> within the ENTSO-E interconnected network ; and
- c. The GTC ( expressed in MW) meets at least one of the following minimums:

<sup>5</sup> The set technical criteria for the projects of pan-European significance ensure the conformations with the technical requirements for the Project of Common Interest as presented in the “draft Regulation on guidelines for the implementation of trans-European energy infrastructure”. However, a project that satisfy the criteria for pan-European significance according to section 3 of the present document may not necessarily qualify for the status of Project of Common Interest.

<sup>6</sup> A boundary represents one section of the grid between one area and another (price zone, area within a country or a TSO), or several sections of the grid sharing the same concern, across which it appears relevant to assess grid transfer capability values (in order to auction capacity, to advertise the possibility of new generation connection upstream, or to communicate on securing load growth for several years downstream).

- i. at least 500 MW of additional NTC<sup>7</sup>, with the exception of cross-border projects where no additional NTC threshold is imposed; or
- ii. connecting or securing output of at least 1 GW/1000 km<sup>2</sup> of generation; or
- iii. securing load growth for 10 years for an area representing consumption greater than 3 TWh/year.

### 3.2. Legal criteria:

#### 3.2.2. For the promoters under the category A.2. and B:

- a. the project promoter shall be a registered undertaking or a subsidiary of a registered undertaking that has been in existence for at least one year before the date of submission; and
- b. the assets of the undertaking or its shareholders shall amount to at least 1 million euros; and
- c. if a project promoter is proposing a project between a non-EU/non-EEA<sup>8</sup> country and an EU/EEA country it shall provide an agreement between the impacted ministries or regulators that recognizes the potential benefit of the project; and
- d. satisfy at least one of the following conditions:
  - i. the promoter shall have requested the impacted ENTSO-E TSOs to perform the prefeasibility/feasibility study at least 6 months before applying for the inclusion in the TYNDP; or
  - ii. the promoter shall have a signed agreement with the impacted ENTSO-E TSOs to perform the prefeasibility/feasibility study; or
  - iii. the promoter shall have a prefeasibility/feasibility study performed or approved by the impacted ENTSO-E TSO/s; or
  - iv. the promoter shall have a signed agreement between the ministries or between the regulators of the impacted countries that recognizes the potential benefit of that project; or
  - v. the promoter shall have applied (through the NRA) for the exemption to the EC according to art. 17 of Reg. (EC) 714/2009; or
  - vi. the promoter was granted funding for the proposed project under the Community financial aid in the field of the trans- European transport and energy networks (TEN-E)<sup>9</sup> or the European Energy Programme for Recovery (EEPR)<sup>10</sup>

#### 3.2.3. For the promoters under the category A.1:

- a. The project promoter shall be registered as transmission system operator in the country in which it acts as a national monopoly; and

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<sup>7</sup> Net transfer capacity

<sup>8</sup> European Economic Area

<sup>9</sup> [http://ec.europa.eu/energy/infrastructure/tent\\_e/financial\\_aid\\_en.htm](http://ec.europa.eu/energy/infrastructure/tent_e/financial_aid_en.htm)

<sup>10</sup> [http://ec.europa.eu/energy/eepr/index\\_en.htm](http://ec.europa.eu/energy/eepr/index_en.htm)

- b. The promoter, in case of cross-border infrastructure, shall:
- i. have a common signed agreement with the concerned TSO/s who is/are member/s of ENTSO-E, regarding the development of the submitted project; or
  - ii. have a signed agreement between the ministries or between the regulators of the impacted countries that recognizes the potential benefit of that project.

