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**PROPOSAL**

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| date of receipt: | 11 December 2025 |
| To: | Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union |
| No. Cion doc.: | COM(2025) 1006 final |
| Subject: | Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on guidelines for trans-European energy infrastructure, amending Regulations (EU) 2019/942, (EU) 2019/943 and (EU) 2024/1789 and repealing Regulation (EU) 2022/869 |

Delegations will find attached document COM(2025) 1006 final.

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EUROPEAN
COMMISSION

Brussels, 10.12.2025
COM(2025) 1006 final

2025/0399 (COD)

Proposal for a

# REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

## on guidelines for trans-European energy infrastructure, amending Regulations (EU) 2019/942, (EU) 2019/943 and (EU) 2024/1789 and repealing Regulation (EU) 2022/869

{SEC(2025) 2000 final} - {SWD(2025) 2000 final} - {SWD(2025) 2001 final}

(Text with EEA relevance)

# EXPLANATORY MEMORANDUM

## 1. CONTEXT OF THE PROPOSAL

### • Reasons for and objectives of the proposal

**This proposal aims to contribute to the timely and efficient development and interoperability of resilient energy infrastructure across the EU.** Energy network infrastructure plays a crucial role in reinvigorating EU competitiveness, ensuring the security of our Union and in the energy transition and decarbonisation. At the same time, the development of energy networks is confronted with new and significant challenges,

**Electricity grids will need to serve growing demand linked to electrification of end-uses** and the ramp-up of the hydrogen system. Electrification of final energy consumption in the Union is aimed to increase from around 23% currently to around 32% in 2030, as set out in the Clean Industrial Deal.[1] Member States should aim for an electricity interconnectivity level of 15% by 2030.[2] Networks will need to integrate 2.2-2.4 TW of renewables capacity to meet 2040 EU targets.[3] Grids will need to adapt for the EU to have a more decentralised, digitalised and flexible electricity system with millions of rooftop solar panels and local energy communities sharing resources. By 2040, electricity transmission and distribution grids will require investments of EUR 1.2 trillion and hydrogen networks of EUR 240 billion.[4] Offshore renewables alone should increase by up to 360 GW by 2050[5], which need to be connected to shore including through necessary onshore grid reinforcements. **Hydrogen will be important in decarbonising industrial and transport processes where electrification is not an attainable solution**. Hydrogen networks will connect production and demand centres across Europe, where on-site hydrogen production is not feasible.

The **Draghi report**[6] called for simplifying and streamlining permitting and administrative processes as well as for a coordinated strategic approach to cross-border infrastructure development between the EU and Member States. The **Council** invited the Commission to propose a strengthened framework for grid planning and rollout to be compliant with EU targets.[7] In its Conclusions of 16 June 2025[8], the Council called on the Commission to propose a grids package consisting of measures to, inter alia, simplify EU rules on grids, integrate EU-level, regional and national needs, ensure the delivery of projects, develop effective cost sharing mechanisms for cross-border projects of common interest, and assess the need for further legislative proposals to accelerate permitting of energy infrastructure. The **European Council** in its Conclusions also called for Union-wide long-term investment planning to fully integrate and interconnect the EU electricity market, contributing to the Union's energy security, and

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1 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation, COM(2025) 85 final

2 Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action

3 COM(2025) 524 final: Proposal for a Regulation establishing the framework for achieving climate neutrality

4 Artelys, LBST, Trinomics, Finesso, A. et al., Investment needs of European energy infrastructure to enable a decarbonised economy, 2025; investment needs for distribution grids alone amount to EUR 730 billion.

5 https://energy.ec.europa.eu/news/member-states-agree-new-ambition-expanding-offshore-renewable-energy-2024-12-18_en

6 https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en#paragraph_47059

7 Energy Council Conclusions of 30 May 2024 on Advancing Sustainable Electricity Grid Infrastructure, 10459/24

8 Council of the European Union, 10279/25

infrastructure protection and resilience.[9] The **European Parliament** highlighted the importance of modernising and expanding grids, as well as investment into digitalisation, with a focus on integrated cross-sector and cross-level planning.[10] It also emphasises cross-border infrastructure as a condition for successful deepening of the single market and for increasing the Union's resilience.[11]

**The TEN-E Regulation, adopted in 2013, has contributed to the Union's core energy policy objectives** by laying down rules for identifying and ensuring the timely development of Projects of Common Interest (PCIs), that will ensure interoperability of trans-European energy networks, the functioning of the internal energy market, security of supply in the Union and the integration of renewable forms of energy. It has also contributed to streamlined permit granting procedures for Projects of Common Interest (PCIs) and provided for regulatory assistance, rules and guidance for the cross-border allocation of costs and risk-related incentives and the conditions to access financing from the Connecting Europe Facility (CEF). The TEN-E Regulation was revised in 2022 to bring the framework in line with the 2050 climate neutrality objective under the European Green Deal.

**While the objectives of the TEN-E Regulation remain largely valid, several shortcomings need to be addressed to ensure the framework** is fit to support a decarbonised, competitive and resilient energy system towards 2050, in line with the Clean Industrial Deal objectives and the European Climate Law.

**First, existing and planned infrastructure projects are not sufficiently targeted towards achieving the EU's energy and climate objectives**. There is a substantial gap between our cross-border electricity infrastructure needs and the speed and level of infrastructure development at both the transmission and distribution grid level.[12] For electricity, about half of cross-border electricity needs for 2030 (41 of 88 GW) will remain unaddressed, and this gap is expected to increase the next decade. By 2040, cross-border electricity capacity needs will amount to 108 GW.[13] Failing to address infrastructure needs could hinder system decarbonisation, undermine security of supply and potentially lead to further market fragmentation and higher energy prices. From system efficiency perspective, current framework does not consider use of alternatives to grid expansion, such as non-wire or digital solutions. Further, improved hydrogen network planning and integration will be crucial to ensure system optimisation and decarbonisation of industry.

**Second, the implementation of cross-border infrastructure projects is too slow**, increasing overall project costs and impeding network development. The completion of electricity infrastructure projects takes up to 10 years for transmission grids. Delays are often attributed to difficulties in reaching agreement on **cost-sharing** when projects carry benefits outside their hosting Member States. As cross-border infrastructure becomes more integrated, the number of such projects with benefits occurring outs

ide the hosting Member States is expected to increase. In addition, delayed **permitting procedures** continue to constitute a key bottleneck, accounting for more than half of the time needed to complete an electricity transmission infrastructure project.

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9 Conclusions of the European Council of March 2025 EUCO 1/25

10 European Parliament resolution of 19 June 2025 on electricity grids (2025/2006(INI))

11 EP resolution of 7 May 2025 on a revamped long-term budget for the Union in a changing world (2024/2051(INI)),

12 ACER (2024): Electricity infrastructure development to support a competitive and sustainable energy System (2024 Monitoring Report)

13 ENTSO-E (2025), TYNDP 2024. Opportunities for a more efficient European power system by 2050. Infrastructure Gaps Report.

**Finally, concerns over infrastructure security**. Recent physical and cyber security incidents have highlighted the risk of hostile actors targeting the Union's energy infrastructure, with economic cost implications and consequences for the stability of our energy system. There is also a rising interest from third-country actors to invest in EU energy infrastructure, which can increase the Union's exposure to risks related to energy security. Beyond deliberate acts of sabotage, emerging risks including natural hazards and climate-related impacts also affect the resilience of the EU's energy infrastructure.

This proposal to revise the TEN-E Regulation aims to address these issues, which were identified in the Impact Assessment and Implementation Report accompanying this proposal. Specifically, the proposal will introduce changes to:

- Ensure that projects included in the network development plans and selected as PCIs/PMIs address appropriately and effectively identified infrastructure needs with due consideration of non-wire solutions.
- Facilitate the use of cost-sharing tools for faster deployment of cross-border infrastructure projects, leading to an increased use of cost-sharing tools and a reduction in project deployment times.
- Simplify and accelerate permit granting procedures for cross-border energy infrastructure projects (PCIs/PMIs) making it feasible to meet existing deadlines.
- Enhance physical and cyber security and resilience of cross-border energy infrastructure.

Further, the initiative assessed and identified a set of measures to simplify and improve the efficiency of the TEN-E Regulation and reduce compliance and regulatory costs for stakeholders where possible (see below).

- **Consistency with existing policy provisions in the policy area**

This proposal responds to the Commission's commitment in the Action Plan for Affordable Energy[14] to propose a European Grid Package consisting of legislative and non-legislative measures to, amongst others, simplify the TEN-E Regulation, ensure cross-border integrated planning and delivery of projects, especially on interconnectors; streamline permitting for grids, enhance electricity distribution grid planning; accelerate the ramp-up of the hydrogen market; boost digitalisation and innovation. The proposal builds on the revision of the TEN-E Regulation in 2022, as well as the 2023 EU Action Plan for Grids[15] that focused on implementing the TEN-E Regulation framework.

The Connecting Europe Facility (CEF) is complementary to the TEN-E Regulation by addressing the financing gap for PCIs with a high socioeconomic and societal value, but which lack commercial viability. The eligibility for financial assistance under CEF is linked to the scope of the infrastructure categories covered under the revised TEN-E Regulation considering that having obtained PCI or PMI status is a precondition for financing from CEF for cross-border infrastructure projects. The proposal is consistent with the current CEF under the 2021-2027 Multiannual Financial Framework (MFF), as well as the proposal for the CEF under the 2028-2034 MFF, which highlights "the vital importance of a genuine Energy Union

[14] COM(2025) 79 final
[15] COM(2023) 757 final

and well-integrated EU infrastructure networks" by substantially increasing the budget proposed for the CEF-E[16].

The proposal is also consistent with the targets and objectives set out in the Electricity Market Directive and Regulation, the Governance Regulation and the Renewable Energy Directive, notably enabling the integration of the Union's energy markets and the large-scale deployment and integration of renewable energy sources and flexibility solutions.

- **Consistency with other Union policies**

This proposal is complementary to other initiatives that aim to create a more integrated European energy market. It is also consistent with the proposed 2040 EU climate target and 2050 climate neutrality obligation enshrined in the European Climate Law. This proposal is adopted together with an amending Directive aiming to accelerate the permitting of energy infrastructure projects, including transmission and distribution grids, storage and recharging station and renewable energy projects in order to facilitate their fast deployment.

The revision of the TEN-E Regulation aims to support the goals of the electricity market legislation by ensuring that infrastructure brings additional socio-economic welfare and to further strengthen efficient use of existing infrastructure. Possible measures to enhance electricity interconnection targets enshrined in the Governance Regulation will be assessed as part of the revision of that Regulation and measures to further support the necessary national investment levels in energy infrastructure.

The security-related measures under this proposal build on the requirements of the horizontal security legislation, including the EU Critical Entities Resilience Directive[17], the NIS 2 Directive[18] and the Network Code on sector-specific rules for cybersecurity aspects of cross-border electricity flows[19]. Measures suggested under this proposal support its objectives and implementation, as well as the framework for the screening of foreign direct investments into the Union, while being specifically focused on infrastructure in scope of the TEN-E. The 2026 revision of the EU Energy Security Framework will address energy security horizontally, complementing the network specific approach under this proposal.

The Industrial Accelerator Act will include measures to accelerate permitting of projects to decarbonise energy-intensive industries. Having sufficient grid capacity and timely grid connection is crucial to electrify industry, hence both initiatives are developed in close cooperation.[20] The proposal is also relevant for the Trans-Mediterranean Renewable Energy and Clean Tech (T-MED) Initiative and the Pact for the Mediterranean.

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16 COM(2025) 547 final: Proposal for a Regulation establishing the Connecting Europe Facility for 2028-2034

17 Directive (EU) 2022/2557 of the European Parliament and of the Council of 14 December 2022 on the resilience of critical entities and repealing Council Directive 2008/114/EC

18 Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive)

19 Commission Delegated Regulation (EU) 2024/1366 of 11 March 2024 supplementing Regulation (EU) 2019/943 of the European Parliament and of the Council by establishing a network code on sector-specific rules for cybersecurity aspects of cross-border electricity flows

20 For instance, the needs of industry in terms of energy consumption should be well reflected in national network development plans and, vice-versa, there is a need for recognition of infrastructure planning in industrial policy considering the need for grid and pipeline infrastructure for $H_2$ and $CO_2$.

In view of the planned Carbon Capture, Utilisation and Storage (CCUS) Package, this proposal will not address carbon dioxide cross-border infrastructure planning. Given a strong link between network planning on a national, regional and local levels and the heating and cooling sector, the recent revision of the Gas Directive[21] requires stronger coordination among sectors. The Grids Package aims to build upon these requirements. In addition, the upcoming Electrification Action Plan and the Strategic Roadmap on Digitalisation and AI in the energy sector as well as the Heating and Cooling Strategy will provide important input for future grid planning. The Package also underpins the upcoming Cloud and AI Development Act to attract investment in data centres.

## 2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

### • Legal basis

The proposal is based on Article 172 of the Treaty on the Functioning of the European Union (TFEU), which provides for the legal basis to adopt guidelines covering the objectives, priorities and broad lines of measures envisaged in the sphere of trans-European networks as set out in Article 171. The guidelines are to identify PCIs that are necessary for making the TEN-E fit for purpose and set the conditions under which the EU may financially support the PCIs.

### • Subsidiarity (for non-exclusive competence)

The proposed amendments fulfil the principle of **subsidiarity**, as action at Union level will contribute to the further integration of the Union energy market through the modernisation and development of Europe's cross-border energy network more effectively than action at national level.

*The need for EU action*

Energy transmission infrastructure (including an interconnected offshore grid and smart grid infrastructure) has a European added value due to its cross-border impacts and is essential to achieve a climate neutral energy system. The TEN-E Regulation has contributed to achieving results regarding the Union energy market integration, competition and security of supply. A framework for regional cooperation across Member States is necessary to develop cross-border energy infrastructure. The internal energy market requires cross-border infrastructure, the development of which requires cooperation of two or more Member States, all with their own regulatory framework.

National regulation and planning are not sufficient as individual national administrations do not have the power to deal with cross-border infrastructure planning. Internal network elements significantly influence the possibilities of cross-border infrastructure development, which in turn affects cross-border trade. More closely coordinating national and European planning is necessary due to the character of the EU's meshed network and to build a more efficient energy system.

*EU added value*

The TEN-E Regulation has provided added value compared to what could have been achieved at national or regional level alone. More than 100 projects were completed thanks to the PCI status between 2013-2025. The accelerated electrification, decarbonisation and digitalisation

[21] Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (recast)

of industry and deployment of renewable energy projects call for the reinforcement of energy infrastructure at an unprecedented pace, that cannot be met by national measures alone. More effective cross-border planning will improve the integration of clean energy sources as well as meeting electricity market needs, which would help the EU reach its energy and climate targets. A more integrated market encourages the development and uptake of innovative technologies for transmission and distribution of energy and contributes to system flexibility and security of supply. This can result in a more efficient network and improve cross-border trade for a more cost-efficient and secure energy system.

- **Proportionality**

The initiative complies with the proportionality principle. It falls within the scope for action in the field of the trans-European energy networks, as defined in Article 170 of the TFEU. The policy intervention is proportional to the scale and nature of the problems identified in the Impact Assessment and the achievement of the set objectives of the initiative. The proposed revision of the TEN-E Regulation does not go beyond what is necessary to achieve the general objective of ensuring the timely and efficient development and interoperability of resilient energy infrastructure, renewable energy and flexibility, including storage and recharging stations, across the EU.

The proposed measures contribute to more effectively addressing the Union's energy infrastructure needs, ensure faster project deployment, and enhance the resilience of the EU's energy network infrastructure, without imposing significant costs for Transmission System Operators and project promoters, Member States, National Regulatory Authorities and the Agency for the Cooperation of Energy Regulators (ACER).

Based on the results of the Implementation Report, the Commission assessed several policy options covering four impact areas of the current TEN-E framework, namely infrastructure planning and project implementation, cost and benefit sharing, permitting and security. The comparison of the options (see section 6 and 7 of the Impact Assessment Report) indicates that Policy Option 2 is best suited to achieve the specific objective of the initiative without imposing disproportionate additional burden on relevant actors. The proposal is based on Policy Option 2 which appears proportional to the nature of the problem by focussing on streamlining the current processes and offering new substantive new tools that are considered effective to meet the objectives of this initiative.

- **Choice of the instrument**

Building on the overall positive experience with the implementation of the current TEN-E Regulation and the positive evaluation of the previous Regulation, the instrument chosen is a Regulation, an effective instrument which has direct application and is binding in its entirety, ensuring uniform implementation and legal certainty.

## 3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Given the scope of the proposed revision and the recent amendment of TEN-E Regulation in 2022, it was not feasible to conduct an ex-post evaluation. Instead, an Implementation Report was prepared and included as part of the Impact Assessment Report. The Implementation Report focuses on the performance of the specific provisions introduced and revised as part of the 2022 TEN-E Regulation revision. It replaces a full evaluation which would only be

expected as part of the review of the TEN-E Regulation due in 2027.[22] An evaluation was previously conducted between January 2019 and September 2020, in context of the 2022 TEN-E Regulation revision.[23]

The Implementation Report provided evidence of the need for further improvements, namely when it comes to scenario development, infrastructure needs identification and consequent Ten Year Network Development Plan (TYNDP), PCI/PMI project selection and assessment, as well as cross-border cost allocation (CBCA) and permitting frameworks. The report found that the scenario development and infrastructure gaps identification processes are faced with drawbacks, including delays which hamper their effectiveness in meeting the TEN-E Regulation goals. The Commission and ACER have little means to steer the process towards identification of the key projects for the Union. Moreover, while the permitting-related amendments of the 2022 revision of TEN-E Regulation generally achieved their intended objective to increase the clarity and flexibility of procedures, further improvements could be made to support the acceleration of procedures, contributing to the process's overall efficiency. Regarding cross-border cost allocation, the TEN-E Regulation provisions have facilitated the allocation of investment costs for PCI/PMIs, primarily to support CEF applications. However, there have been very few instances of involvement of non-hosting countries in CBCA decisions, and none in the electricity sector. Provisions have therefore had limited effectiveness in triggering additional investments from non-hosting countries that may otherwise significantly benefit from the projects.

This proposal aims to tackle these issues identified in the Implementation Report annexed to the Impact Assessment Report, through targeted amendments to the TEN-E Regulation.

- **Stakeholder consultations**

In line with the Better Regulation guidelines, the Commission carried out a comprehensive online public consultation between 13 May to 5 August 2025 on the 'Have Your Say' website. The consultation covered the following topics: i) the general functioning of the TEN-E Regulation, ii) EU infrastructure planning, iii) electricity network planning at national level, iv) electricity grid hosting capacity, v) permitting, vi) investments in grid infrastructure, vii) supply chains, viii) digitalisation and resilience, and ix) simplification.

The consultation received a total of 197 responses. In addition, 2 emails were received via a functional mailbox for the consultation. There were 197 responses to every multiple-choice question in the public consultation, meaning that every respondent answered each question. For some questions, respondents were asked on a five-point scale the extent to which they agreed or disagreed with statements. The scale was i) Strongly disagree ii) Slightly disagree, iii) Neutral, iv) Slightly agree, v) Strongly agree. A "don't know" option was also given.

Stakeholders' views were split on whether the TYNDP and national transmission development plans ensure integrated and coherent planning across EU and national levels. Opinions on the extent to which the TYNDP identifies all cross-border infrastructure needs were also diverse. Still, a majority (54%) indicated that the current governance framework of the TYNDPs, including stakeholder roles, should be revised to enhance its effectiveness.

