

Memorandum of Understanding on a new, extended scope of the High Level
Group on Interconnections for South-West Europe

Sides:

The European Commission

The Minister for Energy Transition of the French Republic

**The Minister of Ecological Transition and the Demographic Challenge of
Spain**

The Deputy Permanent Representative of Portugal to the European Union

HAVING REGARD TO:

The 2015 Madrid Declaration signed by the President of France, the Prime Minister of Spain, the Prime Minister of Portugal and the President of the European Commission, where "the governments [of France, Portugal and Spain] agree on the setting up of a new regional High Level Group for South-West Europe on interconnections that will be put in place by the European Commission";

The 2018 Lisbon Declaration signed by the President of France, the Prime Minister of Spain, the Prime Minister of Portugal and the President of the European Commission, where the three countries "welcomed the work of the High Level Group on Interconnections for South-West Europe" and agreed to "pursue close coordination, involving all the relevant players, aimed at monitoring interconnection projects, assessing the related financing requirements, and overseeing their progress so as to set up a new road map for their implementation";

The European Commission Communication "The European Green Deal" of 11 December 2019;

The European Commission Communication "An EU Strategy to harness the potential of offshore renewable energy for a climate neutral future" of 19 November 2020, subsequently recalled in the revised TEN-E Regulation;

The European "Fit for 55" legislative package;

Regulation (EU) 2022/869 of the European Parliament and of the Council of 30 May 2022 on "guidelines for trans-European energy infrastructure, amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No 347/2013", entered into force on 23 June 2022 ("the revised TEN-E Regulation" thereafter);

The European Council conclusions of 25 March 2022 and of 31 May 2022 calling for completing and improving the interconnection of European gas and electricity networks by investing in and completing infrastructure for existing and new projects;

The European Council conclusions of 21 October 2022 and of 15 December 2022, reiterating the need to step up investments inter alia in future-proof energy infrastructure and interconnections, storage and renewable energy projects;

The agreement on energy interconnection between the President of France, the President of the Government of Spain and the Prime Minister of the Portuguese Republic of 20 October 2022, where the Leaders underlined the importance of accelerating the development of energy interconnections with a focus on electricity and hydrogen infrastructures;

RECOGNISING:

The need to drastically accelerate the clean energy transition and increase Europe's energy independence, considering the current geopolitical and energy market reality;

The importance of cross-border infrastructure projects to ensure a well-functioning internal energy market, inter alia the critical interconnections between Portugal, Spain and France.

That a fully interconnected European energy network is one of the key preconditions to achieve the decarbonisation objectives of the European Green Deal and deliver the ultimate goal of the Energy Union, i.e. to ensure secure, affordable and sustainable energy, which is a key instrument to strengthen the competitiveness of the European industry and therefore contributing to growth and jobs across the EU;

The value to extend the scope of the High Level Group on interconnections for South- West Europe, in alignment with new priorities and with the revised TEN-E Regulation, and to ensure the implementation of the principles of the Madrid and Lisbon Declarations as well as the objectives envisaged in recent political agreements and EUCO conclusions.

THE SIDES AGREE:

To make the best endeavours to continue their regional cooperation in the area of the Union's energy policy and to this end they agree to a new, extended scope for the High-Level Group on Interconnections for South-West Europe.

I. The structure of the High Level Group on Interconnections for South-West Europe

(1) Participation

The **High Level Group on Interconnections for South-West Europe** should include representatives of the European Commission and of the three Member States concerned by the initiative, namely France, Portugal and Spain. When relevant for the achievement of the cooperation objectives, subject to the agreement of the Sides, the work streams of the High Level Group on Interconnections for South-West Europe can involve other Member States as relevant.

(2) The structure

The **High Level Group on Interconnections for South-West Europe** is intended to have a structure comprising:

- a Steering Group;
- a thematic level, embodied in technical working groups on electricity interconnections, offshore infrastructure and renewables, and hydrogen infrastructure.

a) The Steering Group

In its principal configuration, the Steering Group is intended to be composed of the European Commissioner responsible for the EU Energy policy and the relevant Ministers of France, Portugal and Spain in charge of energy policy.

The Steering Group is responsible for the effective implementation of the political objectives underpinning the cooperation in the South West Europe region, in a spirit of continuity with the Madrid and Lisbon Declarations. It also brokers political agreements for matters that cannot be solved at the technical.

The Steering Group provides high-level guidance for the establishment, implementation and review of the Action Plan of the High-Level Group on Interconnections for South-West Europe.

When appropriate, the Steering Group may meet in its second configuration at Senior Official level. In this configuration, the steering group is composed of senior officials (Director-General, Deputy Director-General or Director) of the European Commission in charge of the Union's energy policy, and officials at the equivalent level in the responsible ministries of the Member States working in the energy policy area.

