EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Questions & Answers on the implementation of Regulation (EU) 347/2013 and the Connecting Europe Facility in the field of Energy

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1. General Questions

1.1 **Question:** Article 19 of the TEN-E Regulation does not specify to which national competent authority the application file could have been submitted before the 16th of November 2013, for that the provisions of Chapter III shall not apply. Could you please clarify that an application to the national competent authority which is responsible before 16th of November 2013 is sufficient. This question is related to Article 8(1) provision which states that the Member States shall designate one national competent authority by the 16th of November 2013.

Answer: *DG Energy considers that Article 19 is referring to the competent authorities in the Member States (if there are more than one before the 16th of November 2013) that are responsible for facilitating and coordinating the permit granting process. It is sufficient to demonstrate the application with any one of the competent authorities of the Member State.*

1.2 **Question:** Where can I find the Regulation (EU) 347/2013?

Answer: *The TEN-E Regulation (EU) 347/2013 is available in the official languages of the EU on the EUR-Lex website:*

http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32013R0347:EN:NOT

2. Organisational questions on CEF in the filed of Energy

2.1 **Question:** When will the next round of identification for PCIs be open?

Answer: *The second PCI exercise will start as soon as the TYNDPs will be made available by ENTSO-E and ENTSO-G, probably at the end of 2014 or early 2015.*

2.2 **Question:** When will the template for CEF application be available online?

Answer: *CEF template will be available online with the launch of the call for proposals.*

2.3 **Question:** Will there be only one CEF call open in 2014?

Answer: *The first call for proposals under CEF is planned for May 2014. If necessary a second one may be organised by the end of 2014.*

2.4 **Question:** Are the applications for grants for studies to be submitted during the same period as for the grants for works (May – August 2014 for the first call)? If so, what would be an estimated schedule until financing decisions are approved for such grants for studies?

Answer: *Yes, the applications for both grants for studies and grants for works are to be submitted at the same time, approximately by mid-August 2014 (exact date will be mentioned in the call for proposals).The individual CEF grant to implement PCI should be finalised by end of 2014.*

2.5 **Question:** Will the deadline of 31st of October 2013 for the submission of the investment request be maintained for the next calls as well?

Answer: *The deadline will not be applicable in future years. Investment Requests for PCIs should be submitted continuously and as soon as a project has reached sufficient maturity.*

2.6 **Question:** Are there any further details available regarding the financing modality (division of financing in: pre-financing, interim payments, final payment etc.) as it was the case for EEPR and TEN-E projects?

Answer: *The same approach as for EEPR and TEN-E (2007-13) projects might be used, while taking into consideration risk assessments done on a case-by-case basis (e.g.: pre-financing would not be allowed if there is no FID available or no environmental permit for the project).*

2.7 **Question:** How binding is the timetable and the budget indicated in the application by the project promoters? Will there be any chance for project promoters to update the respective information?

Answer: *As it was the case for the TEN-E exercise (clarification process), an adjustment to the latest developments will be possible as long as the individual grant agreement/decision has not been concluded and as long as the changes do not substantially change the application or the project.*

2.8 **Question:** Regarding the tendering referred to in Art. 5(7) of Regulation No 347/2013, can you provide more details?

Answer: *The paragraph refers to PCIs which are delayed by more than 2 year and 2 months from the commissioning date of the project (e.g. in the majority of the cases, 2016 at the earliest). The procedure has not been established yet.*

2.9 **Question:** How did the Commission reach the overall amount of 750 million euro?

Answer: *The 750 million euro represents about 1/7 of the overall amount allocated for the period of 2014 – 2020. Additionally, present statistics show that only a limited*

number of proposals will be mature enough to apply for funding in 2014 (in particular for works), therefore projects maturing in the future should also have their fair chance for funding in the following years.

2.10 **Question:** Can a part of the 750 million euro allocated this year be re-allocated in the case of not using the entire amount?

Answer: *Yes, any amount beyond the 366 million EUR which is not allocated – can be re-allocated.*

2.11 **Question:** Are the statistics on funding requests available on a public domain/website?