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22 See Article 22 of the TEN-E Regulation.

23 European Commission: Directorate-General for Energy, ECORYS, Ramboll, REKK, Shepherd and Wedderburn, Akkermans, F., Le Den, X., Heidecke, L., Jansen, L., Juárez, V., Kácsor, E., Mezősi, A., Nigohosyan, D., Nguyen, N., Rodger, S., Selei, A., Takácsné Tóth, B., Møller Thomsen, S., Til, H. v.Yagafarova, A., *Support to the evaluation of Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2833/154438

Moreover, in line with the legislative proposal, about half (44%) believed the TYNDP falls short in addressing identified infrastructure gaps and a majority (60%) agreed that national projects should more clearly support EU-wide priorities. Further, a majority of respondents (61%) also agreed that there is a need for stronger alignment between national transmission development plans. In addition, a majority of respondents (59%) were positive to streamlining the PCI/PMI application process by amending requirements for projects with PCI/PMI status to reapply during each process (provided certain conditions are met) in line with this proposal.

When asked whether the TYNDP should have a more top-down approach to infrastructure planning aimed at aligning network development with EU and Member State climate and energy goals, 41% of respondents (many of which system operators) disagreed whereas 36% agreed. Similarly, 41% of respondents (many of which system operators) expressed disagreement with the TYNDP having a more top-down European approach to better link identified needs and priority projects of common European interest, whereas 36% agreed. While this legislative proposal strengthens EU-level steer in the infrastructure planning process with the Commission taking over central scenario development and being empowered to launch calls for proposal to address infrastructure gaps, the proposal maintains strong Member State involvement and validation of steps in the process striking a balance to also align with the public consultation results. On the frequency of the processes, most stakeholders (85%) found the current two-year cycle appropriate. The legislative proposal prolongs the current two-year TYNDP cycle to four years, but maintains flexibility if updates are needed.

A majority of respondents were positive to the inclusion of internal reinforcements (72%) and non-wire solutions (54%) in infrastructure needs identification, aligning well with the legislative proposal. A majority (62%) of stakeholders also agreed that more EU-level action is needed to enhance the visibility and quantified benefits of digital, innovative, and grid-enhancing technologies. A larger majority, 76% argued that further measures are needed to increase the efficiency of the existing grid.

As regards the **cost-sharing,** 38%[24] of respondents stated that the current framework is not fit for purpose and 36%[25] favoured that the CBCA framework further develops to facilitate the sharing of investment costs among countries, beyond hosting Member States, in proportion to the expected benefits, indicating support for legislative revision. Further, 37%[26] of respondents thought that an investment request within the CBCA framework could also cover several projects ('bundling') to facilitate cost sharing amongst more Member State beneficiaries in line with this proposal.

**Permitting** was ranked by most respondents as a key barrier to developing grid infrastructure at the necessary pace for the energy transition, indicating support for the strengthening of the TEN-E framework in this respect. Further, about a third of respondents reported that the permitting provisions of the TEN-E Regulation are not clear or easy to implement, with 16% remaining neutral and 34% unsure. A vast majority of stakeholders support simplifying and streamlining of environmental assessments, digitalising permit-granting procedures, shortening of legal deadlines for permitting of networks in line with the legislative proposal.

As regards **security-related measures,** over a third of stakeholders agreed that the EU legal framework does not sufficiently address emerging security risks (38%)[27] and that additional

[24] 20% of respondents were neutral and 35% expressed no opinion (see Annex 2 of Impact Assessment).
[25] 18% of respondents were neutral and 31% uncertain (see Annex 2 of Impact Assessment)
[26] 25% of respondents were neutral and 32% uncertain (see Annex 2 of Impact Assessment).
[27] 18% of respondents were neutral and 32% uncertain (see Annex 2 of Impact Assessment).

security criteria for PCIs and PMIs are needed to enhance protection against physical and cyber risks (36%)[28] in line with the legislative proposal. Furthermore, only 14% indicated that the framework addresses the exclusion of non-trusted actors from participating in critical infrastructure projects, with 19% revealing neutrality and almost a majority, 45% (companies 41%, business associations 48%, NGOs 86%, public authorities 40%) being uncertain.

The feedback received from stakeholders as part of the consultation was taken into account in developing the proposal. The measures under this legislative proposal therefore align well with the stakeholder views.

For a detailed analysis of the public consultation results, please see Annex 2 of the Impact Assessment Report accompanying this initiative.

- **Collection and use of expertise**

The proposal and its underpinning impact assessment draws on evidence from the Implementation Report on the TEN-E Regulation, from stakeholder input to the extensive consultations carried out in this respect, as well as a literature review, PCI portfolio analysis and modelling.

Formal conclusions adopted in the framework of the Copenhagen Forum in 2023, 2024 and 2025 were also considered in the analysis. The Copenhagen Forum gathers annually representatives of the EU institutions, transmission system operators, project promoters, regulators, energy companies, NGOs and civil society and the financing community to discuss the challenges of developing Europe's energy infrastructure.

ACER's annual consolidated monitoring reports on the progress of electricity and gas PCIs, incremental capacity projects and virtual interconnection points, on the electricity and gas market monitoring and capacity allocation and congestion management, as well as other updates on the cross-border cost allocation decisions, project-specific risk-based incentives were equally considered.

The proposal and its underpinning impact assessment draws on evidence from the Implementation Report on the TEN-E Regulation, from stakeholder input and extensive consultations carried out in this respect, as well as a literature review, PCI portfolio analysis and modelling. Further information was gathered through several support studies to support the development of policy options and assessment on investment needs in infrastructure, infrastructure planning and costs of delays.

- **Impact assessment**

In accordance with the Better Regulation guidelines, the Commission carried out an impact assessment of several policy options. This work was supported by structured consultation within the Commission via an Inter-Service Steering Group. The impact assessment was presented to and discussed with the Regulatory Scrutiny Board (RSB). The RSB gave a positive opinion with reservations on 26 September 2025 which were notably addressed by: i) further clarifying the problem drivers and root causes and their links to the proposed measures, ii) elaborating the assessment of subsidiarity considerations, iii) revising the general and specific objectives, specifying what success will look like, making the operational objectives more S.M.A.R.T, and elaborating on monitoring arrangements, iv) more clearly presenting and justifying how the different options compare in terms of costs and benefits, v) further describing the content of permitting measures and their impacts, vi) highlighting possible trade-offs with other EU objectives (see Annex 1 of the Impact Assessment Report).

[28] 14% of respondents were neutral and 27% uncertain (see Annex 2 of Impact Assessment).

The impact assessment identified three key problems and their corresponding problem drivers. Throughout the impact assessment work, a range of measures were considered across four intervention areas – i) infrastructure planning and project implementation, ii) cost and benefit sharing, iii) permitting, and iv) security – to address the identified problems and achieve the general and specific objectives of the initiative. The measures under each intervention area were grouped into three policy options, following a logic of varying degrees of EU-level intervention and coordination, and taking into account internal compatibility and coherence of the measures (see Section 5.2.2 of the Impact Assessment Report).

*Policy option 1* entails **an enhanced bottom-up approach**, introducing only a limited number of changes to the current EU legislative and policy framework in comparison to the business as usual and involves minimal additional EU-level intervention. As regards *infrastructure planning and project implementation***,** it strengthens the existing framework by better defining certain requirements and simplifying processes (including PCI/PMI selection and Commission and ACER approvals) to ensure a leaner and more robust planning process. It also aligns the scope of PCI/PMI project categories, including by strengthening requirements related to electrolysers and removing the smart gas grid category. As regards *cost and benefit sharing***,** it enhances transparency and strengthens EU principles as well as better enables the use of congestion income for financing cross-border electricity infrastructure as an incentive to cost-sharing. On *permitting,* it supports implementation of existing legislation, including by issuing guidance on the implementation of certain aspects of the environmental assessment framework. On *security***,** it introduces physical and cyber-risk resilience considerations in the monitoring of PCIs and PMIs.

*Policy option 2* entails **moving from a bottom-up approach towards a more top-down approach** with stronger steer from the EU-level and enhanced coordination with the current actors at Member State level. It introduces more significant changes to the current EU legislative and policy framework as compared to policy option 1, with additional EU-level coordination and reallocation of certain responsibilities among relevant stakeholders. As regards *infrastructure planning and project implementation***,** it notably enhances the role of the Commission by entrusting it with central scenario development for the infrastructure needs identification as well as introduces a gap filling mechanism to ensure all infrastructure needs are addressed by project proposals. It also broadens the scope of the electricity PCI category to more prominently include non-wire solutions and better acknowledge the role of internal lines. As regards *cost-benefit sharing*, it introduces an enabling framework for the voluntary bundling of cross-border projects to enable and encourage discussions amongst relevant Member States and third countries. On *permitting***,** it entails targeted legislative changes to accelerate permitting processes for cross-border infrastructure covered under the TEN-E Regulation. On *security,* it introduces additional transparency requirements regarding the ultimate beneficial owners of candidate PCIs/PMIs and including security and resilience-related equipment for the upgrade of existing electricity cross-border infrastructure under TEN-E scope.

*Policy option 3* entails a full **top-down approach** for cross-border infrastructure. It includes substantial structural and institutional changes to the status quo and a higher degree of centralising and streamlining at EU level, including through entrusting *infrastructure planning* and coordination of *permitting* for cross-border infrastructure projects to EU bodies. As regards *cost-benefit sharing,* it builds on the measures of policy option 2 but introduces also mandatory regional planning and cost-sharing for offshore cross-border infrastructure projects. On *security***,** policy option 2 and 3 are identical.

The policy options were compared along their **effectiveness, efficiency, coherence, and proportionality**. Policy option 2 and 3 are considered more effective, efficient and coherent

with the overall EU policy framework than policy option 1. Policy option 1 only performs slightly better in terms of subsidiarity and proportionality. Therefore, policy option 1 is not considered as possible preferred policy option. While policy options 2 and 3 both perform better than policy option 1 as concerns their effectiveness in meeting the specific objectives, policy option 2 seems overall more effective at this stage when it comes to ensuring that projects included in network plans and selected as PCI/PMIs address appropriately identified infrastructure needs as well as to shorten and simplify permitting procedures. As regards the efficiency, policy option 3 is considered less efficient due to the additional resources needed and high-up front costs to set up two new entities at EU level (or reinforce existing ones) responsible for infrastructure planning and coordinated permitting procedures. In terms of subsidiarity and proportionality, measures proposed in policy option 3 (i.e. EU entities responsible for infrastructure planning and permitting as well as mandatory offshore grid planning) with a high degree of EU level intervention appear disproportionate at this stage considering they do not result in a higher level of effectiveness and are expected to entail substantially higher additional costs.

Following comparison of the policy options, **policy option 2 was identified as the preferred option,** best suited to achieve the general and specific objectives of the initiative in a proportionate manner. Policy option 2 is expected to **have positive economic, social and environmental impacts**. The key target groups expected to be impacted by this initiative are European citizens and consumers, project promoters (including TSOs), European TSO associations (ENTSO for Electricity, ENTSO for Gas, and ENNOH), National Competent Authorities and their local and regional representatives, National Regulatory Authorities, European Union Regulators, Distribution system operators and DSO branch organisations, and energy producers/industry.

As regards economic impacts, it is expected to significantly reduce energy system costs in line with the optimal grid scenario by ensuring that identified projects better match and fully cover the identified needs. For 2040, investments of EUR 6 bn/year into the optimal grid would lead to EUR 14 bn/year reduction in system costs, that is EUR 8 bn/year net saving. It is also expected to have a substantial impact on wholesale electricity prices by improving interconnectivity, leading to price convergence and, overall, more stable and lower prices, across the EU. An improved cost-sharing framework should facilitate the materialisation and quicker implementation of cross-border projects, with significant socio-economic welfare gains. Further, quicker permitting times and thereby project implementation, is expected to generate economic benefits in terms of avoided costs of delays for project promoters. Finally, through improved energy infrastructure security, the preferred option could bring about benefits in terms of avoided loss of economic welfare and of costs of repairs.

Energy system cost reductions are expected to have positive implications for *competitiveness,* through avoided costs and mitigating network tariff increases for consumers, including industry. The preferred option also shows positive impacts on *digitalisation,* through stronger emphasis on the use of non-wire solutions in grid planning and digitalisation of permitting procedures. The preferred option overall expected to *reduce administrative and adjustment costs* for businesses (including energy generators, project promoters, TSOs and ENTSOs) through streamlining infrastructure planning, PCI/PMI application and evaluation processes as well as permitting procedures.While the annual costs savings for businesses cannot be fully estimated as relevant data were not available, it can be concluded that the preferred option would lead to recurrent cost saving. For Member States and national authorities, policy option 2 would create additional administrative costs in the short-term, related to the implementation of revised legislative framework.

The initiative is expected to have positive *social impacts,* though the quantitative impacts and distributional effects are difficult to estimate. An optimised grid planning based on precise estimates of future development of demand and supply should avoid future stranded assets, minimising grid costs for consumers, and enable further electrification allowing to spread grid investment costs over a higher number of kWh.

As regards *environmental benefits*, the preferred policy option is expected to lead to a reduction of CO2 emissions (around 27 Mtonnes/year) by aligning with the optimal grid scenario and decreasing renewable energy curtailment. The additional 108 GW cross-border capacities needed by 2040 in line with the 2024 TYNDP would also allow to substitute 65 TWh of electricity produced by gas with RES generation, by allowing a better integration of non-$CO_2$ emitting generation, leading to a significant reduction of European $CO_2$ emissions estimated at 27 million tonnes of $CO_2$ emissions avoided in 2040.[29] As regards permitting, environmental impacts are highly dependent on the technology used and the assets' location and the environmental status of the surrounding fauna and flora. The potential impacts are however addressed in the design of the proposed measures through introducing safeguards.

- **Regulatory fitness and simplification**

The revised TEN-E Regulation is expected to bring positive impacts in terms of simplification and improved efficiency. The initiative is expected to reduce the administrative burden on ENTSOs, TSOs and project promoters notably as regards infrastructure planning as a result of the Commission taking over central scenario development and through simplifications such as the reduced frequency to a four-year cycle and the amended application and evaluation process for mature PCIs. The streamlined, simplified and digitalised permitting procedures for PCIs and PMIs would also reduce the administrative burden for businesses. The annual cost savings for businesses cannot be fully estimated as relevant data were not available, but it can be concluded that the proposal will lead to recurrent cost savings.

No direct impacts in terms of compliance or administrative costs for SMEs or micro-enterprises are identified. SMEs could benefit from positive competitiveness impacts as a result of lower energy system costs, as well as increased competitiveness in those technology areas that are included or strengthened in the proposal (e.g. high-voltage technologies).

The initiative is consistent with the Digital Check and is internet ready and appropriate for both the physical and digital environment. The proposal includes measures to promote digitalisation (see the Legislative Financial and Digital Statement).

- **Fundamental rights**

The initiative is not expected to have an impact on fundamental rights.

## 4. BUDGETARY IMPLICATIONS

The budgetary impact associated to the proposal concerns the resources of the European Commission Directorate-General for Energy and the Joint Research Centre, as well as the Agency for the Cooperation of Energy Regulators (ACER). The Commission will take on substantial additional responsibilities for central scenario development as part of the infrastructure needs identification process in the Ten-Year Network Development Plan. These responsibilities will require additional resources (see Legislative Financial and Digital Statement).

[29] ENTSO for Electricity TYNDP 2024 Infrastructure gaps report.

The ACER will be tasked with additional responsibilities in the oversight of the Ten-Year Network Development Plan, as well as the cross-border cost allocation framework. These additional responsibilities will also require additional resources (see Legislative Financial and Digital Statement).

## 5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Building on the existing processes for monitoring data from regular reports prepared by project promoters and national regulators, several indicators have been developed to measure the achievement of each of the specific objective of the revised TEN-E Regulation. The actual impacts of the legislation will be monitored and evaluated against a set of indicators tailored to the specific policy objectives to be achieved with the legislation.

All data will be monitored on the basis of regular reports from project promoters and national regulators, and on the basis of the existing monitoring requirements of ACER including the biennial monitoring of consistency between the Union-wide TYNDP and national network development plans, annual monitoring of progress of PCIs and PMIs and permitting processes, annual monitoring report on congestion management and capacity allocation, monitoring of the application of non-wire and grid enhancing technologies based on data available by the Joint Allocation Office, and annual monitoring of the achievement of the interconnection target, done as part of the European Semester.

By 30 June 2033, the Commission shall carry out a review of this Regulation, on the basis of the results of the reporting and evaluation provided for in Article 24 of this Regulation, as well as the monitoring, reporting and evaluation carried out pursuant to Articles 22 and 23 of Regulation (EU) 2021/1153.

- **Detailed explanation of the specific provisions of the proposal**

Chapter I of the Regulation outlines the general provisions, notably its subject matter, objectives and scope as well as the definitions applicable. It introduces, complemented by Annex II, new infrastructure categories compared to Regulation (EU) 2022/869 to ensure strengthened safety, security and efficiency of existing networks, notably to enable existing high-voltage networks elements to operate systems safely through investments in monitoring control and digitalisation equipment and installations and to increase the protection and resilience of critical network elements through investment in equipment that is specifically designed for that purpose and physically connected to those elements. Project categories and definitions are also adjusted to align with the EU's decarbonised gas and hydrogen legislative package adopted in 2024 setting common rules for the transition to renewable and low-carbon gases; this package prioritises the production and use of hydrogen in its pure form and its transportation in the dedicated hydrogen system. A definition of "non-wire" solutions in electricity is also introduced; these solutions need to be carefully considered as they may be cheaper than grid expansion to ensure cost-optimal grid planning.

Chapter II outlines the provisions as regards the process of preparing the Union lists of projects of common interest and projects of mutual interest within the regional groups, the criteria for the assessment of projects by the groups and the monitoring of project implementation.

Article 3, complemented by Annex III, provides rules for the establishment of regional groups as well as for the process for establishing the Union list of projects of common interest and projects of mutual interest. Compared with Regulation (EU) 2022/869, Article 3 and Annex

III provide for a simplified approach for advanced projects already on the Union list to maintain their status of project of common interest or project of mutual interest.

Compared with Regulation (EU) 2022/869, Article 4 which sets out the criteria for the assessment of projects by the groups, complemented by Annex IV, further clarifies that projects of mutual interest extend to the first connection point in the third country and ensures that these projects are accompanied by corresponding development in internal infrastructure in third countries. For Energy Community contracting countries, the benefits brought by individual projects are considered for both EU and Energy Community contracting countries, and not only for the EU as done so far.

In Article 5 the provisions on the implementation and monitoring of projects on the Union list are strengthened by requirements related to risk assessments as regards physical and cyber security, building on Directive (EU) 2022/2557 on the resilience of critical entities and Directive (EU) 2022/2555 on measures for a high common level of cybersecurity across the Union. As regards European coordinators that may be designated where a project encounters significant implementation difficulties, Article 6 provides that the period for which the designation applies may be renewed.

Chapter III addresses the permit granting and public acceptance of projects of common interest. Compared with Regulation (EU) 2022/869 this chapter has been revised with three main objectives: (1) update the permitting framework to ensure that projects of common interest and projects of mutual interest are granted the best treatment possible in line with their strategic importance and special status, especially when considering the permitting measures introduced in the Hydrogen and Decarbonised Gas Market Package and the revised Renewable Energy Directive; (2) update the permitting regime to support the accelerated permitting for electricity grids, in line with the needs recognised in the Draghi report and the amendments introduced in Directive (EU) 2019/944; (3) increase the clarity of the permitting regime and improve its efficiency.