#### 4 WHAT DOCUMENTATION IS NECESSARY

The TYNDP represents the only pan-European transmission planning platform allowing a consistent assessment of all proposed solutions considering the interdependencies between projects. In order to ensure a level playing field between the proposed projects - both by ENTSO-E TSOs and third parties- in terms of correctly evaluating these interdependencies, maintaining a realistic outlook of the future transmission grid, and gathering the necessary data for the projects' assessment (through market and network studies), the third party promoters shall provide to ENTSO-E the following documentation:

##### 4.1. For the promoters under the category A.2. and B:

- a. **Technical description:**
  - i. a brief technical description of the projects: technology (AC/DC) and voltage level of main equipment; end-substations, km of route; and
  - ii. the motivation for the project, including a qualitative description of the investment need that the project addresses and the project's role in supporting at least one of the 3 pillars of EU energy policy (market integration, sustainability, secure system operation); and
  - iii. an assessment of the increase in the Grid Transfer Capability which the project will enable, expressed in MW; and
  - iv. a project status, indicating whether the project is in the consideration phase (prefeasibility/feasibility studies), design & permitting phase or under construction; and
  - v. the expected commissioning date; and
  - vi. the investment cost of the project.
- vii. **Electro-technical parameters of the project which are necessary to model the proposed investments in the network studies:**
  1. **For the alternative current(AC) infrastructure:** connection points (substations name), nominal voltage, type of conductor, nr/phases, resistance (R), reactance (X), conductance (B), thermal limit (Imax), km of the whole route (for the line/cable), km of the route to each border if the infrastructure is tie-line. The template table will be made available on the ENTSO-E website at the date of publication of the present procedure.
  2. **For the direct current(DC) infrastructure:** connection points (substations name), type of conductor, type of converters (VSC/LCC), nominal voltage, capacity, km to each border if the infrastructure is tie- line, thermal limit (Imax), Mvar capability range at terminals, bus-bar to bus-bar losses profile over MW range.
- viii. Indicate the location of the project on the ENTSO-E map

**b. Legal documentation:**

- i. the statutes of the registered undertaking, including information on its shareholders;
- ii. the balance sheets of the last three fiscal years, or, if the undertaking has been in existence for less than three years, all available balance sheets; and
- iii. information on the industrial undertaking and its technical expertise, including references from other relevant projects; and
- iv. for a project between a non-EU/non-European Economic Area (EEA) country and an EU/EEA country the promoter shall provide the agreement between the impacted ministries or regulators that recognizes the potential benefit of the project; and
- v. the request to the impacted ENTISO-E TSO/s to perform a prefeasibility or feasibility study or to approve a performed prefeasibility or feasibility study which was sent to the impacted ENTISO-E TSO/s no later than 6 month before applying for the inclusion in the TYNDP; or
- vi. the signed agreement with the impacted ENTISO-E TSO/s to perform the prefeasibility/feasibility study; or
- vii. the signed approval, from the impacted ENTISO-E TSO/s, on the project's prefeasibility or feasibility study, performed by another party; or
- viii. the signed agreement on the project proceeding between the ministries or between the regulators of the impacted ENTISO-E countries; or
- ix. the acknowledgment receipt of the application for the EC exemption from the responsible regulatory authorities of the concerned EU countries; or
- x. EC TEN-E or EEPR grant decision for the proposed project addressed to the promoter.

**4.2. For the promoters under the category A.1:**

**a. Technical description:**

The technical description required is described in section 4.1.a of the present document.

**b. Legal documentation:**

- i. the operating license from the relevant authority ( Ministry/NRA) from the country the promoter operates; and
- ii. the signed common agreement with the concerned TSO/s who is/are member/s of ENTISO-E, regarding the development of the submitted project; or
- iii. the signed agreement on the project proceeding between the ministries or between the regulators of the impacted countries

## 5 THIRD PARTY PROJECTS IN THE TYNDP 2014 PACKAGE

ENTSO-E Regional Groups (figure 1) are responsible for the consistency of the integrated modelling and the content of the Plans in their area, including projects stemming from third Parties.

