

Targeted consultation on candidate
Projects of Common Interest (PCIs) in
electricity infrastructure
PCI process 2018-2019

- summary -

Introduction

The consultation on the candidate Projects of Common Interest (PCIs) in electricity transmission and storage is part of the process for the identification and selection of projects for the fourth list of PCI. This consultation started on 22 November 2018 shortly after the end of the project submission window, and ended on 28 April 2019.

The objective of this consultation was to seek input from stakeholders on the compatibility of projects with the specific criteria, as laid down in Article 4 paragraph 2 of the Regulation (EU) 347/2013 on Guidelines for the trans-European energy networks (TEN-E Regulation): market integration, sustainability and security of supply. The consultation was open to the public and stakeholders, who were invited to answer one question. The consultation documents included the list of candidate projects and detailed information provided by project promoters and national regulatory authorities.

The public was consulted on the following question:

In your opinion, is a proposed project significantly contributing to market integration/sustainability/security of supply and therefore needed from an EU energy policy perspective?

Consultation results

140 participants responded to the consultation on the candidate electricity transmission and energy storage projects. Most of the replies came from Spain and Italy. In terms of categories, the replies from citizens, were followed by those from environmental organizations, companies, industry associations and other non-governmental organisations.

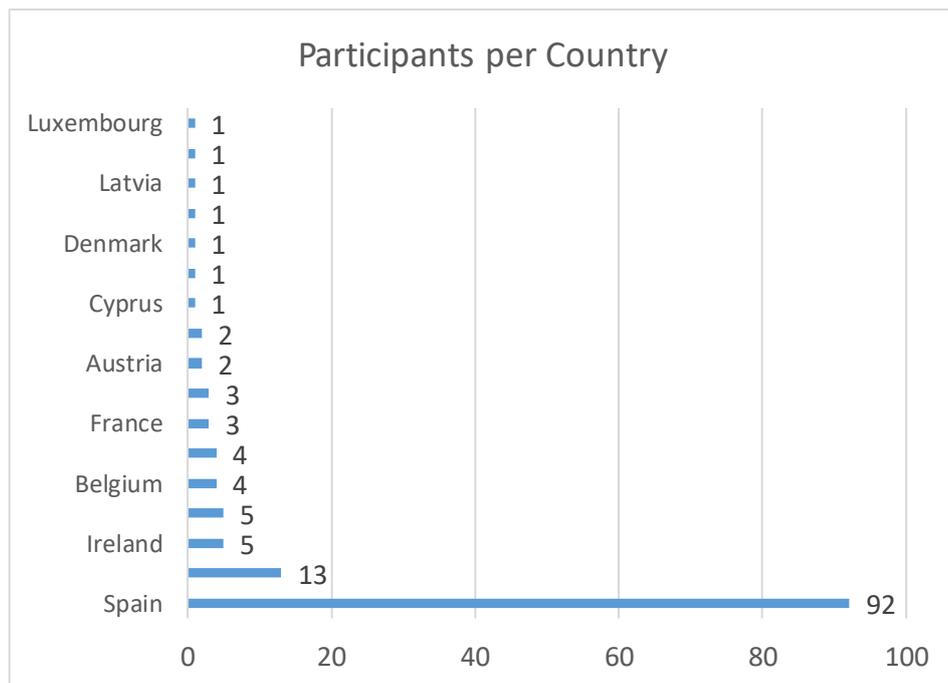
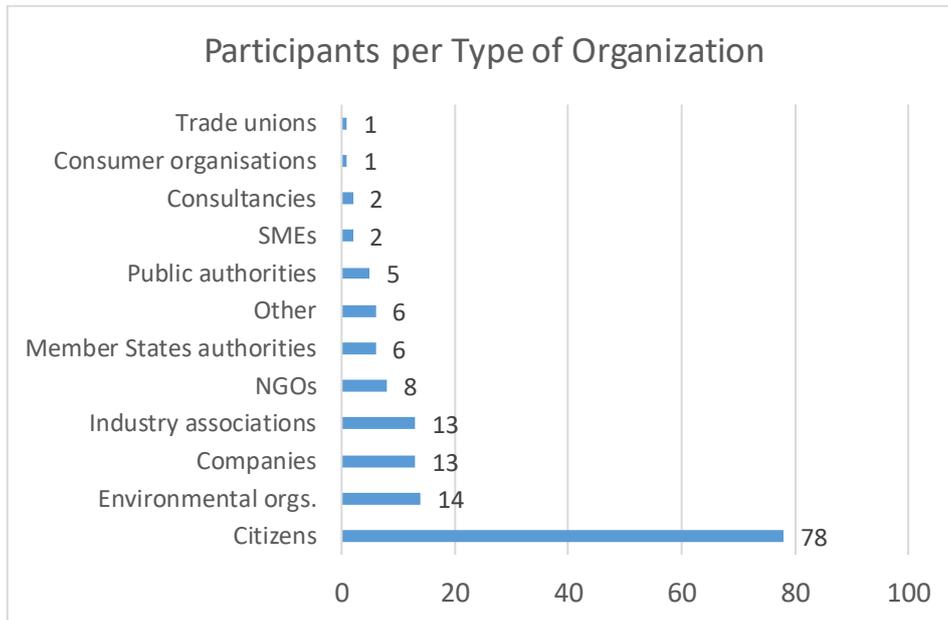
As the main goal of the consultation was to seek further input on how the candidate projects contribute to the three main energy policy goals, only those substantiated comments related to the criteria mentioned above were retained and considered in this summary.