Article 7 on the priority status of projects on the Union list is updated to include requirements that electricity projects of common and mutual interest benefit from an automatic presumption of overriding public interest and, when included in a National Development Plan subjected to a strategical environmental assessment and to an appropriate assessment under Directive 92/43/EEC in case there is a likely significant impact on Natura 2000 sites, may, subject to strict conditions, be exempted from assessments under specified environmental legislation.

Article 8 on the organisation of the permit granting process clarifies the responsibilities of national competent authorities established under the Regulation in line with the different permitting schemes, especially in what concerns cooperation with other authorities and mediation of contacts with project promoters. It also increases the cross-border cooperation requirements for projects involving multiple jurisdictions.

Article 9 on transparency and public participation provides for increased clarity and simplicity of the procedure, notably by merging the reporting obligations of this article into a single report.

Article 10 on duration and implementation of the permit granting process introduces in particular an obligation to digitalise permitting procedures; clarifies what is considered as the starting date for the permitting procedure; makes the optional nature of the pre-application phase clearer; elaborates on the steps comprising it (scoping, screening, scheduling, application file verification); clarifies the need to take into account existing studies and authorisations to reduce duplication when defining the documentation necessary for the

permitting process; and introduces tacit approval to decisions taken by the concerned national authorities with the exception of environmental decisions.

Chapter IV outlines the provisions as regards cross-sectoral infrastructure planning, which are strengthened compared with Regulation (EU) 2022/689, with a view to better steering of the planning, notably as regards the definition of future scenarios, the identification of long-term energy infrastructure needs and bottlenecks and addressing those needs with the most adequate solutions.

Article 11 empowers the Commission to adopt delegated acts establishing a central scenario for the electricity, hydrogen and gas sectors to be used for the Union-wide TYNDP, the infrastructure needs identification process, the energy system wide cost-benefit analysis and the cross-border cost allocation of energy infrastructure projects. To ensure data used for developing the scenario are up-to date, the Commission has a right to request them from Member States, the ENTSO for Electricity, the ENTSO for Gasand the ENNOH, as relevant. The scenario should be developed in a cross-sectoral manner. TYNDP scenarios have until now been developed by the ENTSO for Electricity, the ENTSO for Gas and the ENNOH.

Article 12 entrusts the ENTSO for Electricity and the ENNOH, with developing an infrastructure needs identification report for electricity and hydrogen respectively. The report should identify infrastructure gaps affecting the Union's objectives related to electricity and hydrogen, based in particular on a binding methodology to be prepared by ACER and the central scenario pursuant to Article 11. The Article provides that the infrastructure needs identification reports must be endorsed by the decision-making body of the TEN-E Group, which is the cross-regional meeting configuration of all Groups established under the Regulation. Specifically for electricity, the report must consider non-wire solutions when assessing and addressing the needs.

Article 13 empowers the Commission to launch a needs matching process in the electricity system to identify possible solutions for unmatched needs in case the infrastructure needs identification report for electricity concludes that projects submitted for inclusion in the Union wide ten-year network development plan do not fully meet the infrastructure needs identified pursuant to Article 12. The needs matching process should be based on existing regional cooperation, steered by the Commission and linked with the TYNDP process.

Article 14 mandates the ENTSO for Electricity and the ENNOH to use consistent single sector methodologies for a harmonised energy system-wide cost-benefit analysis at Union level when assessing projects (in all energy infrastructure categories except smart electricity grids and $CO_2$) for their inclusion in their respective Union wide ten-year network development plans. The methodologies must be submitted to the Commission for approval. ENTSO for Electricity and the ENNOH are required to calculate and publish, as part of the Union-wide ten-year network development plan, the results of cost-benefit analyses for all projects, showing how the benefits are distributed across countries. The Article further specifies that for smart electricity grids projects and $CO_2$ projects, it is for the Commission to develop methodologies for a harmonised energy system-wide cost-benefit analysis at Union level, as is the case today.

The provisions under Chapter V address the need to develop the grid to accommodate the significant expected scale-up of electricity generation from offshore renewable energy sources. The Chapter supports the coordinated long-term planning and development of offshore and onshore infrastructure. As a novelty, under Article 15 Member States are required, as part of their non-binding agreements and within their specific priority offshore grid corridors, to consider establishing specific cross-border goals, such as for hybrid or cross-

border radial projects, with the aim to achieve the goals for offshore renewable generation to be deployed within each sea basin in the most efficient manner.

Chapter VI strengthens the provisions for a regulatory framework enabling investments with a cross-border impact.

Firstly, it specifies in Article 17 the principles that national regulatory authorities must apply when allocating costs across borders, including that in order to ensure investment certainty, the cross-border cost allocation ('CBCA') must be based on an ex-ante cost-allocation agreement, with the possibility of ex-post adjustments, provided that such adjustments are explicitly defined in the cost allocation decision and clearly framed, including as regards timeframes and categories of costs covered. Where appropriate, the allocation of costs amongst Member States shall be based on the distribution of net-benefits. It also includes that if 10% or more of a project's estimated benefits occur in a Member State, that Member State and its national regulatory authority shall take part in the cross-border cost allocation process. ACER is mandated to update its Recommendation on identifying good practices for the treatment of investment requests for projects in line with the above-mentioned principles and to establish a central repository of all cross-border cost-allocation decisions taken by national regulatory authorities and to host it on its website as well as to provide a non-binding CBCA template to facilitate the work of national regulatory agencies.

Secondly, a new Article (Article 18) is introduced, which supports a process under which project promoters may bundle two or more projects of common interest and projects of mutual interest to facilitate the discussions on cost-sharing between the relevant Member States, and with third countries as appropriate, and the CBCA decisions between the concerned competent authorities of the Member States or between the competent authorities of the Member States and third countries, as appropriate. Article 18 further clarifies the rules on joint cost-benefit analysis and CBCA applicable to such bundles of projects in view of facilitating a possible CEF application.

Thirdly, new Article (Article 19) is introduced, requiring transmission system operators ('TSOs') to set aside, for network investments into projects on the Union list relevant to reducing interconnector congestion, 25% of the congestion rents not spent for guaranteeing the actual availability of allocated capacity and for compensation to offshore renewable electricity generation plant operators. Article 19 specifies conditions for the use of the funds and empowers the Commission to adopt delegated acts to further specify the conditions under which TSOs may use these funds and the conditions for their release. ACER is required to update its existing methodology on the use of revenues from congestion income pursuant Article 19(4) Electricity Regulation to ensure consistency with these new provisions.

Lastly, Article 20 lays down the conditions under which Member States and national regulatory authorities may grant appropriate incentives for projects that incur higher risks for the development, construction, operation or maintenance, when compared to the risks normally incurred by a comparable infrastructure project.

Chapter VII sets out the conditions for the eligibility of projects on the Union list for financial assistance under the Connecting Europe Facility, including for the new infrastructure categories. In particular, compared with Regulation (EU) 2022/689, Article 21 sets out in more detail the criteria applicable for projects other than the energy infrastructure that are under the competence of national regulatory authorities. Since those projects do not receive a CBCA, they must receive an evaluation carried out by the relevant national authority and the provision develops the conditions for such an evaluation. Article 22 provides that the specific criteria set out in Article 4(3) and the parameters set out in Article 4(5) of the Regulation must be applied for the purpose of establishing award criteria for Union financial assistance under

the Regulation on the Connecting Europe Facility and lays down additional requirements for legacy gas projects concerning Cyprus and Malta under Article 27 of the Regulation.

Chapter VIII includes final provisions regarding delegated acts, reporting and evaluation, including regarding the digitalisation of the permitting process, the improvement of physical and cyber security resilience of cross-border energy infrastructure and the uptake of non-wire solutions, the review of the Regulation as well as information and publicity of the projects. It further maintains the existing derogations for the gas interconnectors of Malta and Cyprus until Cyprus or Malta, respectively, is directly interconnected to the trans-European gas network or until 31 December 2029, whichever is the earlier. The Chapter further lists amendments to other energy acquis resulting from the amendments introduced in the Regulation and sets out transitional provisions and provisions for the repeal of the current TEN-E Regulation. In particular, the revised Regulation does not affect the granting, continuation or modification of financial assistance awarded previously under the Connecting Europe Facility, and the existing Union list of projects of common interest and projects of mutual interest is to remain in force and produce effects until a new Union list of projects of common interest and projects of mutual interest pursuant to this Regulation is established and enters into force.

2025/0399 (COD)

Proposal for a

# REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

## on guidelines for trans-European energy infrastructure, amending Regulations (EU) 2019/942, (EU) 2019/943 and (EU) 2024/1789 and repealing Regulation (EU) 2022/869

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee [1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The Commission Communication of 26 February 2025 on the "Clean Industrial Deal"[3] sets out a joint roadmap for competitiveness and decarbonisation. Securing affordable energy is a key condition for the competitiveness of the Union industry, especially for energy-intensive sectors. Access to affordable energy is therefore a cornerstone of the Clean Industrial Deal as well as the Action Plan for Affordable Energy[4]. At the same time, decarbonisation policies are a powerful driver of growth when they are well integrated with industrial, competition, economic and trade policies as set out in the Commission Communication of 29 January 2025 on a "Competitiveness Compass for the EU"[5]. With Regulation (EU) 2021/1119 of the European Parliament and of the Council[6], the Union has set out an ambitious framework to become a decarbonised economy by 2050.

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1 OJ C , , p. .

2 OJ C , , p. .

3 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 26 February 2025, "The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation" (COM(2025) 85 final).

4 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 26 February 2025: "Action Plan for Affordable Energy - Unlocking the true value of our Energy Union to secure affordable, efficient and clean energy for all Europeans", COM(2025) 79 final.

5 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions of 29 January 2025, "A Competitiveness Compass for the EU" (COM(2025) 30 final).

6 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU)

(2) As part of the ambition of Regulation (EU) 2021/1119, the binding Union level target for renewable energy for 2030 has been increased to 42.5 % renewable energy in the Union's energy mix by 2030, aiming for 45 %[7], and the binding Union level target for energy efficiency has been made more ambitious, with a reduction of Union final energy consumption by 11.7 % by 2030, compared to 2020 projections[8]. With the intermediate target of at least 55 % net greenhouse gas (GHG) emissions reduction compared with 1990 levels by 2030 well on track, on 2 July 2025 the Commission proposed an amendment to Regulation (EU) 2021/1119[9] setting a Union climate target for 2040 of a 90 % reduction in net GHG emissions, compared to 1990 levels.

(3) Infrastructure needs to be in place to support the Union energy transition in accordance with those targets, including rapid electrification, scaling up renewable and fossil fuel free electricity generation, the increased use of renewable and low-carbon gases, energy integration and a higher uptake of innovative solutions. Current investments in cross-border energy infrastructure are clearly insufficient to transform and build the energy infrastructure needed to support those targets and there is a substantial gap between our cross-border electricity infrastructure needs and the speed and level of infrastructure development at both the transmission and distribution grid level.[10] For electricity, about half of cross-border electricity needs for 2030 (41 of 88 GW) will remain unaddressed, and this gap is expected to increase the next decade. By 2040, cross-border electricity capacity needs will amount to 108 GW.[11]. Increased investments in energy infrastructure are therefore necessary, and the Draghi report[12] pointed in particular to the need to rapidly increase the deployment of cross-border energy infrastructure to decarbonise Europe's industry. In the Clean Industrial Deal[13] and the accompanying "Action Plan for Affordable Energy"[14], the Commission underlined the crucial role of completing the Energy Union by investing in energy infrastructure and cross-border grids for safeguarding the competitiveness of Union industry and the prosperity of people as well as for the affordability and security of energy supply.

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2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj).

7 Directive (EU) 2023/2413 of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652 (OJ L, 2023/2413, 31.10.2023, ELI: http://data.europa.eu/eli/dir/2023/2413/oj).

8 Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (OJ L 231, 20.9.2023, p.1, ELI: http://data.europa.eu/eli/dir/2023/1791/oj).

9 COM(2025) 524 final of 2 July 2025.

10 ACER (2024): Electricity infrastructure development to support a competitive and sustainable energy system (2024 Monitoring Report)

11 ENTSO-E (2025), TYNDP 2024. Opportunities for a more efficient European power system by 2050. Infrastructure Gaps Report.

12 M. Draghi (2025): "The future of European competitiveness".

13 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 26 February 2025, "The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation", COM(2025) 85 final.

14 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 26 February 2025, "Action Plan for Affordable Energy - Unlocking the true value of our Energy Union to secure affordable, efficient and clean energy for all Europeans" (COM(2025) 79 final).

(4) Regulation (EU) 2022/869 of the European Parliament and of the Council[15] laid down guidelines for the timely development and interoperability of priority corridors and areas of trans-European energy infrastructure in order to contribute to ensuring climate change mitigation in particular achieving the Union's 2030 targets for energy and climate change and the climate neutrality objective by 2050 at the latest and to ensuring interconnections, energy security, market and system integration and competition that benefits all Member States, as well as affordability of energy prices. In particular, Regulation (EU) 2022/869 provides for the identification of projects of common interest and of projects of mutual interest, facilitates their implementation and determines the conditions for eligibility of those projects for Union financial assistance. However, given their cross-border nature, projects of common interest and projects of mutual interest not only create significant positive externalities and foster solidarity, but also entail specific challenges for project promoters, due to their multi-jurisdictional nature, coordination challenges and an often asymmetrical distribution of costs and benefits. They therefore continue to require a Union level framework.

(5) While the objectives of Regulation (EU) 2022/869 remain largely valid, the current trans-European energy networks framework should be adjusted to fully reflect the expected changes to the energy system that will result from the new policy context and in particular the 2050 climate neutrality objective and the proposed intermediary target for 2040. In particular, there is a need for more integrated grid planning to support an increasingly interdependent and decentralised internal energy market, faster permit granting processes and to ensure the security and resilience of cross-border energy infrastructure to be adequately reflected in the revised trans-European energy networks framework. Besides the new political context and objectives, technological development has been rapid in the past decade. That development should be taken into account in the energy infrastructure categories covered by this Regulation, the selection criteria for projects of common interest and projects of mutual interest as well as the priority corridors and areas. At the same time, the provisions of this Regulation should not affect a Member State's right to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply, in accordance with Article 194 of the Treaty.

(6) The implementation of the identified 13 trans-European energy infrastructure priority corridors and thematic areas is essential for the achievement of the Union's energy and climate targets including further market integration, energy security, the 2050 climate neutrality objective as well as affordability of energy prices. Those priorities cover investments in electricity transmission and storage, offshore grids for renewable energy, smart electricity grids, equipment and installation designed to ensure protection and resilience of existing critical network elements, hydrogen transmission, storage and terminals, electrolysers, and the transport and storage of carbon dioxide as well as monitoring, control and digitalisation equipment and installation essential for existing high-voltage networks of cross-border relevance.

(7) The Union's energy infrastructure should be upgraded in order to increase its resilience against natural or man-made disasters, adverse effects of climate change, deliberate hostile actions and threats to its security, in particular as regards European

[15] 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 (OJ L 152, 3.6.2022, p. 45, ELI: http://data.europa.eu/eli/reg/2022/869/oj).

critical infrastructures pursuant to Directive 2022/2557 of the European Parliament and of the Council[16].

(8) In the current geopolitical context, it is important to ensure the uninterrupted flow of electricity across borders to ensure security of supply. This depends not only on the resilience of interconnectors between Member States, but also on the resilience of critical network elements. Therefore, this Regulation should introduce a new infrastructure category in the form of investments into equipment and installations directly connected to and designed to enhance the critical network elements' resilience and protection. That new infrastructure category should cover critical network elements, as set out in Regulation (EU) 2019/943 of the European Parliament and of the Council[17], that support network security and supply security in accordance with the Member States' crisis scenarios and risk preparedness plans under Regulation (EU) 2019/941 of the European Parliament and of the Council [18].

(9) While foreign investment can bring benefits such as increased financing options for capital-intensive projects, it can also increase the Union's exposure to energy security related risks such as disruptions or reduced reliability of cross-border flows, in particular where such foreign investments originate from third countries with diverging geopolitical interests from the Union. Transparency regarding ultimate beneficiary ownership, including information on the ultimate investor and participation in the capital as set out in Regulation (EU) 2019/452 of the European Parliament and of the Council[19], of cross-border energy infrastructure and projects with a cross-border impact is therefore crucial to prevent the Union from becoming dependent on non-trusted third countries and should be taken into consideration when selecting projects of common interest and projects of mutual interest.

(10) To ensure cost-efficient and accelerated grid development and access to grids in the Union, non-wire solutions should play a prominent role in addressing system needs next to physical grid reinforcement, as they may be deployed faster and at lower costs. Deploying such technologies should be considered before investing in the expansion of grid infrastructure. To this aim, a new infrastructure category should cover investments in non-wire technologies and digital solutions, including software solutions, where they are deployed on existing critical network elements relevant for cross-border trade, and where bringing quantified benefits for market integration in terms of increasing cross-border capacity.

(11) A decarbonised gas and hydrogen legislative package was adopted with Regulation (EU) 2024/1789 of the European Parliament and of the Council[20] and Directive (EU)

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16 Directive EU) 2022/2557 of the European Parliament and of the Council of 14 December 2022 on the resilience of critical entities and repealing Council Directive 2008/114/EC (OJ L 333, 27.12.2022, p. 164, ELI: http://data.europa.eu/eli/dir/2022/2557/oj).

17 Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (OJ L 158, 14.6.2019, p. 54, ELI: http://data.europa.eu/eli/reg/2019/943/oj).

18 Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC (OJ L 158, 14.6.2019, p. 1, ELI: http://data.europa.eu/eli/reg/2019/941/oj).

19 Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union (OJ L 79I, 21.3.2019, p. 1, ELI: http://data.europa.eu/eli/reg/2019/452/oj).

20 Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal markets for renewable gas, natural gas and hydrogen, amending Regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and

2024/1788 of the European Parliament and of the Council[21] to set common rules at Union level for the transition to renewable and low-carbon gases. The infrastructure categories set out in this Regulation should be fully aligned with the objectives of that package and ensure that energy infrastructure projects have a significant cross-border impact. Where technically possible and most efficient, the possibility of repurposing existing infrastructure and equipment should be taken into account in the development of such projects.

(12) Regional groups (Groups) should be established for the purpose of proposing and reviewing projects of common interest and projects of mutual interest, leading to the establishment of regional lists of projects of common interest and projects of mutual interest. In order to ensure broad consensus, those Groups should include and ensure close cooperation between Member States, national regulatory authorities, project promoters and relevant stakeholders. In the context of that cooperation, national regulatory authorities should, where necessary, advise Groups, inter alia, on the feasibility of the national regulatory aspects of proposed projects and on the feasibility of the proposed timetable for regulatory approval.

(13) In order to increase the efficiency of the network planning and project development processes, cooperation between the Groups should be strengthened. It is necessary that the Commission play an important role in facilitating that cooperation with a view to addressing the possible impact of projects developed within one region on other regions.