Answer: *Some data related to amount granted to the selected proposals may be published on INEA website after the completion of the selection procedure. However, data for individual proposals cannot be disclosed as it is considered to be commercially sensitive information.*

2.12 **Question:** If we apply for grants for studies, will we be obliged to fill in all the information that was required from applicants for grants for studies under TEN-E (assuming that the application form will not change much)?

Answer: *In any case, an applicant must submit a new application for a new grant. As for the content, the call documents will be similar with the TEN-E ones BUT will have some specifications and a different format.*

2.13 **Question:** Will the Commission allocate sufficient funding for studies?

Answer: *Although there are no earmarked amounts for studies and works,the Commission expects that the responsiveness to the call will allow for sufficient funding allocation to be made for studies.*

2.14 **Question:** Will there be only one CEF application form for grants for works and studies as in TEN-E?

Answer: *Yes. However, not all parts are applicable for studies.*

2.15 **Question:** Are the priorities stated on the current Work Programme referring only to the first 2 years: 2014 and 2015?

Answer: *The new calls and priorities of the calls of 2015, 2016 etc. are not covered in this Work Programme. For future years, the Work Programme will be amended or new Work Programmes will be adopted. In the following years, different priorities can be taken into consideration.*

2.16 **Question:** Is there any ex-ante earmarking of budget for grants for studies or for grants for works?

Answer: *No, there is no such earmarking*.

2.17 **Question:** Will the Commission use the same consultants as in the PCI identification to evaluate the proposals under CEF's call?

Answer: *The Commission will use a different process. For the PCI identification, to select the consultant supporting the process – a procurement procedure via framework contract was used. To select the independent experts for the evaluation of the proposals, the Commission will make use of an existing database of experts used for research framework programme Horizon 2020, which us currently being complemented with experts on energy infrastructures.. Experts will be selected upon their CVs and experience and will act in their personal capacity. They will sign a contract as well confidentiality agreement and absence of conflict of interest declaration. The experts will have an advisory role providing technical analysis of the submitted proposals, but the selection decision remains the responsibility of the Commission.*

3. Questions on the Investment request according to Article 12 of Regulation (EU) 347/2013

3.1 **Question:** Is it necessary to submit an investment request according to Article 12 for each project of common interest?

Answer: *First, the investment request including the request for a cross-border cost allocation is a possibility to address the allocation of costs and benefits to those Member States to which the project provides a net positive impact with the aim to speed up the implementation of the project. It may be applied if at least one project promoter requests the relevant national regulatory authorities to apply the article. Second, it is a prerequisite to apply for grants for works under the Connecting Europe Facility. It is not a prerequisite to apply for grants for studies or to access financial instruments. If project promoters are not eligible for grants for works under the Connecting Europe Facility (e.g. because the project is commercially viable) or do not want to apply for grants for works, the submission of an investment request is not mandatory.*

3.2 **Question:** Shall the investment request be submitted to the national regulatory authorities of all significantly impacted countries, or only to those national regulatory authorities on which territory the project will be built?

Answer: *The project promoters should consult the TSOs from the Member States to which the project provides a significant net positive impact (see Article 12(3) paragraph 2). Project promoters should then submit the investment request to all concerned national regulatory authorities from the Member States to which the project provides a net positive impact.*

3.3 **Question:** Article 12(3)c asks the project promoters (if they agree) to submit a substantiated proposal for a cross-border cost allocation (CBCA). Is it mandatory to submit a CBCA-proposal?

Answer: *Article 12(3)c stipulates that project promoters may come up with a substantiated proposal for a CBCA, but this is not mandatory. Also, the concerned NRAs are not bound by the proposal.*

3.4 **Question:** Is it possible to submit two business plans according to Article 12 (if there are two project promoters involved in the project)?

Answer: *A PCI should be considered as one project and the Regulation explicitly mentions "a business plan", so one business plan should be the goal. But the NRAs can*

also allow the submission of two business plans. It is important that the chosen solution enables the assessment of the financial viability of the project as a whole.

3.5 **Question:** Will the European Commission issue a guidance document on the requirements a business plan has to fulfil according to Article 12(3) b?

Answer: *No guidance document is planned from the European Commission.*

3.6 **Question:** Is an adoption of a cross-border cost allocation decision and thus the submission of an investment request a prerequisite for the projects of common interest to apply for Union financial assistance in form of grants for studies from the Connecting Europe Facility?