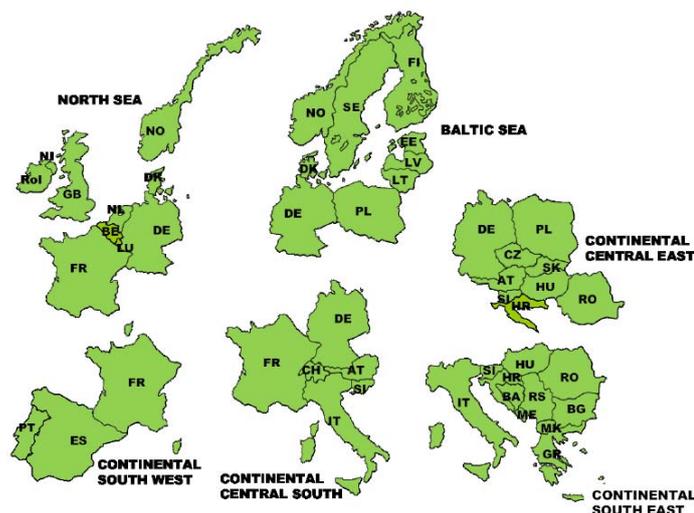


Fig.1 Geographical area of ENTSO-E Regional Groups

When a project fulfils the criteria established in section 3, the project shall be:

- a. assessed by the relevant ENTSO-E Regional Group according to the TYNDP cost-benefit analysis methodology; and
- b. included in the TYNDP and in the relevant Regional Investment Plans.

When a project does not fulfil the criteria established in section 3, the project shall only be mentioned in the table with the non-eligible projects submitted to ENTSO-E which constitutes an Annex to the TYNDP package.

ENTSO-E shall notify every applicant by 30 April 2013 if the submitted project was accepted for assessment under the TYNDP 2014 process. In case the project does not fulfil the criteria established in section 3, ENTSO-E shall provide adequate justification to the respective promoter, underlying the reasons for which the project is considered non-eligible.

In case the project is selected in the initial phase (respecting all the technical and legal conditions) but proves, after the network and market studies to not bring a relevant GTC increase (higher or equal with the threshold underlined in chapter 2) , ENTSO-E, with the proper justification, will delete the respective project from the pan-European project list. In this case the promoter will be promptly notified and adequate justification will be provided.

By November 2013, all the promoters, of which project were assessed under the TYNDP Cost and Benefit Analysis methodology, will receive from ENTSO-E the results of their project assessment.

## 6 SUBMISSION PROCESS

A promoter shall submit its project for inclusion in the TYNDP 2014 between 21 January 2013 and 1 March 2013, via e-mail (Irina Minciuna: [irina.minciuna@entsoe.eu](mailto:irina.minciuna@entsoe.eu)), together with the following information:

- a. the technical description of the project<sup>11</sup>; and
- b. the electro-technical parameters<sup>11</sup> of the project including the location on the map<sup>12</sup>; and
- c. the legal documentation.

ENTSO-E shall check that the application is complete and shall further submit it to the relevant ENTSO-E Regional Group for appraisal. Only the estimated cost of the project may be delivered at a later stage (and not later than by October 2013).

## 7 RIGHT TO APPEAL AND THE TREATMENT OF CONFIDENTIAL DATA

**a. A promoter that submits a project to ENTSO-E in accordance with the current procedure has the possibility to file an appeal by letter under the following circumstances:**

- i. The proposed project was not accepted for assessment under the TYNDP 2014 process. Appeal timeframe: within 14 days after notification (scheduled around the first half of May 2013).
- ii. The promoter does not agree with the assessment results of proposed project performed under the TYNDP CBA methodology. Appeal timeframe: within 14 days after results notification (scheduled around the second half of November 2013).

In all the above mentioned cases ENTSO-E will deliver adequate justification to the concerned parties no later than 1 month after receiving their official letter.

The promoter's data and the ENTSO-E cost-benefit analysis results can be corrected in case of:

- i. Delivery of the incorrect data by the promoter: The third party promoter is the sole responsible of the data delivered to ENTSO-E. In case of incorrect information, the promoter has the possibility to update the data by end April 2013. Past this date, ENTSO-E will consider the input as final and continue to perform the studies accordingly. ENTSO-E cannot be held liable for the accuracy, completeness, timeliness or correctness of the data provided by promoters. Consequently, ENTSO-E shall not be held liable for any loss or damages caused by any reliance on such data and more particularly when used by ENTSO-E to perform its assessments of proposed projects in accordance with the present procedure.

