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# PROJECTS OF COMMON INTEREST (PCIs)

THEIR STRATEGIC IMPORTANCE & CROSS BORDER BENEFITS FOR  
EUROPEAN UNION & CYPRUS

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Connecting Europe Facility



## Short Description of **Projects of Common Interest (PCIs)**

1. Under **Regulation (EU) 347/2013**, a Union List containing Cross-border Energy projects - Projects of Common Interest (PCI) is created every two years. Candidate Projects of Common Interest are evaluated with respect to their benefits for **security of supply, market integration, sustainability, and competition** in the EU. Current List contains 195 EU projects. There is a **10% interconnection target** for EU by 2020.
2. It includes projects in the areas of Electricity, Gas, Oil, Carbon dioxide, Smart grids, etc.
3. This list (known as the Union List of PCI's) incorporates projects of "European Added Value and Importance" that usually **interconnect two Member States** on the basis of their importance for the development of **Trans-European Energy Networks (TEN-E)**, i.e. the European electricity and gas networks.
4. This PCI list is valid for **two years**, until a new list is approved. Since the 2nd PCI list which was published in 2015, the Commission launched two-year consultations at diplomatic and technical level for the submission of projects and the adoption of the 3rd Union List to be completed before the end of 2017.



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## PCIs are important for EU Energy Security of Supply

- The EU imports more than half of all the energy it consumes. **Its import dependency is particularly high for crude oil (more than 90%) and natural gas (66%). The total import bill is more than €1 billion per day.**
- Many countries are also heavily reliant on a single supplier, including some that rely entirely on Russia for their natural gas. This dependence leaves them vulnerable to supply disruptions, whether caused by political or commercial disputes, or infrastructure failure. For instance, a 2009 gas dispute between Russia and transit country Ukraine left many EU countries with severe shortages.
- In response to these concerns, the European Commission released its Energy Security Strategy in May 2014. The Strategy aims to ensure a stable and abundant supply of energy for European citizens and the economy.



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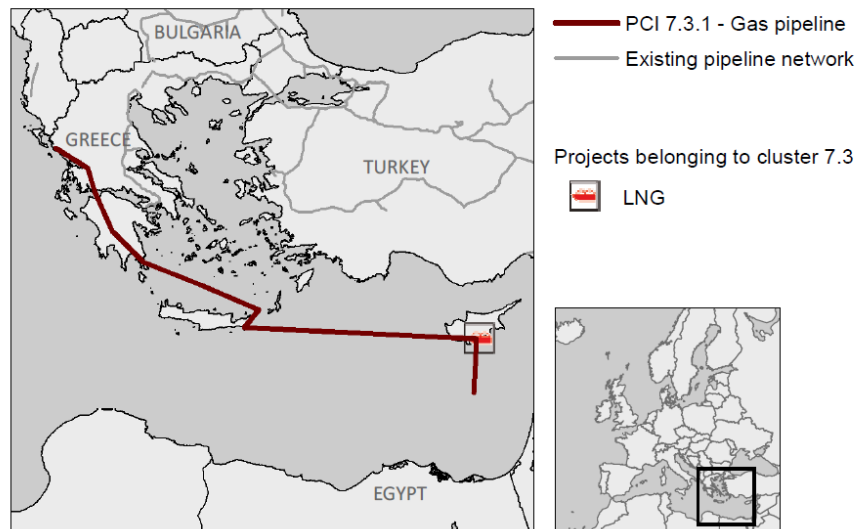
## Political Decisions for EU Energy Supply (4<sup>TH</sup> OF FEBRUARY 2011)

- Prior to the publication of this European Regulation, the European Council of 4 February 2011 concluded that "**No EU Member State should be isolated from the European gas and electricity networks after 2015 or see its energy security jeopardized by lack of appropriate connections**".

## Importance of the PCI's for the Future of the EU

In the current PCI List, three projects concern Cyprus:

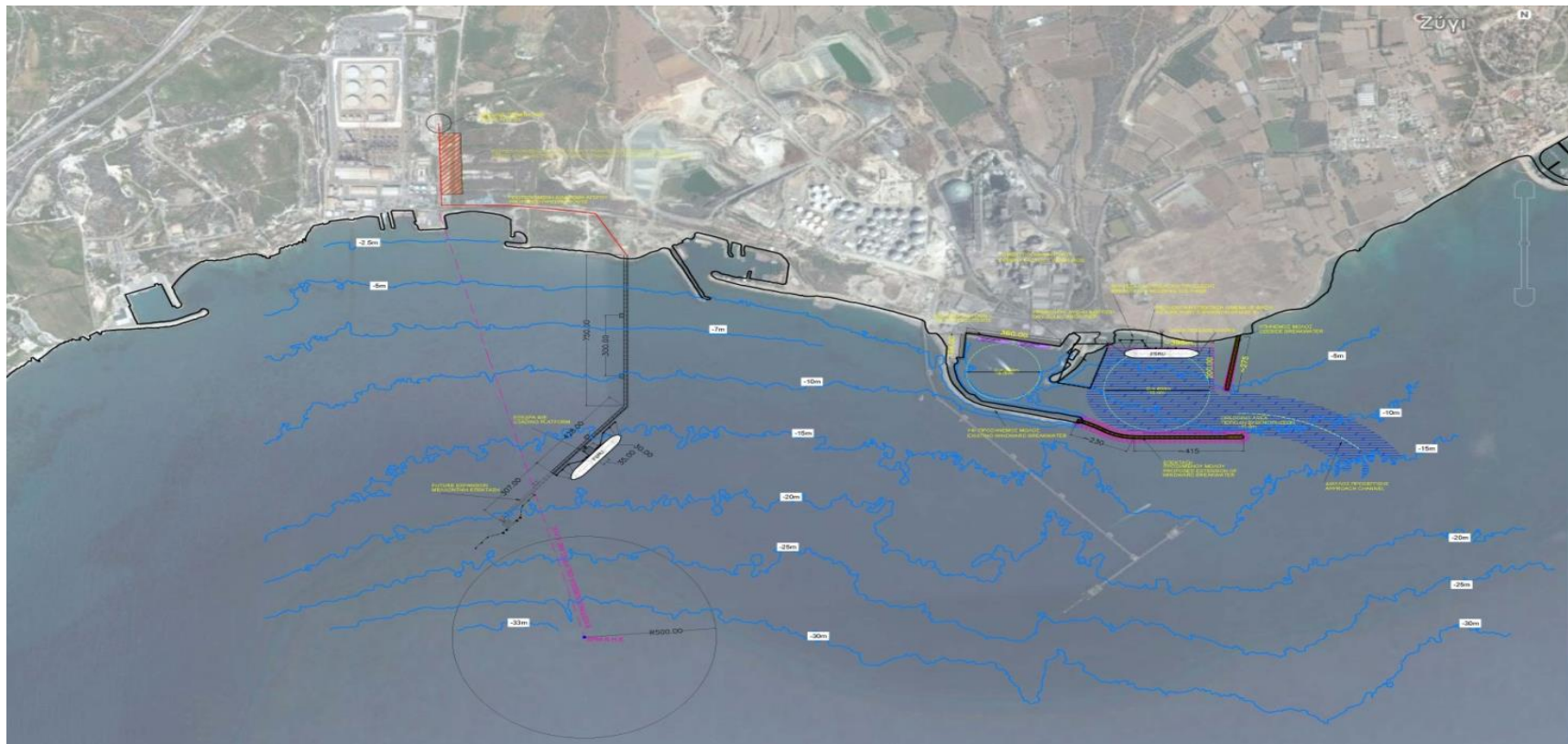
- EuroAsia Interconnector
- EastMed pipeline
- CyprusGas2EU (FSRU option)



Source: PLATTS, GISCO, European Commission



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Process to identify European projects of common interest, with involvement of all stakeholders

### Benefits for PCIs

Accelerated permit granting	Improved Regulatory treatment	Financial support <b>CEF</b>
<ul style="list-style-type: none"><li>3.5 years</li><li>One stop shop</li><li>Participation</li></ul>	<ul style="list-style-type: none"><li>Incentives</li><li>Cost allocation</li></ul>	<ul style="list-style-type: none"><li>Financial instruments</li><li>Grants</li></ul>



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## Towards a **swift implementation** of Projects of Common Interest







## CEF budget – a measure of last resort

### The three-step logic for PCIs

1. Rely on the market - The market should have the priority to invest

2. If investments are not made by the market, regulatory solutions should be explored, if necessary the relevant regulatory framework should be adjusted, and the correct application should be ensured.

3. Where the first two steps are not sufficient to deliver the necessary investments in PCIs, Union financial assistance could be granted





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*The Investment plan for Europe & Energy*

**EFSI** is the new **European Fund for Strategic Investments**.  
Energy is one of its key sectors.

It will support the **investments needed** in European energy.