Answer: *No. There is no need to have an investment request/CBCA decision for grants for studies.*

3.7 **Question:** For the moment, ENTSO-E does not provide project promoters with all basic data (i.e. data on an additional scenario for demand) which is input for the energy system-wide cost-benefit (CBA) analysis. Project promoters therefore cannot strive for full consistency of the project specific CBA with the energy system-wide cost-benefit analysis. Is it possible to use own data?

Answer: *The NRAs can give guidance on this question. From the point of view of DG Energy, the project promoters should highlight all changes that result from using a different (or new) set of data for the analysis. Resulting uncertainties should be highlighted as well. A sensitivity analysis might be a surrogate but the concerned NRAs will need to decide on this on a case-by-case basis.*

3.8 **Question:** For gas, Article 12(3) b asks for the results of a "market testing" (and “assessment of market demand” according to Article 12(2)) to be submitted as part of the investment request (IR). What is meant by "market testing results"? Is it sufficient to submit results of a non-binding market test?

Answer: *The investment request has to be submitted to the National Regulatory Authorities (NRAs) according to Article 12. The concerned NRAs need to assess whether the submitted documents are sufficient or if further information has to be delivered to complete the investment request. In the absence of a common harmonized European approach for the assessment of market demand the assessment of the market demand shall be done according to the national rules and practices in place. Whether it is sufficient to submit results of a non-binding market test only has to be assessed by the NRAs on a case-by-case basis.*

3.9 **Question:** How can a project promoter assess if the project is mature enough to receive a CBCA-decision? Is sufficient maturity a prerequisite for submission of investment request in the respect that at least permitting procedure is needed to be started in those countries where the project will be built?

Answer: *Yes, sufficient maturity is a prerequisite for the submission of an investment request. This includes that the project-specific cost-benefit analysis and the business plan are of adequate quality with a high reliability of expected costs and benefits and that the*

chosen financing solution is included. Also the permitting procedures should have started in all Member States hosting the project.

3.10 **Question:** In which languages shall the investment requests be submitted?

Answer: *National rules apply. The national regulatory authorities might ask for a translation into English.*

3.11 **Question:** How shall project promoters estimate the future revenues from the Inter-TSO compensation mechanism and how shall they take them into account when submitting an investment request?

Answer: *Regulation 347/2013 requires the NRAs to take into account actual or estimated revenues stemming from the inter-transmission system operator compensation mechanism when allocating the costs (across border). Project promoters are encouraged but not obliged to include estimates on this when submitting an investment request.*

3.12 **Question:** What if impacted TSOs do not respond to the consultation carried out by the project promoters for the CBCA?

Answer: *Consulted TSOs from the Member States to which the project provides a significant net positive impact are not obliged to react to the consultation carried out by the project promoters. The project promoters can proceed without their views but should provide proof that they have consulted TSOs.*

3.13 **Question:** What if 5 national regulatory authorities are involved in the CBCA-decision? Will they reach 5 different agreements?

Answer: *No, concerned NRAs must coordinate and come up with one coordinated cost allocation decision. If they cannot agree on one coordinated decision, they refer the question to ACER (see Article 12(6)).*

3.14 **Question:** In case a national regulatory authority does not agree on the net positive impact of a project of common interest, can ACER oblige the national regulatory authority to include the related project costs in the national network tariffs even if the project of common interest is not located on the territory the Member State?

Answer: *According to Article 12(6), when national regulatory authorities cannot agree within six months on an investment request and the decision for cross-border cost allocation for a project of common interest, they have to submit the request to ACER for a decision. The national regulatory authorities can also refer the investment request to ACER for decision upon joint request. ACER's decision is binding on the national regulatory authorities. Appeal is possible in line with the provisions of the ACER Regulation (713/2009).*

3.15 **Question:** Projects eligible for grants for works shall have a positive socio-economic value while being commercially non-viable; what is the source for the calculation/analysis? Is it the project promoters own calculations or is it other calculations, e.g. the CBA-calculation done by ENTSO-E in the TYNDP 2014?