In several cases,¹ respondents made identical comments to an individual candidate project. Even though this could indicate a certain level of stakeholder engagement in that specific case, it did not necessarily bring further merit to the arguments presented. These cases are indicated in the summary.

Some of the contributions referred to issues that are not part of the identification and selection process for PCIs, mainly concerning possible environmental impacts of some candidate projects.

¹Namely the following candidate projects: 16 - Biscay Gulf; 270 – FR-ES project -Aragón-Atlantic Pyrenees; 276 - FR-ES project -Navarra-Landes; 1011 - Reversible pumped-storage hydroelectric exploitation ""Mont- Negre"" power 3,300 MW Zaragoza, Spain"

Some of these comments are included in the summary for information purposes for project promoters and relevant regulatory authorities.



Energy Transmission

For energy transmission candidate projects, stakeholders submitted 339 comments. 213 were identical and referred to three projects on the border between France and Spain. The most relevant comments for individual projects are summarized below per regional group:

Baltic Energy Market Interconnection Plan (BEMIP)

Belgium	7	Authorities	6	positive	19
Latvia	6	Citizens	6	negative	0

Finland	5		Industry	7			
Lithuania	1						

The contribution of candidate projects to the integration of Baltic energy market, the European (TYNDP numbers 62, 123, 124) and Nordic markets in particular (TYNDP number 111) was highlighted. The importance of projects needed for synchronization of Baltic grid was mentioned as well.

170 - Baltics synchronisation with CE

The contributors consider the project important in order to synchronise the Baltic states with the decouple from Russian grid - it will help the three Baltic States gain full control of their electricity networks, operate under common and transparent European rules for the benefit of consumers also contributing to the unity and energy security of European Union.

[North-South Interconnections West \(NSI West\)](#)

Spain	215		Citizens	190		positive	19
Belgium	17		Environmental	20		negative	228
Italy	4		NGO	10			
Latvia	4		Companies	8			
Luxembourg	3		Authorities	7			
Austria	2		Other	6			
Denmark	1		Industry	3			
France	1		Unions	3			

4 - Interconnection Portugal-Spain

According to the contributions received, the Cost Benefit Analysis is based on a calculation of energy prices including various taxes. The respondents claims that should these taxes not be taken into consideration, the price difference at the border between Spain and France would be much lower and therefore negatively impacting the benefits of a new interconnection.