**> 200 billion Euro / year**

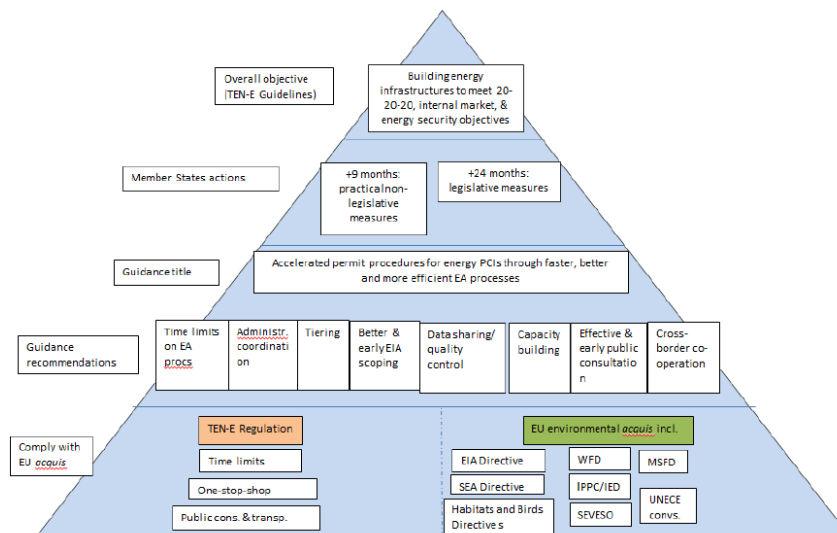


Energy

#InvestEU #EnergyUnion

# Challenges for the National Competent Authority for PCIs (NCA)

The Cypriot NCA (MECIT) in cooperation with other stakeholders has prepared and shall prepare **legislative measures and non-legislative measures** (e.g. Manual of Procedures, Environmental Manual for PCIs, OneStopShop4PCIs) to **simplify and to accelerate the permitting granting process of PCIs** and in particular of the FSRU (CyprusGas2EU).





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# PUBLIC CONSULTATION OBLIGATION FOR PCIs

## INTRODUCTION OF A PUBLIC CONSULTATION PLAN

Based on Article 9 (3) of the Regulation, within the indicative period of three months from the commencement of the permit granting process, the Project Promoter of a PCI shall prepare and submit to the National Competent Authority, a public consultation and participation plan.



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## **PUBLIC CONSULTATION OBLIGATION FOR PCIs**

Within three months, the National Competent Authority shall request modifications or approve the plan on public participation of each PCI.

In this context, the National Competent Authority takes account of any form of citizen participation and consultation prior to the start of the permit granting procedure, if the participation and consultation fulfilled the requirements of Article 9 of the Regulation.

### **INTRODUCTION OF A NATIONAL PUBLIC PARTICIPATION PLAN FOR PCIs**

NCA aims to create a National Public Consultation Plan for PCIs in collaboration with all PCI Project Promoters that will include the public actions by CyprusGas2EU project and other PCIs.



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## ONE STOP SHOP 4 ENERGY PCIs

- In order to enhance stakeholders' communications and consultations the NCA is preparing an One Stop Shop for Energy PCIs.
- The **One Stop Shop for Energy PCIs** includes internal procedures for Energy Investors Hub, Call Centre and interactive website (E-Platform). The interactive website for the One Stop Shop for Energy PCIs will be available in English and Greek versions.
- Also **each PCI project** (e.g. CyprusGas2EU) will build a **specific website**.
- The content of the interactive website will be customized to the concerns and needs of each stakeholder group according to the provisions and suggestions of the TEN-E Regulation and other EU-acquis and International Guidelines.



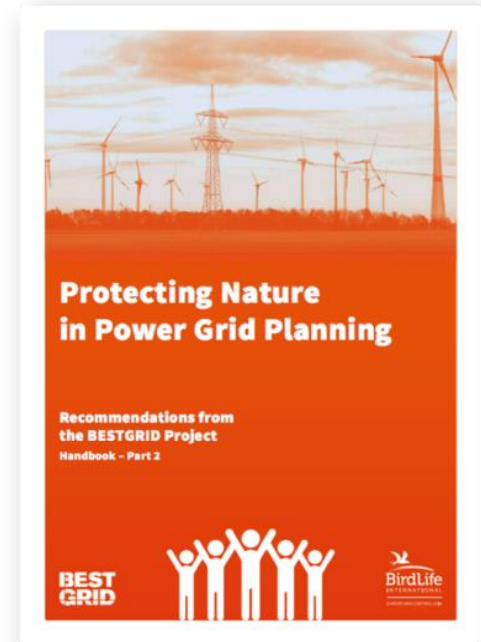
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## **www. ONE STOP SHOP 4 ENERGY PCIs.gov.cy**