Answer: *It is the project promoters own calculation at this stage. Information shall be included in the project specific cost-benefit analysis consistent with the methodology drawn up pursuant to Article 11, in the business plan and other assessments carried out, notably by possible investors or creditors or the national regulatory authority. The CBA shall demonstrate the existence of significant positive externalities by country concerned, including their (monetary) valuation.*

3.16 **Question:** According to which methodology should the CBCA for gas storage projects be made?

Answer: *Article 12 does not foresee a special methodology for gas storage projects when requesting a cross-border cost allocation decision. Concerned NRAs will assess the project and decide on the cost allocation depending on the net positive impact on the Member State(s) concerned.*

3.17 **Question:** How will the specificities of gas projects from the Southern Gas Corridor be taken into account when assessing the projects for CEF funding?

Answer: *The same rules apply equally to all projects.*

3.18 **Question:** If the CBCA decision is received in 2014 and the project promoter applies for funding in the 2015 call, is the decision still valid (in 2015)?

Answer: *Yes, in principle. The TEN-E Regulation does not provide for the expiration of a CBCA decision, nor does it for its revision. In line with Article 12(3), project promoters shall keep all concerned NRAs regularly informed (at least once per year until the project is commissioned) of the progress and the identification of costs and impacts associated with it. Therefore relevant changes to the project, which are likely to have an effect on the CBCA-decision (e.g. cost overruns or changes in benefits) should be notified to the concerned NRAs.*

3.19 **Question:** Do you have a description how the CBCA procedure works in practice? For example if the parties cannot agree on the CBCA and especially if a third party (who is not a member of the EU) does not agree.

Answer: *There is no description available. National regulatory authorities decide on the investment/CBCA-request according to Article 12. If concerned national regulatory authorities cannot agree on the CBCA-decision, the decision will be taken by ACER (see Article 12(6). It is recommended to follow the documents issued by ACER (the ACER recommendation regarding cross-border cost allocation requests:*

http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2007-2013.pdf

3.20 **Question:** Is there a template which should be used in order to make the CBCA?

Answer: *The national regulatory authorities may provide a template. The national regulatory authorities may also use the non-binding ACER recommendation on cross-border cost-allocation, which includes templates and can be found here:*

http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2007-2013.pdf

4. Questions on the eligibility of projects for CEF financial assistance according to Article 14 of Regulation (EU) 347/2013 and CEF Regulation

4.1 **Question:** How can a project of common interest be eligible at the same time for financial instruments and grants for works if the criteria of Article 14(2)c is the non-commercial viability? How can financial instruments and grants be combined?

Answer: *Article 14.1 of new TEN-E specifies that projects falling under categories set in Annex II.1, 2 and 4 are eligible for Union financial assistance in the form of grants for studies and financial instruments. Projects of common interest included in Annex II.1 (a) to (d) and Annex II.2 are eligible for grants for works if they meet the criteria specified in Article 14.2. It should be emphasised that being commercially non-viability is not a sufficient condition for a project to be eligible for grants for works. The project shall demonstrate the existence of significant positive externalities that cannot be internalised through the existing regulatory framework (Article 14(2a)). Furthermore, most projects should become commercially viable through the cross-border cost allocation and/or through incentives provided by the national regulatory authorities (Article 14(2b)). If PCIs are bankable through the use of financial instruments, they are not eligible for grants for works. DG Energy encourages project promoters to first submit the request for investments to the EIB, considering that grants for work are a last-resort solution for implementing a PCI.*

4.2 **Question:** What is the meaning of "highly innovative solutions" mentioned in Art. 10(3) of the CEF draft Regulation which would allow the increase of the funding rate to 75% when it comes to Smart Grids projects?

Answer: *The proposed solutions are going to be assessed on a case by case basis during the evaluation of proposals. In any case, such solutions must be compared with other available technologies and solutions and the externalities they provide to society substantiated.*

4.3 **Question:** Project promoters have to demonstrate that their project shows positive externalities. What is meant by externalities?