16 - Biscay Gulf

According to the contributors, the Cost Benefit Analysis is based on a calculation of energy prices including various taxes. The respondents claims that should these taxes not be taken into consideration, the price difference at the border between Spain and France would be much lower and therefore negatively impacting the benefits of a new interconnection.

Respondents have also referred to inconsistencies in the TYNDP project sheets of Britib and the Biscay Gulf.

Some other issues raised were related to the possible impacts on the operation and the security of the Spanish electricity system, due to the increased exchanges of energy across the French border. The same comments called for network plans to identify, include and assess internal reinforcements that avoid operational restrictions on Spanish generators, or the additional needs to solve technical restrictions. Allegedly, after the commissioning of the HVDC between Santa Llogaia and Baixas, generators in Aragón and Levante would experience increased scheduling restrictions due to

deficiencies of the transmission network. In the view of the respondents, new projects could have similar consequences.

Furthermore, 71 identical comments raised following issues:

The justification of this project is based on projections of trends based on data from years 1990-2000 and therefore cannot sustain its case against current situation.

Existing interconnectors on the border between France and Spain are already not fully utilised. Average utilization was claimed to be 52% in the direction France-Spain and only 12% in the direction Spain- France in the period 2014 – 2017. Already existing interconnection capacity is thus more than sufficient in both ways and that there is a lot of free margin especially for exports to France.

The lack of transparency in the development of this project and similar ones was highlighted as a negative factor. During the need identification phase, promoters seem to underestimate the investment costs nor provide enough information regarding the project. Their presumed benefits also seem to be overestimated.

Of particular concern to the respondents is the presumably very severe environmental and social impacts as well as the future maintenance costs of large-scale infrastructure.

270 – FR-ES project -Aragón-Atlantic Pyrenees

Same comments as for project nr. 16 were received.

276 - FR-ES project -Navarra-Landes

Same comments as for project nr. 16 were received.

285 – GridLink

Replies state that this project does not prove its case on its contribution towards significant increase of renewable energy generation. The respondents argue that the project focuses on exports of French electricity and not on the development of wind.

296 - Britib

The contributors noted that the comparison of Britib TYNDP2018 project sheet shows some inconsistencies.

Similar as for the Biscay Golf, the issues raised were related to the possible impacts on the operation and the security of the Spanish electricity system, due to the increased exchanges of energy across the French border. The same comments called for network plans to identify, include and assess internal reinforcements that avoid operational restrictions on Spanish generators, or the additional needs to solve technical restrictions. Allegedly, after the commissioning of the HVDC between Santa Llogaia and Baixas, generators in Aragón and Levante would experience increased scheduling restrictions due to deficiencies of the transmission network. In the view of the respondents, new projects could have similar consequences.

312 - St. Peter - Tauern (AT internal)

The contributions considered this project necessary to integrate the capacity of hydro-pump storage in Austria with electricity produced from European renewable energy sources.

North-South Interconnections East (NSI East)

Belgium	21		Citizens	21		positive	39
Italy	12		Industry	10		negative	6
Greece	4		Authorities	9			
Czech Republic	3		NGO	4			
Austria	2		Companies	1			
Latvia	1						
Cyprus	1						
Denmark	1						

29 - Italy-Tunisia

The respondents claim that this project will foster green energy trading between European and North African regions, helping the integration of renewable energy sources. The project would facilitate the strengthening of cooperation with Mediterranean countries. The replies also consider it important to include projects with neighbouring countries into the PCI process.

35 - CZ Southwest-east corridor

The comments highlighted that the scope of the project covers the modernisation of transmission lines and upgrades from single to double circuit, thus minimising environmental impact in terms of land use. It would reinforce transmission capacity on Czech-German border, thus helping to offset contingencies (grid operation close to N-1 criteria). This project will replace existing lines close to the end of their life cycle.