- The website will include latest news and PR for NCA and all the PCIs, description of projects, permit granting procedures, time schedules for construction and operation, scientific content and innovation material for energy infrastructures, stakeholders surveys and content, legal framework for PCIs, funding opportunities for Project Promoters of PCIs, information on EU funds, etc. Basic Content will be available in English and Greek.
- The **One Stop Shop for Energy PCIs** will also provide information for projects that have synergies with projects in the CEF sectors (Energy, Transport and Communications) and other related investments (e.g. internal gas network by CYGAS).
- The **One Stop Shop for Energy PCIs** will be connected later with the **Ariadni system (E-Government system)** to allow online PCI approvals or payments.

## Best Practices for Public Acceptance of PCIs

- One critical role of the One Stop Shop for PCIs is to promote Best Practices and experiences from other MS to Governmental Departments and Services in Cyprus, in order to minimize bureaucracy and other barriers for the permit granting of PCIs.
- Introduction of **Public Acceptance Measures for PCIs**.
- The Maximum period for the permit granting of each PCI is 3,5 years.
- [www.BESTGRID.eu](http://www.BESTGRID.eu)







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# Stakeholders for Public Consultation

- Public Sector Departments & Services
- Energy Market Stakeholders (Regulators, TSOs, IPPs, Energy Services Providers)
- Financial Institutions/Banks (Local, European & International)
- Local Communities (Citizens and Stakeholders)
- Environmental Associations and other NGOs
- Commercial & Trade Stakeholders (e.g. Cyprus Chamber of Commerce and Industry CCCI), Energy Traders, Business Services (Legal and Accounting Consultants) and Small Medium Enterprises (SMEs)
- Technical Chambers (ETEK) and Engineering Associations
- Maritime Stakeholders (FSRU owners, Shipping Companies, Maritime Contractors)
- Labour Stakeholders (Employers & Employee Associations, Unemployed people)
- Consumer Associations
- Other Stakeholders



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# Legislative and Non-Legislative Measures by NCA

- One Stop Shop 4 Energy PCIs (Energy Investors Hub, Call Centre, Website, Public Consultation Plan/Budget).
- Manual of Procedures for PCIs (Permit Granting Procedures in Cyprus, Greece, Israel).
- Public Training Procedures and Capacity Building for PCIs – **Public Prioritisation of PCIs.**
- Environmental Regulations and Public Procedures for PCIs (Permit Granting, Auditing for Construction and Operation, Town Planning Regulations for PCIs, Offshore Spatial Planning /Construction Regulations for PCIs).
- Environmental Studies for PCIs (Master Plan for Industrial Area, SEA and EIA studies, Safety, Protection etc).
- Labour Legislation for PCIs (for local and foreign staff).
- New Jobs and Staff Mobility Action Plan for PCIs.
- Natural Gas National Quality Specifications and Excise Duties Legislations/Decrees.
- New Procedures for Emerging Gas Market and first supply of Gas to Cyprus by 2020 (e.g. TSO Gas).
- Preparations of Tenders for PCIs (e.g. Gas Supply Agreement, Gas Infrastructures Agreements).
- Public Procurement for PCIs.
- Public Works for PCIs (e.g. Port expansion, Road network expansion etc).
- Service Contracts for PCIs.
- Advance Energy Diplomacy Relations for PCIs (Trilateral Agreements and MoUs with Greece, Israel etc).

## **Cross Border Collaboration with other EU Member States and Third Countries for PCIs**

- Collaboration with Ministries, NCAs, Energy Regulators, Transmission System Operators (TSOs) for Gas and Electricity in other countries (e.g. Greece, Israel, Italy etc).
- New policies to lift energy isolation of Cyprus and to highlight the strategic role of Eastern Mediterranean.
- Views on studies for Cost Benefit Analysis (CBA) of each PCI.
- Views on studies for Cross Border Cost Allocation (CBCA) of each PCI.
- Assessment of Investment Opportunities.
- Assessment of Cross Border Environmental Impact Assessment.
- Alignment of National Manual of Procedures for Simplification of Permit Granting.
- Exchange of know how on policies, legislations, best practices (e.g. monitoring and audit mechanisms).
- Public Consultation and public surveys in parallel to all impacted countries.



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Thank you for your attention

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