Answer: *The project specific cost-benefit analysis pursuant to Article 12(3)(a) shall provide evidence concerning the existence of significant positive externalities going beyond the Member State where the project is located and which cannot be internalised through the existing regulatory framework. Positive externalities may be related to for example security of supply, solidarity or innovation. Existence of significant positive externalities is one of the eligibility criteria for grants for works.*

4.4 **Question:** From which date the costs are considered eligible?

Answer*: The date when the application for a grant was submitted in line with the procedure to be described in the call text, is the earliest possible date of incurring costs that could be considered eligible.*

The costs must have been incurred during the duration of an action (or of a work programme), with the exception of costs of final reports and audit certificates (art 126 (2) (a) of the Financial Regulation).

4.5 **Question:** If a project promoter who applied for a grant for study has already started payments for such study before receiving a financing decision, could the amount granted by the decision cover the costs already incurred?

Answer: *The earliest date from which the incurred costs could be considered eligible, is the date of submitting a grant application, depending on the conditions as stated in the grant decision/agreement.*

4.6 **Question:** Is retroactivity possible regarding the eligibility of costs for studies under PCIs for co-financing?

Answer: *No. The principle of non-retroactivity foreseen in Article 130 (1) of the Financial Regulation forbids to consider as eligible those costs incurred before the date of submission of the grant application. Please see also the replies 1.6 and 1.7 above.*

4.7 **Question:** The draft work programme sets the eligibility of costs starting from the date of submission of the application. Why is not on the 1 January 2014 as the CEF Regulation allows for it?

Answer: *The Commission has chosen to apply Article 8.2 of the CEF Regulation in the light of Recital 53 limiting the retroactivity of the eligibility period to projects in the transport sector. Therefore, the costs of all projects in the energy sector can be eligible from the date on which the application for grants is lodged, representing the date of submission of the proposal.*

4.8 **Question:** Regarding ongoing procurement, when would the eligibility of costs start?

Answer: *Ongoing procurement as an action can, in principle, be eligible; however, the eligibility of the costs starts only of the date of submission of the grant application, at the earliest.*

4.9 **Question:** What is the reference period for the costs in the case of procurement?

Answer: *As for the direct procurement – a procurement contract is concluded between the contracting authority and the contractor – the contracting authority shall pay the chosen contractor the price as agreed in the contract.*

As for the procurement in the framework of grants – the procurement procedure is carried out by the grant beneficiary – the principle of non-retroactivity will apply, meaning, that costs incurred before submission of the grant application by the beneficiary, are not eligible.

4.10 **Question:** Can the FEED (Front End Engineering & Design) of a project be considered a study and can a project promoter apply for grants for such FEED?

Answer: *Yes.*

4.11 **Question:** Are all projects of common interest eligible for grants for studies under CEF?

Answer: *All electricity, gas and CO2 PCIs can be eligible but not the oil PCIs.*

4.12 **Question:** Does the maturity of the proposal depend on the outcome of some studies which should be done prior to submission? How can a study be mature?

Answer: *In general, a study must, first of all, fall into a category foreseen in Article 2 (6) of the CEF Regulation, be relevant to the project implementation and in practical terms, facilitate carrying out the project. The call text will further specify the definition of the maturity criterion. In general terms, a proposal for a detailed technical study cannot be considered mature if the feasibility study for a project has not yet been carried out.*

4.13 **Question:** Can a PCI selected from the first list, which was not selected a second time after the two years, benefit still of its granted funding?

Answer: *Yes. As stated in the TEN E Regulation, if a PCI loses its status, it is without prejudice to the grant awarded to the project.*

4.14 **Question:** Do TSOs which are not yet certified, have to prove their operational and financial capacity?

Answer: *Yes, for not yet certified companies, the process remains as in the past. Those companies will have to hand in the documents indicated in the Work Programme and the call for proposals.*

4.15 **Question:** Where could I find the list of costs that are eligible under CEF?

Answer: *Articles 2 (9) and 8 of the CEF Regulation will apply, along with the Article 126 of the Financial Regulation 966/2012.*

According to the Article 126 (3) of the Financial Regulation, the costs eligible will be further specified in the calls for proposals and in the grant decision or agreement.

4.16 **Question:** Are travelling expenses eligible?