(14) In order to complement the Groups, several regional cooperation fora have been established with the support of the Commission. Regional cooperation within and between the fora and the Groups is a key tool to ensure deeper integration of the European energy system. The four High-Level Groups cover different European regions also with the involvement of third countries: the Baltic Energy Market Interconnection Plan (BEMIP), the North Seas Energy Cooperation (NSEC), the High-Level Group on Interconnections for South-West Europe (SWE) and the High-Level Group for Central and South-Eastern European Energy Connectivity (CESEC). Regional cooperation in those fora has been successful in supporting monitoring and accelerating the implementation of key energy infrastructure projects of regional dimension and of market integration actions. Consequently, those regional cooperation fora should be increasingly deployed to support the achievement of the objectives of this Regulation.

(15) A new Union list of projects of common interest and projects of mutual interest ("the Union list") should be established every two years. Projects of common interest and projects of mutual interest that have been completed or that no longer fulfil the relevant criteria and requirements as set out in this Regulation should not appear on the subsequent Union list.

(16) Existing projects of common interest and existing projects of mutual interest that are to be included in the subsequent Union list should be subject to the same selection

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repealing Regulation (EC) No 715/2009 (OJ L, 2024/1789, 15.7.2024, ELI: http://data.europa.eu/eli/reg/2024/1789/oj).

[21] Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (OJ L, 2024/1788, 15.7.2024, ELI: http://data.europa.eu/eli/dir/2024/1788/oj).

process for the establishment of regional lists and for the establishment of the Union list applied to proposed projects unless they have obtained an approval of the competent national regulatory authority or a final investment decision providing sufficient assurance of the construction of the projects or their construction is ongoing and they show sufficient progress in their annual report, in which case they should remain on the Union list.

(17) Where existing projects of common interest and existing projects of mutual interest that are to be included in the following Union list are subject to the same selection process for the establishment of regional lists and for the establishment of the Union list applied to proposed projects, the administrative burden should be reduced to the extent possible, for example by using project information submitted previously in the assessment, if still up to date.

(18) Projects of common interest and projects of mutual interest should comply with common, transparent and objective general and specific criteria in view of their contribution to the energy policy objectives. In order to be eligible for inclusion in the Union list, proposed electricity projects, with the exception of smart electricity grids and projects specifically designed to provide protection and resilience to existing critical network elements, should be part of the latest available Union-wide ten-year network development plan. Likewise, proposed hydrogen and electrolyser projects should be part of the latest available Union-wide ten-year network development plan.

(19) Sustainability in terms of the integration of renewable energy sources into the grid or the reduction of greenhouse gas emissions, as relevant, is a key criterion for ensuring that trans-European energy networks policy is coherent with the Union's targets for energy and climate and the 2050 climate neutrality objectives, taking into account the specificities of each Member State in reaching the climate neutrality objective. To this end, sustainability is one of the assessment criteria to be applied for all project categories.

(20) There is a growing need for stronger market integration and interconnectivity of the networks of the Union with those of the European Economic Area (EEA) and the Energy Community. Therefore, the benefits and costs of projects of mutual interest between a Member State and a country in the EEA or a Energy Community contracting party should be considered cumulatively for the Union and for the country concerned in the EEA or the contracting party concerned in the Energy Community.

(21) The Union should facilitate infrastructure projects linking Union networks directly with third-country networks which are mutually beneficial and necessary for the energy transition and the achievement of the climate targets, and which also meet the specific criteria of the relevant infrastructure categories pursuant to this Regulation. To reinforce the focus on cross-border projects and to maintain complementarity with the Union's external policy, in the case of projects of mutual interest, the projects should directly connect a Member State with the first electricity network connection point or the first hydrogen or carbon dioxide connection point in the third country.

(22) As regards projects of mutual interest related to electricity networks, only interconnection projects linking energy systems should be eligible, provided that their transfer capacity could be fully used for market exchanges. It is the responsibility of the respective transmission system operators (TSOs) to assess in advance the impacts of any projects on the grid security and stability in order to confirm that the project can be fully integrated into the electricity networks of the countries concerned.

(23) It is necessary to ensure that projects of mutual interest, which are granted priority treatment, genuinely advance the Union's internal market, security of supply and climate neutrality objectives. Therefore, projects of mutual interest should be eligible for inclusion in the Union list only where the policy framework of a third country involved has a high level of convergence and is supported by enforcement mechanisms, and such projects demonstrate a contribution to the Union's and the third countries' overall energy and climate policy objectives in terms of security of supply and decarbonisation.

(24) A high level of convergence of the policy framework should be presumed for the EEA or Energy Community contracting parties or can be demonstrated in case of other third countries through bilateral agreements that include relevant provisions on climate and energy policy objectives on decarbonisation and further assessed by the appropriate Group with the support of the Commission. In addition, the third country with which the Union cooperates in the development of projects of mutual interest should facilitate a similar timeline for accelerated implementation and other policy support measures, as provided for in this Regulation.

(25) The third country involved should ensure that the section of the project of mutual interest located in the third country and any additional investments necessary for the total benefits of the project of mutual interest to be implemented, such as internal grid reinforcements, are also treated as a priority and are timely deployed to ensure full use of the project.

(26) In order to ensure that projects for the storage of carbon dioxide which involve third countries contribute to cross-border carbon dioxide transport and storage in a manner consistent with the Union's climate and environmental requirements, such projects should only be eligible if they are necessary for the functioning of cross-border transport and storage of carbon dioxide and where the third country maintains and effectively enforces an adequate legal framework. This legal framework in the third country should ensure the application of standards and safeguards that prevent carbon dioxide leaks and that guarantee the safety and effectiveness of the permanent storage of carbon dioxide for the protection of climate, human health and ecosystems. Those standards and safeguards should provide a level of protection at least equivalent to that laid down in Union law. It should be presumed that the EEA or Energy Community Contracting Parties meet those standards and safeguards.

(27) Projects of common interest and projects of mutual interest should be implemented as quickly as possible and should be closely monitored by the national competent authorities, the Agency and the Groups, while duly observing the requirements for stakeholder participation and environmental legislation and keeping the administrative burden for project promoters to a minimum. Particular attention should be paid to the assessment of risks as regards climate adaptation and as regards physical and cyber security, building where applicable on the requirements of Directive (EU) 2022/2557 with regard to the resilience of critical entities and the requirements of Directive 2022/2555 of the European Parliament and of the Council[22] with regard to measures for a high level of cybersecurity across the Union, and project promoters should report

[22] Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive) (OJ L 333, 27.12.2022, p. 80, ELI: http://data.europa.eu/eli/dir/2022/2555/oj).

to the national competent authorities on the measures taken resulting from the risks assessed. Project promoters should also report on the compliance with environmental legislation and demonstrate that projects do 'no significant harm' to the environment within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council[23]. For existing projects of common interest having reached sufficient maturity, those considerations should be taken into account during project selection for the subsequent Union list by the Groups.

(28) The Commission should have the possibility to nominate European coordinators for projects facing particular difficulties or delays, in order to facilitate the implementation of projects which encounter difficulties.

(29) The permit-granting process should neither lead to administrative burdens which are disproportionate to the size or complexity of a project, nor create barriers to the development of the trans-European networks and market access.

(30) Projects of common interest and projects of mutual interest should be given priority status at national level to ensure rapid administrative treatment and urgent treatment in all judicial and dispute resolution procedures relating to them.

(31) Member States that currently do not attribute the highest possible national significance to energy infrastructure projects as regards the permit-granting process, are encouraged to consider introducing such a high national significance, in particular where this could lead to a quicker permit-granting process.

(32) Member States that do not currently have in place accelerated or urgent judicial procedures applicable to energy infrastructure projects should be encouraged to consider introducing such procedures, in particular by evaluating whether that would lead to the quicker implementation of such projects.

(33) Projects concerning hydrogen assets, electrolyser facilities and carbon dioxide assets contribute to energy and climate goals, including with regard to the need to accelerate the deployment of renewable energy and its integration in their energy mix. Therefore, all projects of common interest and projects of mutual interest concerning hydrogen, electrolyser facilities, and carbon dioxide assets should be considered to be of public interest from an energy policy perspective, and it should be possible for Member States to consider them as being of overriding public interest, except for cultural heritage and where there is clear evidence that those projects have significant adverse effects on the environment which cannot be mitigated or compensated for.

(34) Due to their role integrating renewable energy assets, flexibility solutions, energy storage and electrification in general, electricity infrastructure projects are considered essential to reach climate neutrality. Therefore, until the Union climate neutrality target is achieved, such projects should be presumed to be of overriding public interest and to serve public health and safety where balancing competing legal interests, except for cultural heritage and where there is clear evidence that those projects have significant adverse effects on the environment which cannot be mitigated or

[23] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).

compensated for, as provided for in Directive (EU) 2019/944 of the European Parliament and of the Council[24].

(35) Due to their importance to reach climate neutrality, and their strategic importance as projects on the Union list, it should be possible for Member States to allow for projects of common interest and projects of mutual interest concerning electricity[25] that have been expressly included in a National Development Plan which was subject to a strategic environmental assessment in accordance with Directive 2001/42/EC of the European Parliament and of the Council[26], and, if it is likely to have a significant impact on Natura 2000 sites, to the appropriate assessment pursuant to Article 6(3) of Directive 92/43/EEC, to be exempted from environmental impact assessments under Directive 2011/92/EU, from assessments of their implications on species protection pursuant to Article 12(1) of Directive 92/43/EEC and to Article 5 of Directive 2009/147/EC, and from assessments of their implications for Natura 2000 sites. Such exemptions should be possible until climate neutrality is achieved.

(36) In order to mitigate any possible impact of such exemptions, following the screening Member States' competent authorities should ensure that appropriate and proportionate mitigation measures are applied, considering the use of the best available technologies. Where it is not possible to apply such mitigation measures, competent authorities should ensure that project promoters adopt appropriate compensatory measures to address those effects, which, if other proportionate compensatory measures are not available, may include the payment of monetary compensation for species protection programmes. In addition, where a project is likely to have significant negative effects on the environment of another Member State, the national competent authorities should ensure that the Member States concerned have cooperated to identify measures to avoid the significant impacts, or, where needed, to mitigate or compensate them.

(37) In order to speed up the deployment of the trans-European energy network, the conditions for applying specific derogations as set out in Union environmental legislation should be clear. In particular, when assessing whether there are satisfactory alternative solutions to energy projects, the scope of such assessment should be limited to alternative solutions that ensure the achievement of the same objective within the same or similar timeframe and without resulting in significantly higher costs. When comparing the timeframe and the cost of satisfactory alternative solutions, the relevant authorities should be able to take into account the need to deploy projects of common interest and projects of mutual interest in an accelerated and cost-effective manner in accordance with the priorities set out in their integrated national energy and climate plans and updates thereof submitted to the Commission pursuant to Regulation (EU) 2018/1999.

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24 Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (OJ L 158, 14.6.2019, p. 125, ELI: http://data.europa.eu/eli/dir/2019/944/oj).

25 Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1, ELI: http://data.europa.eu/eli/dir/2011/92/oj http://data.europa.eu/eli/dir/2011/93/oj).

26 Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30, http://data.europa.eu/eli/dir/2001/42/oj).

(38) Similarly, when applying the relevant derogation provided for in Directive 92/43/EEC, it is appropriate that the relevant authorities may, in justified cases and where it can be reasonably demonstrated that the plan or project would not irreversibly affect, before the measures are put into place, the overall coherence of the Natura 2000 network, the environmental integrity of the site is preserved and a high level of protection of the Natura 2000 sites is ensured, allow that compensatory measures are carried out in parallel with the implementation of the plan or project.

(39) In order to reduce complexity, increase efficiency and transparency, and help enhance cooperation among Member States, Member States should ensure that there is one single competent authority responsible for facilitating and coordinating all permit-granting processes towards the issuing of a comprehensive decision, cooperating with other concerned authorities and national competent authorities of other Member States, acting as a sole point of contact for promotors mediating their contact with other authorities, and monitoring the development and delays of projects on the Union list.

(40) To increase the efficiency of procedures, national competent authorities should also be responsible for ensuring that, for hybrid transmission and generation projects, the timeline for permitting aligns to all assets of the project in a manner that expedites the permit-granting process for the generation and transmission assets.

(41) In order to simplify and expedite the permit-granting process for projects on the Union list located in two or more Member States, a unique point of contact amongst the national competent authorities should be jointly designated by the Member States concerned. Having a single authority facilitating the process, and issuing the final comprehensive decision, should lighten the administrative burden for project developers and reduce complexity, increase efficiency and speed up the permit-granting process, especially where Member States provide for joint procedures with aligned timelines and assessments. To ensure effective cross-border cooperation, the Commission should focus on identified interconnection priority projects strengthening the coordination and monitoring of their implementation and permitting. For that purpose, the Commission should support Member States in identifying joint procedures for an effective and efficient permit-granting process.

(42) Member States should be able to include in comprehensive decisions, where appropriate, decisions taken in the context of negotiations with individual landowners to grant access to, ownership of, or a right to occupy, property in the context of spatial planning, which determines the general land use of a defined region, including other developments such as highways, railways, buildings and nature protection areas and which is not undertaken for the specific purpose of the planned project and granting of operational permits. In the context of the permit-granting process, a project of common interest should be able to include related infrastructure to the extent that it is essential for the construction or functioning of the project.

(43) This Regulation, in particular the provisions on permit-granting, public participation and the implementation of projects of common interest, should apply without prejudice to Union and international law, including provisions to protect the environment and human health, and provisions adopted under the Common Fisheries

Policy and Integrated Maritime Policy, in particular Directive 2014/89/EU of the European Parliament and of the Council[27].

(44) It is essential that stakeholders, including civil society, are provided with information and are consulted, in order to ensure the success of projects and to limit objections to them. Despite the existence of established standards ensuring the participation of the public in environmental decision-making procedures, which apply fully to projects of common interest, additional measures should be required to ensure the highest possible standards of transparency and public participation in all relevant issues in the permit-granting process for projects of common interest. Where already covered by national rules under the same or higher standards as in this Regulation, the pre-consultation ahead of the permit-granting process should be optional and duplication of legal requirements should be avoided.

(45) The correct and coordinated implementation of Directives 2001/42/EC and 2011/92/EU and, where applicable, of the United Nations Economic Commission for Europe Convention on access to information, public participation in decision-making and access to justice in environmental matters[28], signed in Aarhus on 25 June 1998 (the 'Aarhus Convention'), and of the Convention on environmental impact assessment in a transboundary context[29], signed in Espoo on 25 February 1991 (the 'Espoo Convention'), should ensure the harmonisation of the main principles for the assessment of environmental and climate effects, including in a cross-border context. The Commission has issued guidance to support Member States to streamline the environmental assessment procedures for energy infrastructure and to ensure the coherent application of environmental assessment procedures required under Union law for projects of common interest.

(46) It is important to streamline and improve the permit-granting process, while respecting, to the extent possible and with due regard to the principle of subsidiarity, national competences and procedures for the construction of new energy infrastructure. Given the urgency of developing energy infrastructures, the simplification of the permit-granting process should set a clear time limit for the decision of the relevant authorities regarding the construction of the project. That time limit should stimulate an efficient definition and handling of procedures. This Regulation should establish maximum time limits. However, Member States can strive to achieve shorter time limits where feasible, in particular, as regards projects such as smart grids, which may not require as complex a permit-granting process as the one for transmission infrastructure.

(47) The lack of resources of permit-granting authorities and the lack of digitalisation of permit-granting processes and data availability are bottlenecks slowing down permit-granting processes. Digitalisation and an appropriate use of artificial intelligence features are expected to speed up procedures and to increase efficiency of processes by allowing for faster handling of applications and increase transparency through improved access to information on procedural steps and requirements. However, digitalisation of permit-granting processes is lagging behind, with data often scattered across different competent authorities without unified

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27 Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014 establishing a framework for maritime spatial planning (OJ L 257, 28.8.2014, p. 135, http://data.europa.eu/eli/dir/2014/89/oj)

28 OJ L 124, 17.5.2005, p. 4

29 OJ C 104, 24.4.1992, p. 7

digital processes or platforms, and without interoperability being ensured. That leads to lack of clarity on the status of the applications and hindering the identification of bottlenecks. Therefore, Member States should set up a digital platform at national level for all the steps of the permit-granting processes for renewable energy, storage and grid projects so that the digitalisation of procedures is uniform, interoperable and transparent maximising its benefits in terms of speeding up the permit-granting process. Such platforms should enable project promoters to file applications and check their status, attribute them to the competent authorities, and allow authorities to process them by having access to all relevant data and information, without the need for intermediate paper-based steps. In addition, such platform should allow for the extraction of statistics on the overall progress of permit-granting processes in Member States. Such digital platforms should rely on secure and interoperable means provided through European Digital Identity Wallets, in compliance with the requirements of Regulation (EU) No 910/2014, for natural persons and, in the future, with European Business Wallets, in compliance with [Regulation (EU) No XXX/20YY], for legal persons, for enabling electronic identification and authentication, signing or sealing of documents, submission of documents and sending or receiving notifications between competent authorities and economic operators

(48) The competent authorities should be responsible for ensuring compliance with the time limits established in this Regulation. Further, in line with the urgency to deploy energy infrastructures, and the strategic importance of projects of common interest and projects of mutual interest to achieve the Union's energy and climate goals and to the extent that the concept of tacit approval exists under national law, Member States should ensure that the lack of a reply by the national competent authorities within the deadline set out in this Regulation, or a lack of a reply by an authority concerned within the deadline established by the national competent authority, leads to the specific opinion, authorisation or permit being tacitly approved or answered positively, with the exception of environmental decisions, and that such conclusion is made public.

(49) The permit-granting process should provide for two procedures, namely the optional pre-application procedure where the work towards a complete application file is delivered and accepted by the national competent authority, and the mandatory statutory permit-granting procedure between the acceptance of the file and the moment the authorities render a comprehensive decision. Within the pre-application phase national competent authorities should carry out a series of tasks. They should screen the project and notify the project promoter of what authorisations, studies, permits and assessments are required to complete the permit-granting process, including the environmental assessments and mitigation or compensation measures that should be deployed. They should define the scope and level of detail of the documentation identified in the screening conclusions, making sure that no subsequent documentation is to be requested from the project promoter save for where a material change has occurred to the project or its surrounding environment that renders the conditions and assumptions used to determine the scope non-applicable. They should draw up a detailed schedule for the permit-granting process. After receiving the draft application file, including all the preparatory documents, they should decide whether the file is deemed complete or requires the missing information in accordance with what was identified at the pre-application procedure.

(50) Where it is considered efficient, the national competent authorities may design the permitting requirements for the permit-granting process and public consultations of a certain project to take place in phases, provided the permit-granting process is simplified and accelerated.

(51) This Regulation should apply only to the granting of permits for projects of common interest and projects of mutual interest, public participation therein and the regulatory treatment of the projects. Member States should nevertheless be able to adopt national provisions to apply the same or similar rules to other projects that do not have the status of projects of common interest or projects of mutual interest within the scope of this Regulation.

(52) The Union-wide ten-year network development plan process provides a solid basis for the identification of projects of common interest and projects of mutual interest. While the European Network of Transmission System Operators for Electricity (ENTSO for Electricity), the European Network of Transmission System Operators for Gas (ENTSO for Gas), the European Network of Network Operators for Hydrogen (ENNOH) and TSOs continue to play an important role in the process, more streamlining and steering is required, in particular as regards defining the scenarios for the future, identifying long-term infrastructure gaps and energy infrastructure bottlenecks and addressing those gaps with most adequate solutions, to increase the political weight, pertinence and robustness of the process. Therefore, the Agency and the Commission should have an increased role in the process for drawing up the Union-wide ten-year network development plans pursuant to Regulations (EU) 2019/943 and (EU) 2024/1789.

