



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR ENERGY

Directorate B - Internal Energy Market  
B.1 - Networks & Regional Initiatives

## **Terms of Reference for the Regional Group Smart Grid deployment**

### **(1) Background: The Regulation on Guidelines for Trans-European energy infrastructure**

The Regulation 347/2013 on Guidelines on trans-European energy infrastructure (hereafter "the Regulation") identifies 9 priority corridors and 3 thematic areas. For the identification of the Projects of Common Interest (PCI), the Regulation foresees a regional or thematic approach, based on the priority corridors and areas laid out in Annex I of the Regulation.

The terms of reference explain the tasks of the Regional Group Smart Grid Deployment (hereafter "the Group") including the process for establishing the regional list of proposed smart grid projects of common interest and the monitoring the progress achieved in implementing the smart grid PCIs.

### **(2) Regional Group Smart Grid deployment**

#### **a) Membership**

The Regional Group Smart Grid Deployment (hereafter "the Group") comprises the representatives of the competent Ministries, national regulatory authorities, the electricity transmission and distribution system operators, project promoters, ENTSO for Electricity, the Agency, and the European Commission.

#### **b) Other participants**

The Group invites interested stakeholders to participate actively in the meetings and success of the Group. Promoters of a project potentially eligible for selection as a project of common interest as well as representatives of national administrations, of regulatory authorities, and TSOs from EU candidate countries and potential candidates, the member countries of the European Economic Area and the European Free Trade Association, representatives from the Energy Community institutions and bodies, countries covered by the European Neighbourhood policy and countries, with which the Union has established specific energy cooperation are explicitly mentioned in the Regulation.

#### **c) Decision making powers**

The decision making powers in the Group are restricted to Member States and the Commission only (decision-making body). Decision-making in the Group is based on consensus.

### **(3) Process for establishing of PCI lists**

The Regulation foresees general and specific criteria for projects to become a Smart Grid project of common interest. The project shall meet the general criteria of Article 4(1) by providing potential overall benefits, outweighing its costs, and having significant cross-border impact or involve at least two Member States by crossing one or several Member State borders (or the border of at least one Member State and European Economic Area country).

#### **a) Submission of project proposals**

Promoters of projects potentially eligible for selection as a project of common interest wanting to obtain the status of PCI shall submit an application for selection as project of common interest to the Group that includes an analysis of the fulfilment of conditions mentioned in Annex IV(1)(e), and the fulfilment of the general criteria and the contribution to the specific criteria as defined in Article 4. The submission shall also contain information to evaluate the specific criteria against the rules and indicators defined in Annex IV(4). The Group can decide on the scope of additional information which needs to be provided for the assessment of the proposed projects. The selection will be based on an Assessment Framework provided by the Group, which is available on the website of the European Commission.

#### **b) Assessment of the proposed projects**

The Group shall meet to examine the proposed projects. The Group shall evaluate each project regarding the fulfilment of the general criteria (see above), and its aggregated contribution to the specific criteria.

If the project is located on the territory of one Member State, it needs to have significant cross-border impact, namely by being designed for equipment and installations at high-voltage and medium-voltage level for a voltage of 10 kV or more. Furthermore, it shall involve transmission and distribution system operators from at least two Member States, which cover at least 50.000 users that generate or consume electricity or do both in a consumption area of at least 300 GWh/year, of which at least 20 % originate from renewable resources that are variable in nature.

Projects either having significant cross-border impact or involving at least two Member States by crossing one or several Member State borders (or the border of at least one Member State and European Economic Area country) shall contribute significantly to the integration and involvement of network users with new technical requirements with regard to their electricity supply and demand, to efficiency and interoperability of electricity transmission and distribution in day-to-day network operation, to network security, system control and quality of supply, to optimised planning of future cost-efficient network investments, to market functioning and customer services, and to the involvement of users in the management of their energy usage.

All recipients of information related to the assessment of the proposed projects shall preserve the confidentiality of commercially sensitive information and moreover shall not share personal information outside the Group. For any requests to the Commission for access to documents relating to all work relating to the work of the Group, Regulation 1049/2001 on public access to EU documents applies.

The Member States have to inform the Group if they do not support a proposed project related to its territory. The decision-making body shall examine, at the request of a Member State of the Group, the substantiated reasons presented by a Member State for not approving a project of common interest related to its territory.

Each Member State to whose territory a proposed project does not relate, but on which the proposed project may have a potential net positive impact or a potential significant effect, such as on

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<sup>1</sup> Regulation (EC) 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145 of 31.05.2001, p. 43)

the environment or on the operation of the energy infrastructure on its territory, may present an opinion to the Group specifying its concerns.

During the assessment of project proposals the national regulatory authorities shall check the consistent application of the criteria/cost benefit analysis methodology and evaluate the cross-border relevance of the proposed projects. For reasons of consistency the Agency shall coordinate and assist national regulatory authorities. The concerned national regulatory authorities shall present their joint assessment to the Group.

The Group will consult the organisations representing relevant stakeholders including producers, distribution system operators, suppliers, consumers and organisations for environmental protection through a public consultation or a hearing.

**c) Adoption of the regional list of projects of common interest in the area of Smart Grids**

The evaluation shall also give due consideration to the number of users affected by the project, the annual energy consumption and the share of generation from non-dispatchable resources in the area covered by these users. The evaluation may lead to a ranking of proposed projects for those projects that affect the same two Member States. The ranking is for internal use of the Group only.

The draft regional list of proposed projects, together with any opinions, shall be submitted to the Agency six months before the adoption date of the Union list. It shall be assessed by the Agency within three months and the Agency shall provide an opinion on the draft regional list.

After the receipt of the Agency's opinion, the decision-making body of the Group shall adopt its final regional list. The Group shall submit the final regional list to the Commission, together with any opinions.

The decision-making bodies of the Groups may merge.

**d) Adoption of the Union-wide list of projects of common interest**

The Commission adopts the Union-wide list of projects of common interest in the form of an annex to the Regulation.

If, based on the regional lists received, the total number of proposed projects of common interest on the Union list would exceed a manageable number, the Commission shall consider, after having consulted each Group concerned, not to include in the Union list projects that were ranked lowest by the Group concerned according to the ranking established.

The list of projects of common interest for the Union will be updated every 2 years.

**e) Meetings**

The meetings of the Group take place either in Brussels or in the relevant region, to be agreed by the Group at the latest at the preceding meeting. The meetings are organised and chaired by the Commission. Webstreaming of the meetings shall be provided if technically feasible and appropriate. There is no reimbursement of costs related to the meetings; each participant covers its own travel and/or accommodation expenses.

#### **(4) Monitoring**

The Group shall monitor the progress achieved in implementing the projects of common interest and, if necessary make recommendations to facilitate their implementation. By 31 March of each year project promoters shall submit an annual report to the Agency and the national authorities responsible for facilitating and co-ordinating the permit granting process.

Within three months of the receipt of the annual reports the Agency shall submit to the Group a consolidated report evaluating the progress achieved and making, where appropriate, recommendations on how to overcome the delays and difficulties encountered.

Additionally, each year the national authorities responsible for facilitating and co-ordinating the permit granting process shall report to the Group on the progress and, where relevant, on delays in the implementation of projects of common interest located on their respective territory with regard to the permit granting process, and on the reason for such delays.