Answer: *Travel and subsistence allowances for staff taking part in the Action are in principle eligible, provided that they are necessary to carry out the Action and in line with the Beneficiary's usual practices on travel costs and do not exceed the scales approved annually by the Commission.*

5. Financial assistance from the Connecting Europe Facility in the field of Energy

5.1 **Question:** What does "commercial viability" in Article 14(2) c of the Regulation mean?

Answer: *In order to assess the commercial viability, available assessments from creditors or investors should be taken into account. An assessment carried out by the concerned NRAs shall be obtained by the project promoters and given special*

consideration. In any case the assessment shall not be limited to the results of the business plan by the project promoters.

5.2 **Question:** Is it a prerequisite to have incentives granted for the projects of common interest before applying for grant for works from the Connecting Europe Facility? What can be possible examples of incentives?

Answer: *It is a prerequisite from recital 38a from the upcoming Connecting Europe Facility regulation that regulatory solutions should be explored before Union financial assistance could be granted. Project promoters should be in cooperation with the national regulatory authorities to explore those solutions.*

5.3 **Question:** Will there be a common call for proposals for grants for studies and grants for works?

Answer: *Yes, the annual call for proposals in 2014 is planned to cover both grants for studies and grants for works.*

5.4 **Question:** If there is no decision by the concerned NRAs on the CBCA when the first call for proposals is ending, does the project promoter have to wait for the second call for proposals in order to apply for grants for works?

Answer: *If it is not possible for the project promoters to participate in the first call for proposals under CEF because the CBCA decision from the concerned NRAs (or ACER) is still pending, it can wait for the next one. DG Energy encourages NRAs to find a solution that enables project promoters a timely participation in a call for proposals under CEF. Therefore it is recommended to keep DG Energy updated about any conflicts possibly arising from the deadlines.*

5.5 **Question:** After the call for proposals has ended, how long does it take for the preparation of the grants decision?

Answer: *Experience shows that the preparation of global award decisions takes approximately 3-6 months after the call. The individual grant agreements/decisions then take another 3-6 months depending on the number and the complexity of the projects to be funded.*

5.6 **Question:** Can project promoters apply for grants for works and use financial instruments (as both offered under CEF) for the same project of common interest?

Answer: *Yes.*

5.7 **Question:** Can projects of common interest be supported by grant for studies and subsequently in later stage of development also by grant for works?

Answer: *Yes, if the EU's financial assistance is requested for different actions (similar to the EEPR concept). Actions need to be clearly defined to allow differentiating them and possibly support them by different forms of Union financial assistance.*

5.8 **Question:** Can project promoters apply for grants for studies from the Connecting Europe Facility if they have already applied for grant for studies from the old TEN-E/EEPR in 2013 and if no financial assistance was awarded?

Answer: *Yes.*

5.9 **Question:** Can project promoters apply for grants for studies from the Connecting Europe Facility if they have already applied for grant for studies from the old TEN-E and if financial assistance was awarded?

Answer: *The principle is that co-financing the same action from two different Union sources is not allowed. If the request for old TEN-E funding was for a certain study and the company receives co-financing for it, the request from the Connecting Europe Facility can be only requested for a different study or stage of the project clearly different from the TEN-E study scope.*

5.10 **Question:** What is the maximum co-financing rate for grants for studies under the Connecting Europe Facility?

Answer: *The maximum rate for co-financing for studies is up to 50%.*

5.11 **Question:** What is the estimated budget for grants from the Connecting Europe Facility for the gas sector projects of common interest in year 2014? Is EUR 120 million a correct estimation? What is estimated budget from the Connecting Europe Facility only for grants for studies in the gas sector in year 2014?

Answer: *There is no earmarking by sectors. The proposed energy budget for the Connecting Europe Facility for 2014 is EUR 406.3 million out of which EUR 365.7 million are envisaged for grants (studies and works).*

5.12 **Question:** If we apply for grants for works in the first call for proposals under CEF in 2014, do we need to spend the money in the same year?

Answer: *No. The funding is related to the actions specified by the project promoters in the application for grants and can be spent during the time planned to implement those actions. Detailed information will be specified in the call for proposals. Average duration of mature actions related to works is 3-5 years.*

5.13 **Question:** Will there be a ranking of the PCIs obtaining grants for studies/works and the other PCIs of the list?