(53) Considering that the selected scenario and its underlying assumptions play a major role in the Union-wide network development planning process, the Commission should play a central role in defining it. That should help streamline the inputs and ensure better compliance with the Union's policy targets. It is also appropriate for the Union-wide ten-year network development plans to be based on one central scenario, with possible sensitivity analyses to the scenario in case of change of external conditions, because the main purpose of the scenario is to provide a common basis for the assessment of the infrastructure gaps and benefits of candidate projects of common interest and project of mutual interest. The increased importance of the central scenario requires close involvement of the ENTSO for Electricity, the ENNOH, and the ENTSO for Gas, the Member States and the Agency to ensure that relevant data and information is provided, and that the scenario is aligned with national developments. The Stakeholder Reference Group should continue providing coordinated stakeholder input and advice on scenario development.

(54) The process of identifying infrastructure needs should play a stronger role in guiding planned infrastructure investments. Compared to current practice, the process should be broader and consider more thoroughly cross-sectoral links and non-wire solutions, in order to clearly identify what solutions best serve the energy system in achieving the energy and climate goals. The Agency should be more involved in setting the framework for the process and its verification to increase acceptance of the subsequent solutions necessary to address the gaps. The Agency should develop methodologies for the process of identifying infrastructure needs to be conducted by the ENTSO for Electricity and the ENNOH in order to ensure that the outcomes are sufficiently robust and in accordance with the principles set out in this Regulation. The ultimate endorsement of the needs identification report by the decision-making body of the

TEN-E Group should be a strong signal to project promoters where the possible projects are needed.

(55) Making the process of identifying infrastructure needs more comprehensive and granular should enable better matchmaking of planned projects with the needs for transmission capacity expansion. It should also enable a follow-up process leading to identifying new solutions which could address unmatched needs. TSOs should be the primary entity to suggest possible projects to address the gaps, but alternative solutions coming from other stakeholders should also be considered. Therefore, a needs matching process should be an outcome of regional cooperation and involve relevant stakeholders in the discussions. The central role of the Commission in the process should enhance regional cooperation and involvement of Member States, national regulatory authorities, project promoters and other relevant stakeholders in the effort to come up with the most adequate projects, be it non-wire or infrastructure solutions to match any possible unaddressed needs. As a last resort, the Commission should have the right to launch a call for proposals to overcome insufficient progress in addressing persisting gaps. It should be ensured that eligible projects are included as soon as possible in the subsequent national development plans, Union-wide ten-year network development plan and the Union list.

(56) An energy system-wide cost-benefit analysis is necessary to ensure that infrastructure planning reflects the evolving needs of an integrated and decarbonised system, by consistently assessing all relevant costs and benefits in order to identify the most efficient solutions for achieving Union energy and climate objectives. Non-wire solutions, such as dynamic line and transformer rating, advanced power flow control systems or digital twin platforms should play a greater role in addressing network needs both in operational and expansion terms and should therefore also be covered by the energy system wide cost-benefit analysis.

(57) The Union-wide ten-year network development plan should provide a comprehensive overview of planned infrastructure projects having cross-border impacts in the Union. Non-wire and flexibility solutions should form an intrinsic part of the plan so that it provides a full picture of future investments necessary for optimal operation of the electricity and hydrogen networks. A specific consideration should also be given to projects improving security and resilience of the network.

(58) In carrying out their tasks preceding the adoption of the Union-wide ten-year network development plans, the ENTSO for Electricity and the ENNOH, the Agency and the Commission should conduct an extensive consultation process involving all relevant stakeholders. Those stakeholders should include the European entity for the cooperation of electricity distribution system operators in the European Union , associations involved in electricity, gas and hydrogen markets, heating and cooling, carbon capture and storage and carbon capture and utilisation stakeholders, independent aggregators, demand-response operators, organisations involved in energy efficiency solutions, industrial sectors including transport, digitalisation, and data, as well as energy consumer associations, the European Scientific Advisory Board on Climate Change and civil society representatives, as relevant. The Stakeholder Reference Group has proven to be an effective forum of stakeholder cooperation and its further contribution to the Union wide ten-year network development plan should be supported. The consultation should be open and transparent and should be organised in a timely manner to allow for stakeholders' feedback in the preparation of key phases of the Union-wide ten-year network development plans, such as infrastructure gaps identification and the cost-benefit analysis methodology for project

assessment. The ENTSO for Electricity and the ENNOH should give due consideration to the input received from stakeholders during consultations and should explain how they took that input into account when submitting final proposals.

(59) Energy infrastructure planning should properly reflect sector coupling and cross-linkages between energy carriers. The scenarios' development, the process of identifying infrastructure needs and the methodologies for cost-benefit analysis should be based on an integrated, long-term and optimised 'one energy system' approach and modelling which uses common assumptions and consistent methodologies. Greater coordination of infrastructure planning across sectors should help prioritise and deploy new infrastructure solutions in a more optimal manner.

(60) The importance of ensuring that only infrastructure projects for which no reasonable alternative solutions exist may receive the status of project of common interest or project of mutual interest also entails that the 'energy efficiency first' principle should be taken into account in the energy infrastructure planning and in the work of the regional groups in establishing the regional lists of proposed projects. In accordance with the energy efficiency first principle, all relevant alternatives to new infrastructure for ensuring future infrastructure needs, should be considered. Special consideration should be given to non-wire or digital solutions, use of demand response or non-fossil flexibility, which could improve overall efficiency of the networks. To this aim, these solutions should be considered with priority by system operators when assessing projects for system expansion. A cost-efficient utilisation of networks should also be incentivised, notably through the use of locational and time-of-use price signals in network charges and support schemes.

(61) To achieve the Union's 2050 climate neutrality objective, the Union needs to significantly scale up renewable electricity generation. Investment in offshore renewable energy should be increased with the aim of reaching at least 350 GW of offshore renewable generation installed in accordance with the cumulative non-binding regional Member States offshore renewable goals updated in December 2024 and supported in the Commission Communication of 24 October 2023 entitled 'Delivering on the EU offshore renewable energy ambitions'[30]. The first Offshore network development plans (ONDPs) published by the ENTSO for Electricity in January 2024 made an important step forward by anchoring Member States offshore regional ambitions in offshore network planning. That should support the identification of cross-border offshore renewable projects, including hybrids and cross-border radials, to ensure an optimized and cost-efficient development of offshore networks at sea-basin level. The strategic long-term logic included in the ONDPs should be extended to onshore electricity grids, as well as hydrogen networks.

(62) The assessment of the benefits and costs of the priority offshore grid corridors for renewable energy should support Member States to carry out a preliminary cost-sharing analysis at priority offshore grid corridor level, in order to underpin the subsequent joint political commitments for cross-border offshore grid projects. The Commission guidance on collaborative investment frameworks for offshore projects of 27 June 2024 should inform the assessment of the benefits and costs of the priority offshore grid corridors for renewable energy and may be updated by the Commission,

[30] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 24 October 2023, Delivering on the EU offshore renewable energy ambitions (COM(2023) 668 final.

with the involvement of the Member States, relevant TSOs, the Agency and the national regulatory authorities, when considered relevant.

(63) The costs of the development, construction, operation and maintenance of projects of common interest should in general be borne by the users of the infrastructure. The cost allocation should ensure that end-users are not disproportionately burdened, especially where that could lead to energy poverty. Projects of common interest should be eligible for cross-border cost allocation where an assessment of market demand, or of the expected effects on tariffs, indicates that costs cannot be expected to be recovered by the tariffs paid by the infrastructure users.

(64) In an increasingly interconnected internal energy market, clear and transparent rules for cross-border cost-allocation are necessary in order to accelerate investment in cross-border infrastructure and in projects with a cross-border impact. As cross-border energy infrastructure becomes more integrated, more projects deliver benefits beyond the territories where they are built. That makes fair and transparent cost-sharing essential to avoid disproportionate burdens on local consumers. The discussion on the appropriate allocation of costs should be based on the analysis of the costs and benefits of an infrastructure project carried out on the basis of a harmonised methodology for energy-system-wide analysis, using the central scenario and any sensitivity analysis established for the purpose of the Union-wide ten-year network development plans prepared pursuant to Regulations (EU) 2019/943 and (EU) 2024/1789, allowing for a robust analysis of the contribution of the project of common interest or mutual interest to the Union energy policies of decarbonisation, market integration, competition, sustainability and security of supply. Member States and national regulatory authorities in which at least 10 % of the benefits of a project are located should participate in discussions on cost allocation to ensure that the project can be implemented and its benefits delivered. Furthermore, cross-border cost allocation agreements should consider ex-post arrangements to ensure fair and proportionate participation of non-host countries, provided that such adjustments are clearly defined and structured in a way that safeguards investment certainty.

(65) It is essential to ensure a stable financing framework for the development of projects of common interest while minimising the need for financial support, and at the same time to encourage interested investors, with appropriate incentives and financial mechanisms. In deciding on cross-border cost-allocation, national regulatory authorities should allocate efficiently incurred investment costs, as relevant in view of their national approaches and methodologies for similar infrastructure, across borders in their entirety and include them in the national tariffs. Afterwards, where relevant, national regulatory authorities should determine whether their impact on national tariffs could represent a disproportionate burden for consumers in their respective Member States. The national regulatory authorities should avoid the risks of double support for projects by taking into account actual or estimated charges and revenues. Those charges and revenues should be taken into account only in so far as they relate to the projects and are designed to cover the costs concerned.

(66) To facilitate discussions on cost-sharing between the relevant Member States and third countries a possibility of bundling projects of common interest and projects of mutual interest should be provided. By allowing groups of Member States to treat a project bundle as mutually beneficial, win-win solutions can be fostered, risks and transaction costs in negotiations reduced, and the likelihood of implementation can be increased. Additional support at Union level, for example through the Connecting Europe

Facility, or at regional level using congestion income, could further facilitate such agreements and promote the timely delivery of priority infrastructure.

(67) Regulation (EU) 2019/943 lays down, in Article 19(2), three priority objectives for the use of revenues resulting from the allocation of cross-zonal capacity, namely: (a) guaranteeing the actual availability of the allocated capacity, including firmness compensation; (b) maintaining or increasing cross-zonal capacities through the optimisation of existing interconnectors or by covering costs resulting from network investments relevant to reducing interconnector congestion; and (c) compensating offshore renewable electricity generation plant operators in the circumstances set out therein. TSOs should ensure that all three priority objectives are fulfilled, including the objective in point (b). In order to facilitate the financing of projects of common interest and projects of mutual interest that reduce interconnector congestion and to bring predictability and transparency to discussions on cross-border cost allocation decisions pursuant to Article 16 of this Regulation, it is appropriate to require TSOs to set aside a limited share of congestion income for such investments. That requirement is without prejudice to the responsibility of TSOs to decide on funding priorities, under the supervision of regulatory authorities and in accordance with the methodology approved pursuant to Article 19(4) of Regulation (EU) 2019/943. That requirement should not apply where it can be demonstrated that there is no need for additional cross-border capacity to be built at the borders of the Member State concerned.

(68) Where there is no TSO in a Member State, the references to TSOs throughout this Regulation should apply mutatis mutandis to distribution system operators (DSO).

(69) The internal energy market legislation requires that tariffs for access to networks provide appropriate incentives for investment. However, several types of projects of common interest are likely to have externalities that might not be fully captured in, and recovered through, the regular tariff system. In applying the internal energy market legislation, national regulatory authorities should ensure a stable and predictable regulatory and financial framework with incentives for projects of common interest, including long-term incentives, that are commensurate with the level of specific risk of the project. That framework should apply in particular to cross-border projects, innovative transmission technologies for electricity allowing for the large scale integration of renewable energy, of distributed energy resources or of demand response in interconnected networks, and energy technology and digitalisation projects, which are either likely to incur higher risks than similar projects located within one Member State or which promise higher benefits for the Union. Moreover, projects with high operational expenditure should also have access to appropriate incentives for investment. In particular, offshore grids for renewable energy, which serve the dual functionality of electricity interconnectors and connecting renewable offshore generation projects, are likely to incur higher risks than comparable onshore infrastructure projects, due to their intrinsic connection to generation assets which brings regulatory risks, financing risks such as the need for anticipatory investments, market risks and risks pertaining to the use of new innovative technologies.

(70) Regulation (EU) 2022/869 has demonstrated the added value of leveraging private funding through significant Union financial assistance to allow the implementation of projects of Union significance. In the light of the economic and financial situation and budgetary constraints, targeted support should continue under the multiannual financial framework, also with a view to de-risking projects and crowding in private investment, in order to maximise the impact of public funding and its benefits to

Union citizens and to attract new investors into the energy infrastructure priority corridors and areas set out in Annex I to this Regulation, while keeping the budgetary contribution of the Union to a minimum.

(71) Projects of common interest should be eligible for Union financial assistance for studies and, under certain conditions, for works pursuant to Regulation (EU) 2021/1153 of the European Parliament and of the Council[31] in the form of grants or innovative financial instruments to ensure that tailor-made support can be provided to those projects of common interest which are not viable under the existing regulatory framework and market conditions. It is important to avoid any distortion of competition, in particular between projects contributing to the achievement of the same Union priority corridor. Such financial assistance should ensure the necessary synergies with other Union funds available for financing smart energy distribution networks, and with the Union renewable energy financing mechanism established by Commission Implementing Regulation (EU) 2020/1294[32].

(72) A three-step logic should apply to investments in projects of common interest. First, the market should have the priority to invest. Second, where investments are not made by the market, regulatory solutions should be explored, the relevant regulatory framework should be adjusted where necessary, and the correct application of the relevant regulatory framework should be ensured. Third, where the first two steps are not sufficient to deliver the necessary investments in projects of common interest, it should be possible to grant Union financial assistance where the project of common interest fulfils the applicable eligibility criteria.

(73) Projects of common interest and projects of mutual interest should not be eligible for Union financial assistance where the project promoters, operators or investors are in one of the situations of exclusion referred to in Article 138 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council[33], such as in cases of a conviction for fraud, corruption or conduct related to a criminal organisation. It should be possible to remove a project of common interest from the Union list if its inclusion in that list was based on incorrect information which was a determining factor for that inclusion, or if the project does not comply with Union law. For a project of common interest located in the Member States benefiting from a derogation under this Regulation, those Member States should ensure, when supporting any applications for financing pursuant to Regulation (EU) 2022/869 for such projects, that the projects do not benefit directly or indirectly persons or entities that are in one of the situation of exclusion as referred to in Article 138 of Regulation (EU, Euratom) 2024/2509.

(74) Grants for works related to projects of mutual interest should be available under the same conditions as for projects of common interest where they contribute to the

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31 Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249, 14.7.2021, p. 38, http://data.europa.eu/eli/reg/2021/1153/oj).

32 Commission Implementing Regulation (EU) 2020/1294 of 15 September 2020 on the Union renewable energy financing mechanism (OJ L 303, 17.9.2020, p. 1, http://data.europa.eu/eli/reg_impl/2020/1294/oj).

33 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, http://data.europa.eu/eli/reg/2024/2509/oj).

Union's overall energy and climate policy objectives and where the decarbonisation objectives of the third country are consistent with the Paris Agreement.

(75) The Union should facilitate energy projects in disadvantaged, less connected, peripheral, outermost or isolated regions to enable access to the trans-European energy networks in order to accelerate the decarbonisation process and reduce dependency on fossil fuels.

(76) In accordance with the European Council conclusions of 4 February 2011 that no Member State should remain isolated from the European gas and electricity networks after 2015 or see its energy security jeopardised by lack of the appropriate connections, this Regulation aims to ensure access to the trans-European energy networks by ending the energy isolation of Cyprus and Malta, that are still not interconnected to the trans-European gas network. That objective should be attained by allowing projects under development or planning that have been granted the status of project of common interest under Regulation (EU) 2022/869 to maintain their status until Cyprus and Malta are interconnected to the trans-European gas network or until 31 December 2029, whichever is earliest. Apart from contributing to the development of the renewable energy market, the flexibility and resilience of the energy system, and the security of supply, those projects would ensure access to future energy markets, including hydrogen, and contribute to achieving the Union's overall energy and climate policy objectives.

(77) To ensure consistency of proposed changes under this Regulation with the Union framework on electricity, gases and hydrogen markets, corresponding amendments are proposed to Articles 3 and 11 of Regulation (EU) 2019/942 of the European Parliament and of the Council[34], Article 48 of Regulation (EU) 2019/943 and Articles 60 and 61 of Regulation (EU) 2024/1789. Those amendments relate to the use of the central scenario in the Union-wide ten-year network development plan, consideration of non-wire solutions and other alternatives to system expansion and clarifying the time scope of the plans. Those Regulations should therefore be amended accordingly.

(78) In order to ensure the timely development of essential energy infrastructure projects for the Union, the third Union list of projects of common interest and projects of mutual interest should remain in force until the first Union list of projects of common interest and projects of mutual interest established pursuant to this Regulation enters into force. Moreover, to enable the development, monitoring and financing of the projects of common interest on the third Union list pursuant to the Regulation (EU) 2022/869, certain provisions of Regulation (EU) 2022/869 should remain in force and produce effects until the entry into force of the first Union list of projects of common interest and projects of mutual interest established pursuant to this Regulation.

(79) In order to ensure that the Union list is limited to projects which contribute the most to the implementation of the strategic energy infrastructure priority corridors and areas set out in Annex I to this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in order to amend the annexes to this Regulation so as to establish and review the Union list, while

[34] Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (OJ L 158, 14.6.2019, p. 22, ELI: http://data.europa.eu/eli/reg/2019/942/oj.)

respecting the right of the Member States to approve projects on the Union list related to their territories.

(80) The power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission to develop the central scenario, which is a basis for the Union-level network planning.

(81) The power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission to specify the conditions under which TSOs may use congestion income and the conditions under which the objective of Article 19(2), point (b), of Regulation (EU) 2019/943 is considered adequately fulfilled.

(82) It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making[35]. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(83) The discussions in the Groups are instrumental for the Commission to adopt the delegated acts establishing the Union list. Therefore, it is appropriate that, to the extent possible, the European Parliament and the Council are informed about the results, and may send experts to the meetings of Groups in accordance with the Interinstitutional Agreement of 13 April 2016 on Better Law Making. Taking into account the need to ensure the achievement of the objectives of this Regulation and, in view of the number of projects on Union lists so far, the total number of projects on the Union list should remain manageable and therefore should not significantly exceed 220.

(84) Therefore, Regulations (EU) 2019/942, (EU) 2019/943 and (EU) 2024/1789 should be amended accordingly, and Regulation (EU) 2022/869 should be repealed.

(85) Since the objectives of this Regulation, namely the development and interoperability of trans-European energy networks and connection to such networks that contribute to ensuring climate change mitigation, in particular achieving the Union's targets for energy and climate and its climate neutrality objective by 2050 at the latest, and to ensuring interconnections, energy security, market and system integration, competition that benefits all Member States, and affordable energy prices, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the proposed action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

[35] Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2016/512/oj).

HAVE ADOPTED THIS REGULATION:

# CHAPTER I

# General provisions

*Article 1*

***Subject matter and scope***

1. This Regulation lays down guidelines for the timely development and interoperability of the priority corridors and areas of trans-European energy infrastructure (energy infrastructure priority corridors and areas) set out in Annex I, that contribute to ensuring climate change mitigation, in particular achieving the Union's targets for energy and climate and its climate neutrality objective by 2050 at the latest, and to ensuring interconnections, energy security, market and system integration and competition that benefits all Member States, as well as affordability of energy prices.