130 - HVDC SuedOstLink Wolmirstedt to area Isar

The contributors noted that fast and sufficient internal German grid development is crucial to reduce the curtailment to the Nordic area.

142 – CSE4

The whole project would, according to contributors, contribute to the reduction of price differentials between Bulgaria and Greece by adding additional capacity.

150 - Italy-Slovenia

According to contributors, the Northern Italian boundary has been identified as one of the most congested in the European electrical system. It has been demonstrated that the Italian system would indicate a high price differential on all its borders if the Italian transmission grid does not evolve beyond 2020. According to the respondent, the implementation of this project will significantly contribute to lower the price differentials between Italy and Slovenia and will guarantee a better integration of the Italian peninsula in the European electricity market.

200 - CZ Northwest-South corridor

In the contributor's view, this project should reinforce transmission capacity on Czech-German border, thus helping to offset contingencies (grid operation close to N-1 criteria).

293 - Southern Aegean Interconnector

According to the comments, the project would significantly contribute to the integration of renewables and accommodation of flows (and mitigate RES curtailment) in Greece by interconnecting isolated islands with the mainland. Currently, the electricity prices in respective islands are subsidised, through Public Service Obligations.

Other respondents refer to the insufficiency of available data to objectively assess the benefits for this project.

313 - Isar/Altheim/Ottenhofen (DE) - St.Peter (AT)

This project is deemed necessary by the contributors for connecting the capacity of hydro-pump storage in Austria with electricity produced from European renewable energy sources.

330 - 4th 400kV CZ-SK interconnector

The comments highlighted that the project would replace aging 220 kV lines and would serve to accommodate future energy flows from newly built RES capacities in Central Europe.

Northern Seas Offshore Grid (NSOG)

Belgium	17		Citizens	17		positive	15
France	4		NGO	5		negative	13
Denmark	3		Industry	3			
Latvia	2		Authorities	2			
United Kingdom	2		Companies	1			

153 - France-Alderney-Britain

According to contributors, this link could have been justified by the marine energy projects, but the recent downgrading and abandoning of the larger projects leaves no justification for this line except for export of French nuclear power to Britain.

167 - Viking DKW-GB

The comments highlighted that moderate correlation of wind yields in the UK and Denmark would allow for this interconnector to be an important facilitator of integrating renewables build in both countries.

183 - DKW-DE, Westcoast

According to contributors, this project would bring an important increase in cross-border interconnection in a high wind generating area. Increased interconnection between the Nordic and German electricity systems would be needed in order to further promote the internal energy market. The realisation of this project would also increase the robustness of the internal German grid.

247 - AQUIND Interconnector

Contributors raised the issue of TYNDP scenarios: Project could deliver even higher benefits than indicated in the TYNDP, because these scenarios reflect, by design, an ambition rather than other potential energy market outcomes. The scenario report describes the scenarios as being “based on forward looking policies, whilst also being ambitious in nature and aiming at reducing emissions by

80 to 95% in line with EU targets for 2050". This indicates that, by construction, these scenarios are not necessarily intended to be the most likely or realistic outcomes for the EU. Assessing PCIs against these scenarios may therefore prioritise projects that are attractive under more 'extreme' scenarios, rather than a moderate and realistic ones. Were the "political" scenarios not to be realised, if only in part, then there is a risk that the potentially welfare-enhancing projects are inappropriately discarded.

From another contributor's perspective, this project does not prove its case on its contribution towards significant increase of renewable energy generation, in particular in the absence of a full phase out of carbon-intensive generation in nearby Le Havre. The respondent warns of a risk of giving a lifeline to coal and gas generation in the absence of such a plan.

285 – GridLink

According to contributors, this project does not prove its case on its contribution significant increase of renewable energy generation. In the contributors' view, this project would be rather focused on exports of French electricity and not on the development of wind energy.