A meeting at Senior Official level may prepare the meetings of the Steering Group at Ministerial level, provide validation as appropriate for the key deliverables of the technical sub-groups, as well as strive to build consensus. Senior officials may decide to merge or terminate existing working groups and to establish a new working group, when necessary. When deciding on merging or terminating existing group, their level of activity and the work performed by them shall be considered.

c) Thematic level

The thematic level is intended to be embodied by three technical sub-groups, one for electricity interconnections, one for offshore infrastructure and renewables, and one for hydrogen infrastructure, including storage and hydrogen electrolysers. They are intended to be composed of working-level representatives of the European Commission, ministries

(National Competent Authorities), transmission system operators and national regulatory authorities from France, Spain and Portugal.

The three sub-groups provide technical support to the work of the Ministerial Steering Group from a technical, regulatory and financial perspective. They will implement the Action Plan of the High-Level Group on Interconnections for South-West Europe, discuss and coordinate specific measures and action, and carry out projects and studies necessary for implementing the political objectives underpinning the cooperation in the South West Europe region. They will also evaluate relevant financing solutions in close cooperation with national regulatory authorities and, where relevant, the European Investment Bank and other financing bodies.

(3) Meetings, working methods and participation of stakeholders

The Steering Group meets as a rule at Ministers level at least once per year. The Steering Group should meet in its Senior Official configuration at least once per year, or more as necessary.

The meetings of the Steering Group at Ministers level are intended to take place, if possible, before the Energy Council meetings and may be hosted by the European Commissioner responsible for the EU Energy policy or by the Minister in charge of energy in France, Spain or Portugal.

The decisions are taken by consensus, be it at the Steering Group-level or at thematic groups level.

Officially adopted documents will be available in French, Portuguese, Spanish and English.

The thematic-level meetings are to be held when necessary and are chaired by a representative of the European Commission's Directorate-General in charge of energy. The three sub-groups may meet and work together.

Representatives of the Agency for the Cooperation of Energy Regulators and the European Network of Transmission System Operators and, when appropriate, project promoters and independent experts, may participate in meetings, upon invitation.

The thematic level should regularly report to the Steering Group on progress achieved in the implementation of the new Action Plan of the High-Level Group on Interconnections for South-West Europe.

II. Implementation of the Action Plan of the High-Level Group on Interconnections for South-West Europe

The Sides will adopt a new Action Plan of the High-Level Group on Interconnections for South-West Europe, in line with the principles of the Madrid and Lisbon Declarations and with the identified new priorities. The Action Plan is prepared at a technical level and should be adopted by the Steering Group. The Action Plan may need to be adjusted at a later stage, depending on the concrete results of technical studies.

The Action Plan should take into consideration the establishment of the successive Union lists of projects of common and mutual interest. When adopted by the Commission, these lists should take into account the urgency of integrating the Iberian Peninsula into the internal energy market. When meeting the necessary criteria, Projects of Common Interest (PCIs) and Projects of Mutual Interest (PMIs) are eligible to apply for financial support under the Connecting Europe Facility (CEF).

The Action Plan for electricity should focus on accelerating the implementation of ongoing electricity priority projects and supporting the identification of further cross-border interconnections to foster better integration of the Iberian Peninsula into the EU energy market.

The Action Plan for offshore infrastructure should focus on the identification of concrete offshore renewable energy priority projects that are of cross-border relevance and follow up on their swift implementation as well as on supporting the implementation of offshore TEN-E provisions by facilitating the establishment and periodic revisions of the non-binding agreement on goals for deployment of offshore renewable energy for the priority corridors South and West offshore grids and Atlantic offshore grids.

The Action Plan for hydrogen should focus on exploring further the renewable hydrogen potential of the Iberian Peninsula and renewable and low-carbon hydrogen potential in France, including the necessary cross-border infrastructure, and on identifying concrete hydrogen and electrolyser priority projects from a regional perspective and support their implementation. In this context and in line with the agreement on energy interconnection between the President of France, the President of the Government of Spain and the Prime Minister of the Portuguese Republic of 20 October 2022, the Action Plan for hydrogen should support the creation of a Green Energy Corridor, connecting Portugal, Spain and France with the EU's energy network.

III. Political nature of the Memorandum of Understanding

This document records a political intent alone. It does not establish any new legal commitments or replace or modify any existing legal obligations with regard to the Parties or third persons.

Signed in Brussels on 19/12/2023 in English, French, Spanish and Portuguese languages.

For the European Commission

Mrs Kadri Simson



The Minister for Energy Transition of the French Republic

Mrs Agnès Pannier-Runacher



The Minister of Ecological Transition and the Demographic Challenge of Spain

Mrs Teresa Ribera



The Deputy Permanent Representative of Portugal to the European Union

Mrs Manuela Teixeira Pinto