2. In particular, this Regulation:

   (a) provides for the identification of projects of common interest and of projects of mutual interest on the Union list;

   (b) facilitates the timely implementation of projects on the Union list by streamlining, coordinating more closely and accelerating permit-granting processes, and by enhancing transparency and public participation;

   (c) provides rules for the cross-border allocation of costs and risk-related incentives for projects on the Union list;

   (d) determines the conditions for eligibility of projects on the Union list for Union financial assistance.

*Article 2*

***Definitions***

For the purposes of this Regulation, in addition to the definitions in Regulations (EU) 2018/1999, (EU) 2019/942 and (EU) 2019/943 and (EU) 2024/1789, and in Directive (EU) 2018/2001 of the European Parliament and of the Council[36] and Directives (EU) 2019/944 and (EU) 2024/1788 the following definitions apply:

(1) 'energy infrastructure' means any physical equipment or facility falling under the energy infrastructure categories set out in Annex II which is located within the Union, or linking the Union and third countries;

[36] Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82, ELI: http://data.europa.eu/eli/dir/2018/2001/oj).

(2) ‘energy infrastructure bottleneck’ means limitation of physical flows in an energy system due to insufficient transmission capacity, which includes, inter alia, the absence of infrastructure;

(3) ‘comprehensive decision’ means the binding document, available to project promoters in writing or electronic form, comprised of, or containing, the decision or set of decisions taken by a Member State authority or authorities other than courts or tribunals, that determines whether or not a project promoter is authorised to build the energy infrastructure to realise a project of common interest or a project of mutual interest by having the possibility to start, or procure and start, the necessary construction works (ready-to-build phase) without prejudice to any decision taken in the context of an administrative appeal procedure;

(4) ‘project’ means one or several lines, pipelines, facilities, equipment or installations falling under the energy infrastructure categories set out in Annex II;

(5) ‘project of common interest’ means a project which is necessary to implement the energy infrastructure priority corridors and areas set out in Annex I and which is on the Union list;

(6) ‘project of mutual interest’ means a project promoted by the Union in cooperation with a third country, which is supported by the governments of the directly affected countries, contributes to the Union’s 2050 climate neutrality objective, is on the Union list, and falls under one of the infrastructure categories for electricity set out in points (1)(a), (d) or (h) of Annex II, and links the Union electricity system with the electricity grid of a third country, or falls under one of the infrastructure categories for hydrogen set out in point (2) of Annex II, or falls under one of the infrastructure categories for CO2 set out in points (4)(a) or (c) of that Annex;

(7) ‘competing projects’ means projects that fully or partially address the same identified infrastructure need;

(8) ‘project promoter’ means one of the following:

(a) a transmission system operator (TSO), a distribution system operator (DSO), a hydrogen network operator (HNO) or another operator or investor developing a project on the Union list;

(b) in the case of more than one such TSO, DSO, HNO, other operator or investor, or any group thereof, the entity with legal personality under the applicable national law which has been designated by contractual arrangement between them and which has the capacity to undertake legal obligations and assume financial liability on behalf of the parties to the contractual arrangement;

(9) ‘smart electricity grid’ means an electricity network, including on islands that are not interconnected or not sufficiently connected to the trans-European energy networks, that enables cost-efficient integration and active control of the behaviour and actions of all users connected to it, including generators, consumers and prosumers, in order to ensure an economically efficient and sustainable power system with low losses and a high level of integration of renewable sources, of security of supply and of safety, and in which the grid operator can digitally monitor the actions of the users connected to it, and

information and communication technologies for communicating with related grid operators, generators, energy storage facilities, and consumers or prosumers, with a view to transmitting and distributing electricity in a sustainable, cost-efficient and secure way;

(10) ‘national regulatory authority’ means a national regulatory authority designated in accordance with Article 76(1) of Directive (EU) 2024/1788 or a regulatory authority at national level designated in accordance with Article 57 of Directive (EU) 2019/944;

(11) ‘relevant national regulatory authority’ means the national regulatory authority in the Member States hosting the projects and in Member States to which the project provides a significant positive impact;

(12) ‘authority concerned’ means an authority that, under national law, is competent to issue various permits and authorisations related to the planning, design and construction of immovable assets necessary to complete a project of common interest or a project of mutual interest, including energy infrastructure in itself, and the authority competent to issue permits and authorisations related to the works necessary to complete the project;

(13) ‘works’ means the purchase, supply and deployment of components, systems and services including software, the carrying out of development, repurposing and construction and installation activities relating to a project, the acceptance of installations and the launching of a project;

(14) ‘studies’ means activities required to prepare project implementation, such as preparatory, feasibility, evaluation, testing and validation studies, including software, and any other technical support measure including prior action to define and develop a project and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package;

(15) ‘commissioning’ means the process of bringing a project into operation once it has been constructed;

(16) ‘dedicated hydrogen assets’ means hydrogen infrastructure designed for the exclusive use or transport of pure hydrogen without the need for any further adaptation works, including pipeline networks or storage facilities that are newly constructed, repurposed from natural gas assets, or both;

(17) ‘repurposing’ means the technical upgrading or modification of existing natural gas infrastructure in order to ensure that it is dedicated to the exclusive use of hydrogen;

(18) ‘climate adaptation’ means a process that ensures that resilience to the potential adverse impacts of climate change of energy infrastructure is achieved through a climate vulnerability and risk assessment, including through relevant adaptation measures;

(19) ‘non-wire solutions’ means investments in the energy infrastructure in electricity, which can increase the available grid capacity or improve the efficiency of grid operation by deploying grid enhancing technologies, including digital solutions.

# CHAPTER II

## Projects of common interest and projects of mutual interest

*Article 3*

***Union list of projects of common interest and projects of mutual interest***

1. Regional groups ('Groups') shall be established in accordance with the process set out in Section 1 of Annex III. The membership of each Group shall be based on each priority corridor and area and their respective geographical coverage as set out in Annex I. The Groups can merge or meet in different configurations as necessary. The cross-regional meeting configuration of all Groups shall be the TEN-E Group. Decision-making power in the Groups shall be restricted to Member States and the Commission (together referred to as 'the decision-making body') and shall be based on consensus.

2. The TEN-E Group shall adopt rules of procedure, having regard to the provisions set out in Annex III. Those rules of procedure shall apply to all Groups.

3. The decision-making body of each Group shall adopt a regional list of projects drawn up in accordance with: the process set out in Section 2 of Annex III; the contribution of each project to implementing the energy infrastructure priority corridors and areas set out in Annex I; and their fulfilment of the criteria set out in Article 4.

   Where the decision-making body of a Group draws up its regional list:

   (a) each individual proposal for a project shall require the approval of the Member States to whose territory the project relates; where a Member State does not give its approval, it shall present its substantiated reasons to the decision-making body;

   (b) it shall take into account advice from the Commission with the aim of having a manageable total number of projects on the Union list.

4. The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Regulation by establishing the Union list, subject to Article 172, second paragraph, of the Treaty.

   The Union list shall be established every two years, on the basis of the regional lists adopted by the decision-making bodies of the Groups established pursuant to Section 1, point (1), of Annex III, following the procedure set out in paragraph 3 of this Article.

   The Commission shall adopt the delegated act establishing the first Union list pursuant to this Regulation by 30 November 2029.

   If a delegated act adopted by the Commission pursuant to this paragraph cannot enter into force due to an objection expressed either by the European Parliament or the Council pursuant to Article 23(6), the Commission shall immediately convene the Groups in order to draw up new regional lists taking into account the reasons for the objection. The Commission shall adopt a new delegated act establishing the Union list as soon as possible.

5. When establishing the Union list by combining the regional lists referred to in paragraph 3, the Commission shall, taking due account of the deliberations of the Groups:

(a) ensure that only projects that fulfil the criteria referred to in Article 4 are included;

(b) ensure cross-regional consistency;

(c) take into account the opinions of Member States referred to in Section 2, point (10), of Annex III;

(d) aim to ensure a manageable total number of projects on the Union list.

6. Projects of common interest and projects of mutual interest that fall under the energy infrastructure categories set out in points (1)(a), (b), (c), (d), (f) and (h) of Annex II, as relevant, shall become an integral part of the relevant regional investment plans adopted in accordance with Article 34 of Regulation (EU) 2019/943 and of the relevant national ten-year network development plans adopted in accordance with Article 51 of Directive (EU) 2019/944. Projects of common interest and projects of mutual interest that fall under the energy infrastructure categories set out in point (2) of Annex II ,as relevant, shall become an integral part of the ten-year network development plan for hydrogen under Article 55 of Directive (EU) 2024/1788 and other national infrastructure plans, as appropriate. Those projects of common interest and projects of mutual interest shall be conferred the highest possible priority within each of those national plans. This paragraph shall not apply to competing projects or projects that have not reached a sufficient degree of maturity to provide a project-specific cost-benefit analysis as referred to in Section 2, point (1)(d), of Annex III.

7. Projects of common interest and projects of mutual interest that fall under the energy infrastructure categories set out in points (1)(a), (b), (c), (d), (f) and (h) and point (2) of Annex II, as relevant, and that are competing projects or projects that have not reached a sufficient degree of maturity to provide a project-specific cost-benefit analysis as referred to in Section 2, point (1)(d), of Annex III may be included in the relevant regional investment plans, the national ten-year network development plans and other national infrastructure plans, as appropriate, as projects under consideration.

*Article 4*

***Criteria for the assessment of projects by the Groups***

1. A project of common interest shall meet the following general criteria:

(a) the project is necessary for at least one of the energy infrastructure priority corridors and areas set out in Annex I;

(b) the potential overall benefits of the project, assessed in accordance with the relevant specific criteria in paragraph 3, outweigh its costs, including in the longer term;

(c) the project meets any of the following criteria:

(i) it involves at least two Member States by directly or indirectly, via interconnection with a third country, crossing the border of two or more Member States;

(ii) it is located in the territory of one Member State, either inland or offshore, including islands, and has a significant cross-border impact as set out in point (1) of Annex IV.

2. A project of mutual interest shall meet all of the following general criteria:

(a) the project contributes significantly to the objectives referred to in Article 1(1), and those of the third country, in particular by not hindering the capacity of the third country to phase out fossil fuel generation assets for its domestic consumption, and to sustainability;

(b) the potential overall benefits of the project, assessed in accordance with the relevant specific criteria in paragraph 3, for the Union, or cumulatively for the Union and the Energy Community contracting party or the EEA country directly involved in the project, outweigh its costs for the Union, or cumulatively for the Union and the Energy Community contracting party or EEA country, as relevant, including in the longer term;

(c) the project connects directly the territory of at least one Member State with the territory of a third country by connecting directly the relevant Member State with the first connection point in the electricity network of the third country or the first hydrogen or $CO_2$ connection point in the third country, and has a significant cross-border impact as set out in point (2) of Annex IV;

(d) for the part of the project located in Member State territory, the project is in accordance with Directives (EU) 2019/944 and (EU) 2024/1788 where it falls within the infrastructure categories set out in points (1) and (2) of Annex II to this Regulation;

(e) there is a high level of convergence of the policy framework of the third country involved and legal enforcement mechanisms are demonstrated in order to support the policy objectives of the Union, in particular to ensure:

(i) the well-functioning of the internal energy market in the Union;

(ii) network security and security of supply in the Union based, inter alia, on diverse sources, cooperation and solidarity;

(iii) an energy system, including production, transmission and distribution, moving towards the objective of climate neutrality, in accordance with the Paris Agreement and the Union's targets for energy and climate and its 2050 climate neutrality objective, in particular, avoiding carbon leakage;

(f) the third country involved supports the priority status of the project, as set out in Article 7, and other investments in the third country necessary for the benefits of the project to materialise as referred to in point (b) of this paragraph, and commits explicitly to complying with a similar timeline for accelerated implementation and other policy and regulatory support measures as applied to projects of common interest in the Union.

As regards projects for the storage of carbon dioxide falling under the energy infrastructure category set out in point (4)(c) of Annex II, the project shall be necessary to allow the cross-border transport and storage of carbon dioxide and the third country where the project is located shall have an adequate legal framework based on demonstrated effective enforcement mechanisms to ensure that standards and safeguards apply to the project, which prevent any carbon dioxide leaks. In

relation to climate, human health and ecosystems, the safety and effectiveness of the permanent storage of carbon-dioxide shall be ensured, and shall at least attain the same level as those provided by Union law.

3. The following specific criteria shall apply to projects of common interest and projects of mutual interest, as relevant, falling within specific energy infrastructure categories:

(a) for electricity transmission, distribution and storage projects falling under the energy infrastructure categories set out in points (1)(a), (b), (c), (d), (f) and (h) of Annex II, the project contributes significantly to sustainability through the integration of renewable energy into the grid, the transmission or distribution of renewable generation to major consumption centres and storage sites, and to reducing energy curtailment, where applicable, and contributes to at least one of the following specific criteria:

(i) market integration, including through lifting the energy isolation of at least one Member State and reducing energy infrastructure bottlenecks, competition, interoperability and system flexibility;

(ii) security of supply, including through interoperability, system flexibility, cybersecurity, appropriate connections and secure and reliable system operation;

(b) for smart electricity grid projects falling under the energy infrastructure category set out in point (1)(g) of Annex II, the project contributes significantly to sustainability through the integration of renewable energy into the grid, and contributes to at least two of the following specific criteria:

(i) security of supply, including through efficiency and interoperability of electricity transmission and distribution in day-to-day network operation, avoidance of congestion, and integration and involvement of network users;

(ii) market integration, including through efficient system operation and use of interconnectors;

(iii) network security, flexibility and quality of supply, including through higher uptake of innovation in balancing, flexibility markets, cybersecurity, monitoring, system control and error correction;

(iv) smart sector integration, either in the energy system through linking various energy carriers and sectors, or in a wider way, favouring synergies and coordination between the energy, transport and telecommunication sectors;

(c) for projects falling under the infrastructure category set out in point (1)(e) of Annex II, the project contributes to the following specific criteria:

(i) security of supply, including by protecting assets from risks and contributing to the measures identified pursuant Articles 7 and 11 of Regulation (EU) 2019/941 on risk-preparedness in the electricity sector;

(ii) network security, including through measures facilitating a higher degree of physical security and cybersecurity, monitoring, and system control;

(d) for carbon dioxide transport and storage projects falling under the energy infrastructure categories set out in point (4) of Annex II, the project contributes

significantly to sustainability through the reduction of carbon dioxide emissions in the connected industrial installations and contributes to all of the following specific criteria:

(i) avoiding carbon dioxide emissions while maintaining security of supply;

(ii) increasing the resilience and security of transport and storage of carbon dioxide;

(iii) the efficient use of resources, by enabling the connection of multiple carbon dioxide sources and storage sites via common infrastructure and minimising environmental burden and risks;

(e) for hydrogen projects falling under the energy infrastructure categories set out in point (2) of Annex II, the project contributes significantly to sustainability, including by reducing greenhouse gas emissions, by enhancing the deployment of renewable or low carbon hydrogen, with an emphasis on hydrogen from renewable sources in particular in end-use applications, such as hard-to-abate sectors, in which more energy efficient solutions are not feasible, and supporting variable renewable power generation by offering flexibility, storage solutions, or both, and the project contributes significantly to at least one of the following specific criteria:

(i) market integration, including by connecting existing or emerging hydrogen networks of Member States, or otherwise contributing to the emergence of an Union-wide network for the transport and storage of hydrogen, and ensuring interoperability of connected systems;

(ii) security of supply and flexibility, including through appropriate connections and facilitating secure and reliable system operation;

(iii) competition, including by allowing access to multiple supply sources and network users on a transparent and non-discriminatory basis;

(f) for electrolysers falling under the energy infrastructure category set out in point (3) of Annex II, the project contributes significantly to all of the following specific criteria:

(i) sustainability, including by reducing greenhouse gas emissions and enhancing the deployment of renewable or low-carbon hydrogen in particular from renewable sources, as well as synthetic fuels of those origins;

(ii) security of supply, including by contributing to secure, efficient and reliable system operation, or by offering storage, flexibility solutions, or both, such as demand side response and balancing services;

(iii) enabling flexibility services such as demand response and storage by facilitating smart energy sector integration through the creation of links to other energy carriers and sectors.

4. For projects falling under the energy infrastructure categories set out in Annex II, the criteria set out in paragraph 3 of this Article shall be assessed in accordance with the indicators set out in points (3) to (8) of Annex IV.

5. In order to facilitate the assessment of all projects that could be eligible as projects of common interest and that could be included in a regional list, each Group shall assess each project's contribution to the implementation of the same energy infrastructure

priority corridor or area in a transparent and objective manner. Each Group shall determine its assessment method on the basis of the aggregated contribution to the criteria referred to in paragraph 3. That assessment shall lead to a ranking of projects for internal use of the Group. Neither the regional list nor the Union list shall contain any ranking, nor shall the ranking be used for any subsequent purpose except as referred to in Section 2, point (15), of Annex III.

In assessing projects, in order to ensure a consistent assessment approach among the Groups, each Group shall give due consideration to:

(a) the urgency and the contribution of each proposed project in order to meet the Union's targets for energy and climate and its 2050 climate neutrality objective, market integration, competition, sustainability, and security of supply;

(b) the complementarity of each proposed project with other proposed projects, including competing or potentially competing projects;

(c) possible synergies with priority corridors and thematic areas identified under trans-European networks for transport and telecommunications;

(d) for proposed projects that are, at the time of the assessment, projects on the Union list, the progress of their implementation and their compliance with the reporting and transparency obligations provided by this Regulation;

(e) any third country direct or indirect ownership as beneficiary, shareholder or ultimate beneficiary as project promoter in any of the proposed projects.

As regards smart electricity grids falling under the energy infrastructure category set out in point (1)(g) of Annex II, and for projects falling under the energy infrastructure categories set out in point (1)(e) of Annex II, ranking shall be carried out for those projects that affect the same two Member States, and due consideration shall also be given 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 those users.

*Article 5*

***Implementation and monitoring of projects on the Union list***

1. Project promoters shall draw up an implementation plan for projects on the Union list within two months of their inclusion on the Union list, with a timetable including all of the following:

(a) feasibility and design studies including risk assessment studies as regards climate adaptation and physical and cyber security, building on the requirements of Directives (EU) 2022/2557 and (EU) 2022/2555, where applicable, as well as compliance with environmental legislation, and with the 'do no significant harm' principle;

(b) approval by the national regulatory authority or by any other authority concerned;

(c) construction and commissioning;

(d) the permit-granting process referred to in Article 10(9), point (c).

2. TSOs, DSOs, HNOs and other operators shall cooperate with each other in order to facilitate the development of projects on the Union list in their area.

3. The Agency for the Cooperation of Energy Regulators ('the Agency') and the Groups concerned shall monitor the progress achieved in implementing the projects on the Union list and, where necessary, make recommendations to facilitate their implementation. The Groups may request additional information in accordance with paragraphs 4, 5 and 6, convene meetings with the relevant parties and invite the Commission to verify the information provided on site.

4. By 31 December of the year in which the Union list where the project is included enters into force and starts to produce effects, and every subsequent year, project promoters shall submit a report for each project of common interest and project of mutual interest they promote, to the national competent authority referred to in Article 8(1).