Answer: *The purpose of Regulation No 347/2013 is to identify the projects which contribute the most to the implementation of the strategic energy infrastructure priority corridors. The Union list of PCIs shall not contain any ranking (Article 4(4)).*

In order to decide, to which proposals to award grants, the Commission, after having checked the fulfilment of the eligibility and selection criteria, evaluates the proposals' fulfilment of the award criteria, which may involve a ranking based on the award criteria.

5.14 **Question:** If a project encounters problems during its implementation because of objective reasons, can the grant decision or the CBCA be renegotiated?

Answer: *No. The Commission may agree to adjust the grant decision only to take into account minor changes for example in the implementation period, timing of milestones, and similar, when these are justified. The amount may not be increased. The Commission shall cancel, except in duly justified cases, financial aid granted for studies which have not been started within a one-year following the start date or within 2 years all other actions. Relevant changes to the project, which are likely to have an effect on the CBCA-decision (e.g. cost overruns or changes in benefits), should be notified to the concerned NRAs who can take further action if they deem it necessary.*

5.15 **Question:** If the promoter of a project changes, will the project lose the funding already awarded?

Answer: *Changes in the organisational structure or in the name of the beneficiary are possible (as it was already the case with the EEPR and the TEN-E 2007-13 programmes) if agreed by the parties.*

5.16 **Question:** How should a CBA for Smart Grids projects be prepared?

Answer: *The European Commission's Joint Research Centre issued guidelines on CBA of Smart Grid projects. This is available on the JRC website:*

http://ses.jrc.ec.europa.eu/smart-grid-cost-benefit-analysis

5.17 **Question:** Is it possible to submit one common application for grants for works for a whole cluster of complementary projects although some of the projects in the cluster are more mature than others? Only if all projects receive grants for works, all the complementary projects in the cluster all go ahead.

Answer: *All actions will be assessed against award criteria (CEF regulation Article 17(6)) among which the "maturity of the action with regards the development stage". Non-mature actions may therefore not score well against this criterion. In any case, applications for grants for works must clearly distinguish each action/activity of the project(s).*

5.18 **Question:** Are projects of common interest with low investment ratings eligible for the Project Bond initiative?

Answer: *Considering the aims of TEN-E Regulation and the importance of the projects for the implementation of energy priority corridors, the EIB and the Project Bond Initiative do not exclusively assess the eligibility of a project on its investment ratings but rather on the feasibility and guarantees of the project itself. More information on the Project Bond Initiative is available at the webpage:*

http://eib.europa.eu/products/project-bonds/index.htm

5.19 **Question:** Who should be the applicant for grants for works when the ISO model is in place: the ISO on behalf of the transmission asset owner or the transmission asset owner itself?

Answer: *In such a situation, the Commission´s interpretation is that for practical reasons, both the ISO and the transmission asset owner should submit a joint application. The legal entity that incurs the expenses (receives the invoices) and the legal entity that develops the project (has the detailed information for application/reporting etc.) should jointly submit an application.*

5.20 **Question**: How the award criteria on the maturity and the implementation plan of the action would work in practice as part of the application?

Answer: *As specified in the Article 5 of the TEN E Regulation, project promoters have an obligation to prepare and publish the implementation plans for projects of common interest. When assessing the maturity of a given action, the Commission can take this implementation plans as a reference.*

5.21 **Question:** In the light of the high importance the weighting of the award criteria has, how will the Commission involve the MS in this decision, for a bigger transparency? Could the Commission include the weighting for the award criteria in the Work Programme?

Answer: *Article 17 (5) and Part V of Annex I of CEF Regulation, foresee a list of guidelines for adopting the award criteria for grants under the Regulation. These guidelines are to be taken into account by the Commission while adopting the work programme implementing the Regulation.*

In parallel, Article 94 (2) (a) of the Regulation Implementing Financial Regulation obliges the Commission to foresee the essential criteria (eligibility, selection and award) in the financing decisions (for CEF, in the work programme).

The award criteria foreseen in the work programme in accordance with the Part V of Annex I are, in turn, refined, but not contradicted, in the specific calls for proposals, depending on the objectives of the call in particular.