<sup>11</sup> [Template to collect the technical parameters of third party projects](#)

<sup>12</sup> The base map can be accessed here: [ENTSO-E map](#)

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- ii. Delivery/representation of the incorrect results by ENTSO-E: Based on the received input and the CBA methodology, ENTSO-E will proceed to assess the proposed infrastructures. In the eventuality of a mistake in the assessment of the third party projects, ENTSO-E is obliged to correct it before the final publication of the report.

**b. Confidentiality of the delivered data**

Under the present procedure, a third party promoter will deliver to ENTSO-E a number of confidential information. The technical input will be used by the ENTSO-E regional groups to run the market and networks studies and deliver the assessment of the submitted projects. The legal documents will be solely used by ENTSO-E to ensure compliance with the legal criteria defined herein.

All the data received by ENTSO-E under the current procedure is bound to be treated as confidential by ENTSO-E and its members (under the art. 35, Internal Regulation of ENTSO-E<sup>13</sup>).

To avoid any misuse of the received data, ENTSO-E commits to keeping the confidentiality of all the received information with the exception of:

- i. Data that concerns the general description of the project which will be published in the TYNDP table of projects. The level of detail is identical with the information unclosed for ENTSO-E TSO projects. It relates to: project promoter, substations' name, level of voltage, type of technology, km of line/cable, single/double circuit, expected date of commissioning and the present status of the project.
- ii. The results of the project assessment according to the CBA methodology
- iii. The location on the TYNDP maps.

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<sup>13</sup> [https://www.entsoe.eu/fileadmin/user\\_upload/library/Association/110628\\_ENTSO-E\\_Internal\\_Regulations\\_wt\\_TC.pdf](https://www.entsoe.eu/fileadmin/user_upload/library/Association/110628_ENTSO-E_Internal_Regulations_wt_TC.pdf)

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## 8 THE KEY MILESTONES OF THE PROCESS

- a. November 2012: Open workshop on the procedure for inclusion of third party projects;
- b. November 2012 – January 2013: promoters of third party projects are encouraged to make preliminary contacts with the relevant ENTSO-E members;
- c. 21 January 2013: ENTSO-E release of the procedure along with the requested documentation;
- d. From 21 January to 1st March 2013: developers of third party projects submit the project data to ENTSO-E;
- e. From 1 March to 30 April 2013: finalization of the submitted data. In case the submitted data is not complete, ENTSO-E will establish the first contact with the promoter no later than 2 weeks after the submission deadline in order to enquire further documentation and clarification.
- f. by 30 April 2013: ENTSO-E notifies to every developer of a third party project the results of its application;
- g. November 2013: ENTSO-E sends for information to the developers of the accepted third party projects, the results of their project assessment (multi-criteria CBA results).
- h. March 2014 TYNDP 2014 package opened for 8 weeks public consultation