   That report shall include details of:

   (a) the progress achieved in the development, construction and commissioning of the project as set out in the implementation plan referred to in paragraph 1 of this Article, in particular with regard to the permit-granting process and the consultation procedure, as well as compliance with environmental legislation, with the principle that the project does 'no significant harm' to the environment, climate adaptation measures taken, and mitigation measures taken resulting from the risks assessed as regards the project under Article 5(1), point (a), where relevant and building on the requirements of Directives (EU) 2022/2557 and (EU) 2022/2555 where applicable;

   (b) where relevant, delays compared to the implementation plan, the reasons for such delays and other difficulties encountered;

   (c) where relevant, a revised implementation plan aiming to overcome the delays.

5. By 28 of February of each year following the submission by the project promoter of the report referred in paragraph 4 of this Article, the competent authorities referred to in Article 8(1) shall submit to the Agency and to the relevant Group the report referred to in paragraph 4 of this Article supplemented with information on the progress and, where relevant, on delays in the implementation and permit-granting processes of projects on the Union list located in their respective territory, including the reasons for such delays. The contribution of competent authorities to the report shall be clearly marked and drafted without modifying the text of the report provided by project promoters.

6. By 30 April of each year in which a new Union list should be adopted, the Agency shall submit to the Groups a consolidated report for the projects on the Union list that are subject to the competence of national regulatory authorities, evaluating the progress achieved and expected changes in project costs, and, where appropriate, make recommendations on how to overcome the delays and difficulties encountered. That consolidated report shall also evaluate the implementation of Article 3(6) and (7) as regards projects of common interest and projects of mutual interest.

   In duly justified cases, the Agency may request additional information from competent authorities necessary for carrying out its tasks set out in this paragraph.

7. Where the commissioning of a project on the Union list is delayed when compared to the implementation plan, other than for overriding reasons beyond the control of the project promoter, the following measures shall apply:

(a) in so far as measures referred to in Article 55(7), points (a), (b) or (c), of Directive (EU) 2024/1788 and Article 51(7), points (a), (b) or (c), of Directive (EU) 2019/944 are applicable in accordance with respective national law, national regulatory authorities shall ensure that the investment is carried out;

(b) where the measures of national regulatory authorities pursuant to point (a) of this paragraph are not applicable, the project promoter shall, within 12 months of the date of commissioning set out in the implementation plan, choose a third party to finance or construct all or part of the project;

(c) where a third party is not chosen in accordance with point (b), the Member State or, where the Member State has so provided, the national regulatory authority may, within two months of the expiry of the period referred to in point (b), designate a third party to finance or construct the project which the project promoter shall accept;

(d) where the delay compared to the date of commissioning in the implementation plan exceeds 26 months, the Commission, subject to the agreement and with the full cooperation of the Member States concerned, may launch a call for proposals open to any third party capable of becoming a project promoter to build the project in accordance with an agreed timetable;

(e) where measures referred to in point (c) or (d) are applied, the system operator in whose area the investment is located shall: provide the implementing operators or investors or third party with all the information required to realise the investment; connect new assets to the transmission network; or, where applicable, the distribution network and shall generally make its best efforts to facilitate the implementation of the investment and the secure, reliable and efficient operation and maintenance of the project on the Union list.

8. A project on the Union list may be removed from the Union list in accordance with the procedure set out in Article 3(4) if its inclusion in that list was based on incorrect information which was a determining factor for that inclusion, or the project does not comply with Union law.

9. Projects which are no longer on the Union list shall lose all rights and obligations linked to the status of project of common interest or project of mutual interest provided for in this Regulation.

However, a project which is no longer on the Union list but for which an application file has been accepted for examination by the competent authority shall maintain the rights and obligations laid down in Chapter III, except where the project has been removed from the Union list for the reasons set out in paragraph 8 of this Article.

10. This Article shall be without prejudice to any Union financial assistance granted to any project on the Union list prior to its removal from the Union list.

*Article 6*

***European coordinators***

1. Where a project of common interest or a project of mutual interest encounters significant implementation difficulties, the Commission may designate, in agreement with the Member States concerned, a European coordinator for a period of up to one year, renewable twice.

2. The European coordinator shall:

   (a) promote the projects, for which they have been designated as a European coordinator, and the cross-border dialogue between the project promoters and all stakeholders concerned;

   (b) assist and coordinate all parties as necessary in consulting the stakeholders concerned, discussing alternative routing, where appropriate, and obtaining necessary permits for the projects;

   (c) where appropriate, advise project promoters on the financing of the project;

   (d) ensure that appropriate support and strategic direction by the Member States concerned are provided for the preparation and implementation of the projects;

   (e) starting from the date of their designation submit every year, and, where appropriate, upon completion of their mandate, a report to the Commission on the progress of the projects and on any difficulties and obstacles which are likely to significantly delay the commissioning date of the projects; where appropriate, the report shall make recommendations to overcome obstacles and difficulties.

   The Commission shall transmit the report of the European coordinator referred to in point (e) of the first subparagraph to the European Parliament and the Groups concerned.

3. The European coordinator shall be chosen following an open, non-discriminatory and transparent process and on the basis of a candidate's experience with regard to the specific tasks they have been assigned for the projects concerned.

4. The decision designating the European coordinator shall specify the terms of reference, detailing the duration of the mandate, the specific tasks and corresponding deadlines, and the methodology to be followed. The coordination effort shall be proportionate to the complexity and estimated costs of the projects.

5. The Member States concerned shall fully cooperate with the European coordinator in the execution of the tasks referred to in paragraphs 2 and 4.

# CHAPTER III

## Permit-granting and public participation

*Article 7*

***Priority status of projects on the Union list***

1. The Union list shall establish, for the purposes of any decisions issued in the permit-granting process, the necessity of projects on the Union list from an energy policy and climate perspective, without prejudice to the exact location, routing or technology of the project.

   The first subparagraph shall not apply to competing projects or to projects that have not reached a sufficient degree of maturity to provide a project specific cost-benefit analysis as referred to in Section 2, point (1)(d), of Annex III.

2. For the purpose of ensuring efficient administrative processing of the application files related to projects on the Union list, project promoters and all authorities concerned shall ensure that those files are treated in the most rapid way possible in accordance with Union and national law.

3. Projects on the Union list shall have the status of the highest national significance possible, where such a status exists in national law and be treated as such in the permit-granting process, including those relating to environmental assessments, in spatial planning, and in obtaining rights of way and expropriation of necessary land.

4. All dispute resolution procedures, litigation, appeals and judicial remedies related to projects on the Union list in front of any national courts, tribunals, panels, including mediation or arbitration, where they exist in national law, shall be treated as urgent, if and to the extent to which national law provides for such urgency procedures.

5. With regard to the environmental impacts addressed in Article 6(4) of Directive 92/43/EEC and Article 4(7) of Directive 2000/60/EC, provided that all the conditions set out in those Directives are fulfilled, projects on the Union list falling under the infrastructure categories referred to in points (2), (3), and (4) of Annex II to this Regulation shall be considered as being of public interest from an energy policy perspective, and may be considered as having an overriding public interest.

   Where the opinion of the Commission is required in accordance with Article 6(4) of Directive 92/43/EEC, the Commission and the national competent authority referred to in Article 8 of this Regulation shall ensure that the decision with regard to the overriding public interest of a project is taken within the time limits set in Article 10(1) and (2) of this Regulation.

   The first and second subparagraphs shall not apply to competing projects or to projects that have not reached a sufficient degree of maturity to provide a project specific cost-benefit analysis as referred to in Section 2, point (1)(d), of Annex III.

6. Until climate neutrality is achieved at Union level, in the permit-granting procedure, the planning, construction and operation of projects falling within the infrastructure category referred to in Annex II point (1) fall under the provision of Article 8(8) of Directive (EU) 2019/944 and are presumed as being in the overriding public interest and serving public health and safety when balancing legal interests in individual

cases for the purposes of Article 6(4) and Article 16(1), point (c), of Directive 92/43/EEC, Article 4(7) of Directive 2000/60/EC and Article 9(1), point (a), of Directive 2009/147/EC. Member States may, in duly justified and specific circumstances, restrict the application of the presumption to certain parts of their territory, to certain types of technology or to projects with certain technical characteristics.

Member States shall ensure that, in the planning and permit-granting process, the construction and operation of projects falling under the infrastructure category referred to in point (1) of Annex II are given priority when balancing legal interests in individual cases for other purposes than the ones referred in the first subparagraph with the exception of cultural heritage on the basis of legal criteria to ensure harmonized implementation.

The first subparagraph shall not apply to competing projects or to projects that have not reached a sufficient degree of maturity to provide a project specific cost-benefit analysis as referred to in Section 2, point (1)(d), of Annex III.

7. Until climate neutrality is achieved at Union level, with regard to projects on the Union list falling under the infrastructure categories referred to in point (1) of Annex II to this Regulation which are expressly included in a National Development Plan that has been subject to a strategic environmental assessment in accordance with Directive 2001/42, and, where it is likely to have a significant impact on Natura 2000 sites, to the appropriate assessment pursuant to Article 6(3) of Directive 92/43/EEC, Member States may, insofar as the project complies with and does not go beyond the framework of the assessed National Development Plan:

   (a) exempt those projects from the environmental impact assessment under Article 2(1) of Directive 2011/92/EU, and

   (b) exempt those projects from an assessment of their implications for Natura 2000 sites pursuant to Article 6(3) of Directive 92/43/EEC and from the assessment of their implications on species protection pursuant to Article 12(1) of Directive 92/43/EEC and to Article 5 of Directive 2009/147/EC.

   For projects located in, or crossing, Natura 2000 sites and areas designated under national protection schemes for nature and biodiversity conservation, the exemptions referred to in the first subparagraph shall only be applicable in case there are no proportionate alternatives for their deployment, taking into account the objectives of the site. Projects referred to in Annex II point 1(c) shall exclude Natura 2000 sites and areas designated under national protection schemes.

8. Where Member States apply the exemptions under paragraph 7, they shall ensure that rules on effective mitigation measures to be adopted for the projects on the Union list falling under the infrastructure categories referred to in Annex II point (1) are identified based on the National Development Plan, in order to avoid the adverse environmental impact that may arise or, where that is not possible, to significantly mitigate it. Member States shall ensure that the appropriate mitigation measures are applied in a timely manner to ensure compliance with the obligations laid down in Article 6(2) of Directive 92/43/EEC and Article 4(1), point (a)(i), of Directive 2000/60/EC of the European Parliament and of the Council and to avoid deterioration and achieve good ecological status or good ecological potential in accordance with Article 4(1), point (a), of Directive 2000/60/EC.

Compliance with the rules referred to in the first subparagraph of this paragraph and the implementation of the appropriate mitigation measures by the individual projects shall result in the presumption that projects are not in breach of the provisions mentioned in that subparagraph, without prejudice to paragraph 10 of this Article.

9. Member States shall ensure public participation regarding the National Development Plan in accordance with Articles 6 and 7 of Directive 2001/42/EC, including identifying the public affected or likely to be affected as well as the Member States that may be affected by the implementation of that Plan and the projects on the Union list falling under the infrastructure categories referred to in point (1) of Annex II to this Regulation included in that Plan.

10. For projects for which Member States decide to apply exemptions under paragraph 7, the competent authorities shall carry out a screening to identify:

    (a) if the project is likely to give rise to significant adverse effects, which were not identified during the environmental assessment of the National Development Plan carried out pursuant to Directive 2001/42/EC and, where relevant, to Directive 92/43/EEC.

    (b) if the project falls within the scope of Article 7 of Directive 2011/92/EU and Article 2 of the Convention on environmental impact assessment in a transboundary context due to its likelihood of significant effects on the environment in another Member State or due to the request of a Member State which is likely to be significantly affected.

    This screening referred to in the first subparagraph shall be finalised within 45 days from the notification of the project promoter referred to in paragraph 5 of Article 10.

11. Where a project on the territory of a Member State is likely to have significant effects on the environment of other Member States, the Member State where the project is located shall ensure the application of Article 7 of Directive 2011/92/EU and Articles 2 to 7 of the Convention on environmental impact assessment in a transboundary context.

12. Where the screening process identifies a project to be highly likely to give rise to significant unforeseen adverse effects as referred to in paragraph 10 of this Article, the competent authorities shall inform the project promoter that assessments referred to in points (a) and (b) of paragraph 7 of this Article are required and ensure that on the basis of existing data, appropriate and proportionate mitigation measures are applied for these projects to ensure compliance with Articles 12(1) of Directive 92/43/EEC and Article 5 of Directive 2009/147/EC. Where it is not possible to apply such mitigation measures, the competent authorities shall ensure that project promoters adopt appropriate compensatory measures to address those effects, which, if other proportionate compensatory measures are not available, may take the form of a monetary compensation for species protection programmes, in order to secure or improve the conservation status of the species affected.

13. When assessing whether satisfactory alternative solutions to projects on the Union list falling under the infrastructure categories referred to in points (2), (3) and (4) of Annex II to this Regulation, exist for the purposes of Articles 6(4) and Article 16(1) of Directive 92/43/EEC, Article 4(7), point (d), of Directive 2000/60/EC and Article 9(1) of Directive 2009/147/EC, the condition of having no satisfactory alternatives shall be fulfilled if there are no satisfactory alternative solutions capable of achieving the same objective of the project in question, in terms of the development of the

same capacity through the same technology within the same or similar timeframe and without resulting in significantly higher costs.

14. When implementing compensatory measures for projects on the Union list falling under the infrastructure categories referred to in points (2), (3) and (4) of Annex II to this Regulation for the purpose of Article 6(4) of Directive 92/43/EEC, Member States may, in justified cases and where it can be reasonably demonstrated that the plan or project would not irreversibly affect the ecological processes essential for maintaining the structure and functions of the site and would compromise the overall coherence of the Natura 2000 network before compensatory measures are put into place, allow for such compensatory measures to be carried out in parallel with the implementation of the project. Member States may allow, in accordance with the precautionary principle, for those compensatory measures to be adapted over time, depending on whether the significant negative effects are expected to arise in the short, medium or long term.

15. Regarding the assessment, satisfactory alternative solutions to projects falling under the infrastructure category referred to in point (1) of Annex II to this Regulation and the implementation of compensatory measures for those projects, Article 8a of Directive (EU) 2019/944 shall apply.

*Article 8*

***Organisation of the permit-granting process***

1. Each Member State shall ensure that one single national competent authority is responsible for:

   (a) acting as the sole point of contact for project promoters in the permit-granting process, replying to their queries, mediating all contacts with the authorities concerned and support them with knowledge and information aiming at the fastest process possible;

   (b) receiving permitting-granting applications from promoters of projects on the Union list and all relevant documents in electronic form and disseminating them across authorities concerned;

   (c) facilitating and coordinating the permit-granting process of projects on the Union list in their territory with other authorities concerned, determining in cooperation with them, what authorisations, permits and assessments are required to complete the permit-granting process and reach a comprehensive decision in accordance with paragraph 3. This includes the scope and level of detail of the studies, assessment and documentation that project promoters are expected to produce;

   (d) cooperating and communicating with national competent authorities of other Member States to facilitate and coordinate the permit-granting process for projects on the Union list in their territory, and permitting authorities in third countries as regards projects of mutual interest, including: aligning public consultations for cross-border projects, in accordance with Article 9(5); sharing information on likely significant transboundary impacts, in accordance with Article 9(6); aligning the timeline and requirements for studies, permits or authorisations to be conducted; and, organising the pre-application procedure in accordance with Article 10(9);

(e) monitoring the development and delays of projects on the Union list within their territory of responsibility, including by receiving and approving reports submitted by project promoters in accordance with Article 5(4) and reporting to the Agency and relevant Groups on the development and delays of projects on the union list located in their territory in accordance with Article 5(5).

In case of update to, or changes of, the designated national competent authority, Member States shall notify the Commission as soon as the change is decided and inform when such changes produce effects.

2. The responsibilities of the national competent authority referred to in paragraph 1 and the tasks related to it may be delegated to another authority, per project on the Union list or per particular category of projects on the Union list, or per geographical area, provided that:

(a) the national competent authority notifies the Commission of that delegation and the information therein is made easily available to the public including on the website referred to in Article 9(7);

(b) only one authority is responsible per project, or category of projects, on the Union list, and it is the sole point of contact for the project promoters, taking upon all responsibilities in the process leading to the comprehensive decision within the legal deadline provided in Article 10(2) and coordinates the submission of all relevant documents and information including to any other authority concerned;

(c) irrespective of the delegation, the national competent authority remains responsible to aggregate the reports submitted by project promoters in accordance with Article 5(4) and report to the Agency and relevant Groups in accordance with Article 5(5).

The national competent authority may also retain the responsibility to establish time limits, without prejudice to the time limits set in Article 10(1) and (2).

3. The national competent authority shall ensure the issuing of the comprehensive decision within the time limits set out in Article 10(1) and (2).

Member States shall choose among the following schemes, taking into account which scheme is most effective in light of national law, national planning and permit-granting process specificities, and whether it can be implemented in a manner that contributes to the most efficient and timely issuing of the comprehensive decision:

(a) integrated scheme:

(i) the comprehensive decision shall be issued by the national competent authority and shall be the sole legally binding decision arising from the statutory permit-granting process;

(ii) where other authorities are concerned by the project, they may, in accordance with national law, give their opinion as input to the procedure, which shall be taken into account by the national competent authority;

(b) coordinated scheme:

(i) the comprehensive decision comprises multiple individual legally binding decisions issued by the several authorities concerned and is coordinated centrally by the national competent authority;

(ii) the national competent authority may establish a working group where all authorities concerned are represented in order to draw up the screening or the detailed schedule for the permit-granting process in accordance with Article 10(9), point (b), and to monitor and coordinate its implementation;

(iii) the national competent authority shall, after consulting the other authorities concerned, establish on a case-by-case basis a reasonable time limit within which the individual decisions shall be issued with the aim to minimise the duration of the process without prejudice to time limits set out in Article 10(1) and (2);

(iv) the national competent authority shall be able to take an individual decision on behalf of another authority concerned, where the decision by that authority is not delivered within the set time limit and where the delay cannot be adequately justified. The national competent authority may also disregard an individual decision of another authority concerned if it considers that the decision is not sufficiently substantiated with regard to the underlying evidence presented by that authority concerned;

(c) collaborative scheme:

(i) the comprehensive decision shall be comprised of multiple individual legally binding decisions issued by several authorities concerned and coordinated by the national competent authority;

(ii) the national competent authority may establish a working group where all authorities concerned are represented in order to draw up the screening or the detailed schedule for the permit-granting process in accordance with Article 10(9), and to monitor and coordinate its implementation;

(iii) the national competent authority shall, after consulting the other authorities concerned, establish on a case-by-case basis a reasonable time limit, within which the individual decisions shall be issued with the aim to minimise the duration of the process, without prejudice to the time limits set in Article 10(1) and (2);

(iv) the national competent authority shall monitor compliance with the time limits by the authorities concerned and, in case of delays, shall take measures with the aim to minimise the duration of the process;

(v) where a Member State chooses the collaborative scheme, it shall inform the Commission of its reasons.

Authorities concerned shall, in accordance with the permitting scheme chosen by Member States, either delegate the necessary competences to the national competent authority or facilitate cooperation and collaboration with the national competent authority to ensure the issuing of the comprehensive decision within the time limits set in Article 10(1) and (2).

Where an authority concerned does not expect to deliver an individual decision within the set time limit, that authority shall immediately inform the national competent authority, providing reasons for the delay. Subsequently, the national

competent authority shall set another time limit within which that individual decision shall be issued, in compliance with the overall time limits set in Article 10(1) and (2).