The call, including the weights for each award criterion, is published in a transparent and non-discriminatory manner available to all potential applicants in the Official Journal of the European Union. The Commission does not intend to change this practice.

5.22 **Question:** What would be a good example on the complementarity between actions of common interest?

Answer: *For example, internal line and cross-border section if they are different PCIs and are promoted by different promoters and necessary to be implemented together to deliver the full benefits.*

5.23 **Question:** Could the complementarity criterion favour actions from different sectors like, for example, TEN-T or other cohesion policies?

Answer: *No. Concerning synergies, the Commission has the obligation to adopt a joint work programme and to launch at least one joint call for proposals to capture synergetic projects. Furthermore, the co-financing rate for synergetic projects can be up to 10% higher.*

5.24 **Question:** Electricity-gas priority: In the case of a simultaneous application for gas and electricity, the fulfilment of all other award criteria being equal, would the project for electricity have a priority?

Answer: *Yes. However, two proposals are rarely equal in all aspects for all award criteria.*

6. Questions on the implementation of Regulation (EU) 347/2013

6.1 **Question:** According to the Regulation 347/2013 Article 9.7, the Promoter shall establish and regularly update a website with relevant information about the project of common interest which shall be linked to the Commission website and which shall meet the requirements specified in Annex VI.6."

Has the Commission a template regarding the information for the website (besides Annex VI.6)? Would it be the Public part of the Implementation Plan sent to the Commission in January?

In which way the Promoter´s website should be linked to the website of the Commission? Shall we only upload the Commission link for PCI?

Answer: *The Commission provides a link to the website of the Project Promoters via the Transparency Platform.*

6.2 **Question:** Union List of PCIs shall be updated each two years; projects already listed but not yet initiated shall apply again to be included in the new PCI list?

Answer: *Yes. The projects which are on the first list will need to apply again as all other projects.*

6.3 **Question:** Article 14 (1) of Regulation (EU) 347/2013: PCI studies, already initiated and under development, but not yet finalized in time of the planned May 2014 CEF call, are they still eligible for grants for studies?

Answer: *Only those costs are eligible which were incurred after the start of eligibility period. The eligibility period can start at the earliest from the date of the submission of the proposal. This means that the activities of the study have to be carried out after the submission of the proposal. No retroactive financing is possible.*

6.4 **Question:** When will the project promoters have to submit the annual report pursuant to Article 3 of the Regulation (EU) No 347/2013?

Answer: *In line with Article 5.4 of the Regulation (EU) No 347/2013, these reports have to be submitted by 31 March 2015.*

6.5 **Question:** According to the Article 5 of the Regulation (EU) No 347/2013 the PCI promoter is obliged to submit an annual report by 31 March of each year. Will the Commission submit any templates for reporting according to Article 5 or are the PCI promoters free to prepare their own version of report?

Answer: *The Commission intends to prepare a template for the annual progress report.*

6.6 **Question:** The deadline of three and a half years (the sum of all deadlines considered in the Regulation (EU) No 347/2013) mentioned as the deadline for the start of the PCI corresponds to permit granting, start of the construction or other?

Answer: *The Regulation (EU) No 347/2013 foresees 3.5 years for the permitting process which starts with the notification of the project to the competent authority according to Article 10 paragraph 1 a) of the* Regulation (EU) No 347/2013*.*

6.7 **Question:** When was the first Union list of PCIs adopted?

Answer: *The first Union list of PCIs was adopted on 14 October 2013, i.e. on the day of the adoption of Delegated Regulation (EU) No 1391/2013 by the European Commission. Delegated Regulation (EU) No 1391/2013 entered into force on 10 January 2014.*

Glossary

ACER	Agency for the Cooperation of Energy Regulators
CBA	cost-benefit analysis
CBCA	cross-border cost allocation
CEF	Connecting Europe Facility
ENTSO-E	European Network of Transmission Systems Operators for electricity
ENTSO-G	European Network of Transmission Systems Operators for gas
EEPR	European Energy Programme for Recovery
FID	final investment decision
IR	investment request
NRA	national regulatory authority
PCI	project of common interest
TSO	transmission systems operator
TEN-E	trans-European networks for energy