



# Cost-Benefit Analysis

## Energy Infrastructure Package

European Commission  
DG Energy  
Internal Market I: Networks and Regional initiatives

European Gas Regulatory Forum – 15-16 October 2013



# TEN-E Regulation (No 347/2013)

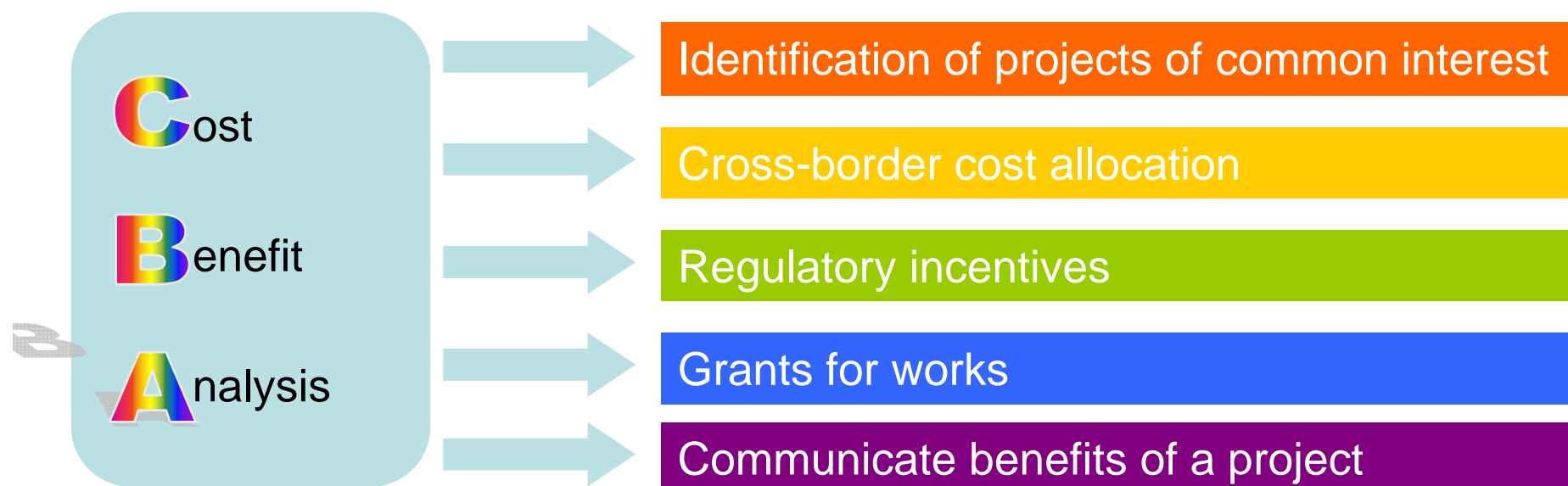
## Chapter IV Regulatory treatment - measures

*Energy system-wide **cost-benefit analysis***

*Cross-border cost allocation*

*Long-term **incentives** for investment*

# The role of CBA in TEN-E Guidelines



# CBA methodology - content

- ❖ *Indicators as referred to in Annex IV*
  - ❖ **Cross-border impact of projects**
  - ❖ **Market integration**
  - ❖ **Competition**
  - ❖ **Security of Supply**
  - ❖ **Sustainability**
- ❖ *In line with principles in Annex V*
  - ❖ **Data and scenarios for +5/10/15/20 years**
  - ❖ **Costs (CAPEX, OPEX etc.)**
  - ❖ **Identify area for the analysis**
  - ❖ **Breakdown of benefits per impacted MS**



## CBA methodology – process *(Art. 11)*

16/11/13

- **ENTSOs to develop CBA methodology**

16/02/14

- **ACER opinion**

16/05/14

- **Commission opinion** and MS opinions (w.a.)

16/08/14

- **ENTSOs to adapt methodology**

- **Commission approval**

- **ENTSOs publish CBA methodology**

- **ENTSOs apply CBA in TYNDP**

# Financing – Connecting Europe Facility 2014-2020



- ***Eligibility criteria (in guidelines):***
  - Grants for studies and financial instruments – available to all PCIs
  - In exceptional cases, grants for works for PCIs where:
    - CBA shows positive externalities
    - Commercially not viable
    - Cost-allocation decision done

*No financial assistance for oil projects*

*No grants for works for hydro-pump storages and projects exempted from TPA or tariff regulation*

*Thank you for your attention*



# Regulatory options for PCIs