335 - North Sea Wind Power Hub

The contributors highlight the importance of including the stakeholder perspectives from offshore wind developers and market participants – apart from promoters and port authorities.

Another issue raised in comments is that the environmental impact of the project should be taken into consideration. In particular, the Natura 2000 network and their qualifying features (e.g. including mobile marine species such as marine mammals and seabirds).

Energy Storage

90 comments were submitted in relation to the energy storage candidate projects. 37 of them were identical comments to the project 1011 - "REVERSIBLE PUMPED-STORAGE HYDROELECTRIC EXPLOITATION ""MONT- NEGRE"" POWER 3,300 MW ZARAGOZA, SPAIN". 40 comments consisted of one-word reply assessing the impact of given project ("yes" or "no"). The most relevant comments for individual projects are summarized below.

Citizens	49		Spain	36		positive	36
Other	20		Italy	21		negative	17 (54)
Companies	9		Belgium	20			
Authorities	4		Ireland	4			
NGO	3		United Kingdom	4			
Environmental	3		Austria	2			
Industry	2		Greece	1			
			Germany	1			
			Luxembourg	1			

1001 - Kaunertal Extension Project

According to contributors, the construction of the pumped storage is the only part of the national hydro project, which complies with the eligibility criteria in Article 2 in conjunction with Annex II of the TEN-E Regulation. Whilst the scope of the project is to increase the electricity generation from renewable energies by doubling natural water intakes, the respondent considers it does not comply with the TEN-E Regulation, and consequently cannot be considered eligible for the PCI label. The reply refers to previous PCI processes when the Kaunertal Extension Project was removed from the PCI list because substantial parts of the project could not be considered energy infrastructure according to Annex II of the TEN-E Regulation.

1002 – iLand

The contributors warned that if awarded European funding, iLand would have an advantage when competing in the ancillary services market with other existing units creating a real market distortion.

A funding commitment for a 45 year project would, in view of contributors, limit the opportunity of future lower cost storage alternatives that could be developed (i.e EV batteries, large scale batteries). In case of Belgium, iLand would cover half of the additional required balancing capacity required by Elia.

1011 - "REVERSIBLE PUMPED-STORAGE HYDROELECTRIC EXPLOITATION ""MONT- NEGRE"" POWER 3,300 MW ZARAGOZA, SPAIN" and 1019 - TWO REVERSIBLE HIDROELECTRIC PLANTS: GIRONES & RAIMATS IN SPAIN

Contributors pointed out that the development of both projects Project 1011: Reversible pumped-storage hydroelectric exploitation "Mont- Negre" power 3,300 MW Zaragoza and Project 1019: Two reversible hidroelectric plants: Girones & Raimats may not be physically feasible, as they are very close to each other and would allegedly have an impact on the Ebro river. Moreover, these two projects would have an impact on the already existing hydro-pump storage projects in the area, so benefits might be overestimated.

Furthermore, 37 identical comments raised following issues:

Both the location and the technical characteristics of this project could have a very negative impact on several Natura 2000 sites in the area.

The Hydrological Plan of the Ebro contains the so-called AGROINDUSTRIAL AND ENERGY CORRIDOR PROPOSAL IN THE LOWER SECTION OF THE ERA OF THE ARAGONIAN EBRO, which aims to connect the irrigable area of Monegros II with a reversible plant in Mont-Negre. The measure would aim to derive 353.42 hm³ / year for agricultural uses, which would be used to irrigate areas with deficit of resources in the dry years and the rest of years to increase the agricultural endowments assigned by concession. According to the regulations of the Hydrological Plan of the Ebro, agricultural use is a priority to energy, so that the latter would be legally subject to agricultural demands. When the project is financed with European funds for an energy project, this could lead to an irregularity in financing mechanisms or even fraud, since the funds will eventually be used for water use (irrigation) different from what is planned (energy to be used).