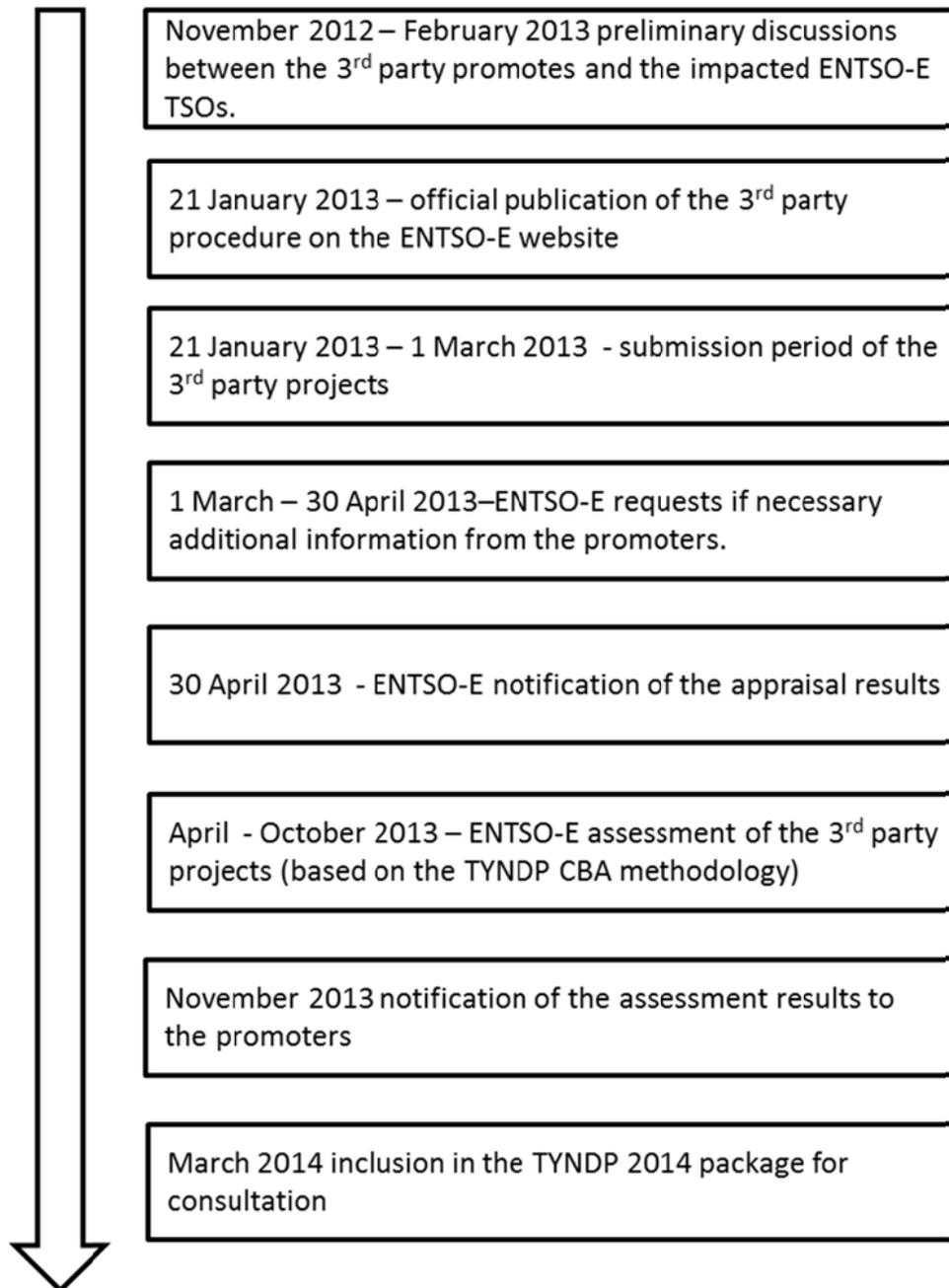


Fig. 2 Graphic representation of the process

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## 9 NOTES

Related documentation:

- [Proposal for a Regulation on guidelines for trans-European energy infrastructure \[COM/2011/658\] and Connecting Europe Facility Regulation](#)
- [Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility](#)
- [Third Energy Package \(Regulation 714/2009 and 713/2009\)](#)
- [Ten Year network Development Plan 2012](#)
- [Third party procedure workshop, 20 November 2012 – minutes, presentations, agenda](#)
- [CBA workshop, 19 November 2012 – latest draft procedure minutes, presentations, agenda](#)
- [2030 visions workshop, 22 November 2012 – minutes, presentations, agenda](#)
- [Stakeholders' suggestions and their implementation in the ENTSO-E procedure on the Inclusion of the third party projects in the 2014 version of the TYNDP](#)

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**In case of questions related to the current procedure please contact ENTSO-E Secretariat:**

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