4. Member States may apply the schemes set out in paragraph 3 to onshore and offshore projects on the Union list.

In the case of projects on the Union list that are intrinsically linked to generation assets, such as the projects included in the infrastructure categories provided by points (1)(b) or (h) of Annex II, the national competent authority shall be responsible for coordinating the permit-granting process of the respective project on the Union list with the permitting of the generation assets so that the timelines are cohesive and together aim at the most efficient and timely permitting of all assets related to the project.

5. Where a project on the Union list is located in the territory of two or more Member States, their respective national competent authorities shall jointly appoint one of them to act as a unique point of contact, responsible for facilitating the exchange of information between the national competent authorities and other authorities concerned on the permit-granting process, as well as, issuing the final comprehensive decisions in cooperation with the other national competent authorities concerned.

Member States shall endeavour to provide a joint procedure which facilitates the cooperation between their respective national competent authorities concerned, create procedural synergies and align timelines to facilitate the permit-granting process for projects, particularly with regard to the assessment of environmental impacts, and the public consultations required under Article 9.

Upon request from Member States, the Commission shall play the role of a facilitator to support cooperation between concerned national competent authorities. The Commission shall facilitate agreement on a unified joint procedure by providing an opinion and making recommendations on procedural aspects.

*Article 9*

***Transparency and public participation***

1. By 24 October 2027, the Member State or national competent authority shall, where necessary, in collaboration with other authorities concerned, publish an updated manual of procedures for the permit-granting process applicable to projects on the Union list to include at least the information specified in point (1) of Annex VI. The manual shall not be legally binding, but it shall refer to or quote relevant legal provisions. The national competent authorities shall, where relevant, cooperate and find synergies with the authorities of neighbouring countries with a view to align timelines and facilitating the permit-granting process for projects, including for the development of the manual of procedures.

2. Without prejudice to public participation requirements under environmental law, the Aarhus Convention, the Espoo Convention and relevant Union law, all parties involved in the permit-granting process shall follow the principles for public participation set out in point (3) of Annex VI.

3. The project promoter shall, within an indicative period of three months following the start of the permit-granting process pursuant to Article 10(5), draw up and submit a

concept for public participation to the national competent authority, following the process outlined in the manual referred to in paragraph 1 of this Article and in accordance with the guidelines set out in Annex VI.

4. The national competent authority shall request modifications or approve the concept for public participation within three months of receipt of the concept, taking into consideration, without the need for repetition, of any form of public participation and consultation that took place before the start of the permit-granting process, to the extent that such public participation and consultation has fulfilled the requirements of this Article.

   Where the project promoter intends to make significant changes to an approved concept for public participation, it shall inform the national competent authority thereof. In that case the national competent authority may request additional modifications.

5. Where it is not already required under national law, the project promoter shall carry out at least one early-stage public consultation, before the submission of the final and complete permitting application to the national competent authority pursuant to Article 10(10). The public consultation may be carried out in combination with any public consultation after submission of the request for development consent pursuant to Article 6(2) of Directive 2011/92/EU.

6. The public consultation required in the previous paragraph shall comply with the minimum requirements set out in point (5) of Annex VI and shall inform the stakeholders referred to in point (3)(a) of Annex VI about the project at an early stage and shall help to identify the most suitable location, trajectory or technology, including, where relevant, in view of adequate climate adaptation and security considerations for the project, all impacts relevant under Union and national law, and the relevant issues to be addressed in the application file.

7. Without prejudice to the procedural and transparency rules in Member States, the project promoters shall publish on the website referred to in paragraph 10 a report summarising the results of activities related to public participation as regards the project including any activities pre-dating the early public consultation, and explaining how the opinions expressed in the public consultations were taken into account, showing the amendments made in the location, trajectory and design of the project, or providing reasons why such opinions have not been taken into account.

   The project promoter shall submit the report together with the application file to the national competent authority. The comprehensive decision shall take due account of the result of this report.

8. For cross-border projects involving two or more Member States, the public consultations carried out pursuant to paragraph 5 in each of the Member States concerned shall, to the extent possible, take place within a period of no more than two months from each other, and, where possible, be combined.

9. For projects likely to have a significant transboundary impact in one or more neighbouring Member States, to which Article 7 of Directive 2011/92/EU and the Espoo Convention are applicable, the relevant information shall be made available to the national competent authorities of the neighbouring Member States concerned. The national competent authorities of the neighbouring Member States concerned shall indicate, in the notification process where appropriate, whether they, or any

other authority concerned, wishes to participate in the relevant public consultation procedures.

10. The project promoter shall establish and regularly update a dedicated project website with relevant information about the project of common interest, which shall be linked to the Commission website and the transparency platform referred to in Article 26 and which shall meet the requirements specified in point (6) of Annex VI. National competent authorities shall check the fulfilment of this obligation by the project promoters and take measures ensuring compliance where necessary.

*Article 10*

***Duration and implementation of the permit-granting process***

1. The permit-granting process shall provide for the following two procedures:

   (a) the optional pre-application procedure, covering the period between the start of the permit-granting process and the acceptance of the submitted complete application file by the national competent authority, which shall take place within a maximum period of 24 months;

   (b) the mandatory statutory permit-granting procedure, covering the period from the date of acceptance of the submitted complete application file until the date of the comprehensive decision, which shall not exceed 18 months.

   With regard to the first subparagraph, point (b), where possible, Member States may provide for a statutory permit-granting procedure that is shorter than 18 months.

2. The national competent authority shall ensure that the combined duration of the two procedures referred to in paragraph 1 does not exceed a period of 42 months.

   However, where the national competent authority considers that one or both of the procedures will not be completed within the time limits set out in paragraph 1, it may extend one or both of those time limits before their expiry and on a case-by-case basis. The national competent authority shall not extend the combined duration of the two procedures for more than six months other than in exceptional circumstances.

   Where the national competent authority extends the time limits, it shall inform the Group concerned of the reasons for such extension and present it with the measures taken, or to be taken, for the conclusion of the permit-granting process, with the least possible delay. The Group may request that the national competent authority reports regularly on the progress achieved in that regard and provide reasons for any delays.

3. Member States shall ensure that the national competent authorities referred to in Article 8(1) have adequate technical, financial and human resources to render a comprehensive decision within the timeframe indicated in Article 10(2).

4. Member States shall ensure that, in the permit-granting procedure referred to in paragraph 1,:

   (a) the lack of reply by the national competent authorities within the deadline established in paragraph 2 results in the comprehensive decision to be considered as approved;

   (b) the lack of reply by other authorities concerned within the reasonable time limit established by a national competent authority in accordance with Article 8(3),

results in their specific opinion, authorisation or permit to be considered as granted or answered positively.

This paragraph does not produce effects for environmental decisions, and where the principle of administrative tacit approval does not exist in the legal system of the Member State concerned.

All decisions shall be made publicly available, including final decisions granted tacitly following the lack of reply by the relevant competent authorities or authorities concerned.

5. When requesting the start of the permit-granting process, the project promoters shall notify the project to the national competent authority of each Member State where the project is located, including in Member States where the project crosses their exclusive economic zone, in written or electronic form and include a reasonably detailed outline of the project.

Within one month of receipt of the notification, the national competent authority shall, in electronic form, either:

(a) issue an acknowledgement of the receipt; or

(b) if the project is not considered to be mature enough to enter the permit-granting process, reject the notification, and provide the reasons for its decision including on behalf of other authorities concerned.

The date of the acknowledgement of receipt shall mark the start of the permit-granting process. Where two or more Member States are concerned, the date of the acceptance of the last notification by the national competent authority concerned shall mark the start of the permit-granting process.

Member States shall ensure that dedicated digital platforms are established to manage permitting applications, permitting processes, ongoing permitting decisions, and decisions issued in an easily accessible format.

Those platforms shall provide access to the relevant environmental and geological data and decisions available in the central online portal referred to in Article 10(3) of Regulation [xxxxx][37] of the European Parliament and of the Council.

6. National competent authorities shall ensure that the permit-granting process is accelerated in accordance with this Chapter for each category of projects of common interest and projects of mutual interest. To that end, the national competent authorities shall adapt their requirements for the start of the permit-granting process and for the acceptance of the complete application file, in accordance with the relevant project category, their nature, dimension, lack of requirement for environmental assessment, or any other assessments under national law, or the fact that they may require less authorisations and approvals to reach the ready-to-build phase.

As such, national competent authorities may decide that the pre-application procedure referred to in paragraphs 1 and 6 of this Article is not necessary in case the project promoter does not require this period to perform studies, assessments and gather data for completing their permitting application file.

[37] [reference to the Regulation on speeding-up environmental assessments]

7. The national competent authorities shall take into consideration, in the screening for establishing the requirements for the permit-granting process, any studies conducted and permits or authorisations issued up to five years before the project entered the permit-granting process in accordance with this Article, including assessments conducted for the deployment of other projects that are relevant and can be reused, and shall not require unnecessary or duplicate studies, assessments, permits or authorisations.

8. In Member States where the determination of a route or location undertaken solely for the specific purpose of a planned project, including the planning of specific corridors for grid infrastructures, cannot be included in the permit-granting process leading to the comprehensive decision, the corresponding decision shall be taken within a separate period of six months, starting on the date of submission of the final and complete application documents by the project promoter.

9. The pre-application procedure shall include: the screening and scoping of the required studies, reports and documentation expected from the project promoter; the drawing up of the detailed schedule; and, the verification of the draft application file, under the following steps:

(a) as soon as possible and no later than three months following the notification by the project promoter referred to in paragraph 5, the national competent authority shall determine, and notify the project promoter of the authorisations, permits and assessments required to complete permit-granting process.

The notification made by the national competent authority shall include the checklist referred to in point (1)(e) of Annex VI, and where relevant, its content shall be established in cooperation with the other authorities concerned and with national competent authorities in the other Member States where the project is located, including if the project crosses their exclusive economic zone.

Where applicable the notification shall detail the conditions for the project to benefit from the exemption of Article 7(7) and identify:

(i) whether the project is highly likely to give rise to significant unforeseen adverse effects in view of the environmental sensitivity of the geographical areas where it is planned, which were not identified during the environmental assessment of the National Development Plans carried out pursuant to Directive 2001/42/EC and, where relevant, to Directive 92/43/EEC;

(ii) the appropriate and proportionate mitigation measures, or monetary compensation for species protection programs applicable to the project in accordance with Article 7(8);

(iii) whether any part of the project is likely to produce significant effects on the environment in another Member State; in such a case the national competent authority of the Member State in which the project is located shall ensure the application of Article 7 of Directive 2011/92/EU and Articles 2 to 7 of the Convention on environmental impact assessment in a transboundary context;

(b) the notification shall also indicate whether the national competent authority approves, or amends, the concept for public participation submitted by the project promoter in accordance with Article 9(3). During the screening period, the national competent authority shall, in cooperation with other authorities concerned, determine the scope and level of detail of the studies, reports and documentations, including assessments required for the environmental permitting of the project, that the project promoter is expected to produce and submit as part of the complete application file.

Neither the national competent authority, nor any of the authorities concerned shall subsequently request any additional information, studies, reports or assessments than the ones determined in this initial screening process, except where a material change has occurred to the project or its surrounding environment. Where such a material change occurs, the national competent authority may request additional information from the project promoter based on a reasoned justification;

(c) the national competent authority shall draw up, in close cooperation with the project promoter and other authorities concerned and the national competent authorities in the other Member States where the project is located, including if the project crosses their exclusive economic zone, and taking into account the results of the activities carried out under point (a) of this paragraph, a detailed schedule for the permit-granting process in accordance with the guidelines set out in point (2) of Annex VI;

(d) upon receipt of the draft application file, the national competent authority may, on its own behalf or on behalf of other authorities concerned, request the project promoter to submit missing information relating to the requested elements referred to in point (a) within a maximum deadline of one month.

The pre-application procedure shall include the preparation of any environmental reports by the project promoters, as necessary, including the climate adaptation and cyber and physical security documentation and assessments.

In cooperation with the project promoter and, as necessary, other authorities concerned or other national competent authorities of other Member States where the project is located, including if the project crosses their exclusive economic zone, the national competent authority may design the requirements for the permit-granting process of a certain project, and the public consultation timeline set out in point (4) of Annex VI, in phases, provided it does not delay the overall development of the project and ensures that the permit-granting process is simplified and accelerated. The maximum deadlines of paragraphs 1 and 2 shall apply for each of the phases.

Within one month of submission of the missing information referred to in the first subparagraph, point (d), the competent authority shall accept for examination the complete application in written or electronic form or on dedicated digital platforms, starting the statutory permit-granting procedure referred to in paragraph 1, point (b).

10. The project promoter shall cooperate in good faith with the national competent authorities and with all authorities concerned, in order to provide them with complete and correct information, in particular with regard to the information identified in the screening process.

The project promoter shall ensure that the application file is complete and adequate, seeking the national competent authority's opinion it as early as possible in the permit-granting process.

The project promoter shall cooperate fully with the national competent authority in order to comply with the time limits set in this Regulation. Any delays due to the fault of the project promoter in good faith in this respect, shall not count against the maximum permitting duration.

11. Member States shall ensure that any amendments to the national law do not lead to prolonging any permit-granting process started before the entry into force of those amendments. With a view of maintaining an accelerated permit-granting process for projects on the Union list, national competent authorities shall adequately adapt the schedule established in accordance with paragraph 6, point (b), of this Article to ensure, to the extent possible, that the time limits for the permit-granting process set in this Article are not exceeded.

12. The time limits set in this Article shall be without prejudice to obligations arising from Union and international law, and without prejudice to administrative appeal procedures and judicial remedies before a court or tribunal.

The time limits set in this Article for any of the permit-granting procedures shall be without prejudice to any shorter time limits set by Member States.

# CHAPTER IV

# Cross-sectoral infrastructure planning

*Article 11*

***Central scenario for the ten-year network development plans***

1. By [two years after entry into force] and at least every four years thereafter, the Commission shall develop a central scenario for the electricity, hydrogen and gas sectors to be used for the Union-wide ten-year network development plans referred to in: Article 48 of Regulation (EU) 2019/943 and Article 59 of Regulation (EU) 2024/1789, the infrastructure needs identification process referred to in Article 12 of this Regulation, the energy system wide cost-benefit analysis referred to in Article 14 of this Regulation, and the cross-border cost allocation referred to in Article 17 of this Regulation.

2. The central scenario shall:

   (a) be consistent with the Union's targets for energy and climate and include a long-term perspective until at least 2050 in accordance with the Union's climate neutrality objective;

   (a) take a cross-sectoral approach ensuring consistency between the electricity, hydrogen and gas sectors, optimizing system efficiency;

   (b) include sensitivity analyses as appropriate.

3. The European Network of Transmission System Operators for Electricity (ENTSO for Electricity), the European Network of Network Operators for Hydrogen

(ENNOH), the European Network of Transmission System Operators for Gas (ENTSO for Gas) and the Member States shall provide, upon request from the Commission, the data and information necessary for the development of the central scenario referred to in paragraph 1. That includes, but is not limited to market and network data, such as demand and supply projections, characteristics of power generation, hydrogen production and networks, flexibility sources, imports assumptions, as well as climatic years data. The Commission shall set a reasonable time limit within which the data and information is to be provided, taking into account the complexity and urgency of the data and information required. Where an addressee does not provide the information requested within the time limit set by the Commission or supplies incomplete information, the Commission may by decision require the information to be provided. The Commission may request the Agency to verify the data submitted to the Commission, including by verifying national data with the relevant national regulatory authorities.

4. The Commission shall consult the Agency, national regulatory authorities, the ENTSO for Electricity, the ENNOH, the ENTSO for Gas, the European entity for the cooperation of electricity distribution system operators in the European Union (EU DSO Entity), the Member States as well as other relevant stakeholders on the data collected for the purpose of the central scenario development process, including assumptions and their use in the development of the central scenario.

5. The Commission shall submit the draft central scenario to the TEN-E Group, together with information on how the comments received in the consultation referred to in paragraph 4 have been taken into consideration. The TEN-E Group members shall deliver their comments, if any, within one month of receiving the draft central scenario.

6. The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Regulation by establishing the central scenarios pursuant to this Article. The Commission shall adopt the central scenario taking into account the comments from the TEN-E Group.

7. Following the publication of the delegated act on the central scenario the Commission shall publish the underlying input and output data for the central scenario, subject to restrictions under national law and relevant confidentiality agreements.

8. The Commission, taking into account the views of the Agency, the Member States, national regulatory authorities, and relevant stakeholders, may develop sensitivity analyses to the central scenario if this is necessary based on market or policy developments. The Commission may amend the delegated act referred to in paragraph 6 of this Article in order to include any such sensitivity analyses.

*Article 12*

***Infrastructure needs identification report***

1. The ENTSO for Electricity and the ENNOH respectively, shall develop an infrastructure needs identification report to identify infrastructure gaps affecting the Union's objectives related to electricity and hydrogen.

2. The infrastructure needs identification reports shall:

(a) be based on the central scenario developed by the Commission in accordance with Article 11 and its sensitivity analyses;

(b) comply with the methodology developed by the Agency pursuant to paragraph 11;

(c) comply with the principles laid down in Annex VII of this Regulation;

(d) ensure a cross-sectoral approach ensuring consistency between the electricity and hydrogen sectors as well as, where applicable, gas, district heating and $CO_2$ sectors.

3. The ENTSO for Electricity and the ENNOH, respectively, shall consult relevant stakeholders on the additional data, assumptions and their use for the development of their infrastructure needs identification report.

4. Within six months of the publication of a central scenario pursuant to Article 11, except where the publication is limited to adding a sensitivity analysis, the ENTSO for Electricity and the ENNOH shall submit their respective draft infrastructure needs identification report, including the assessment of how projects submitted for inclusion in the Union wide ten-year network development plan match the needs identified, to the TEN-E Group. In case the publication is limited to adding a sensitivity analysis, the Commission may request the ENTSO for Electricity and the ENNOH to develop a new infrastructure needs identification report in accordance with the procedure laid down in this Article.

5. Within two months of receipt of the draft infrastructure needs identification reports by the TEN-E Group, the Agency shall assess compliance of the draft infrastructure needs identification reports, including the assessment to what extent projects submitted for inclusion in the Union wide ten-year network development plan match the needs identified, with the methodology referred to in paragraph 12 and the principles set out in Annex VII and inform the TEN-E Group.

6. Within one month of being informed by the Agency about the compliance of the draft infrastructure needs identification reports, the TEN-E Group members, taking into account the Agency's input on compliance, may deliver their comments and inform the ENTSO for Electricity and the ENNOH respectively.

7. Within two months of having received the comments from the TEN-E Group members, the ENTSO for Electricity and the ENNOH shall adapt the draft infrastructure needs identification reports, taking into account the comments of the TEN-E Group and the Agency, to ensure full compliance with the requirements in paragraph 2, and shall submit the final infrastructure identification report to the Commission.

8. The Commission shall submit the final draft infrastructure needs identification report to the decision-making body of the TEN-E Group for endorsement. Before submitting the final draft infrastructure needs identification reports to the decision-making body of the TEN-E Group, the Commission may request updates and improvements with due justification and within a reasonable timeframe, where it finds that the final draft infrastructure needs identification reports do not appropriately reflect the comments from the members of the TEN-E Group and to ensure full compliance with the principles set out in Annex VII. The ENTSO for Electricity and the ENNOH respectively, shall fully address such requests within one month and re-submit the revised final draft infrastructure needs identification reports to the Commission.

9. The decision-making body of the TEN-E Group shall endorse the final infrastructure needs identification reports within one month of their receipt.

10. Within two weeks of the endorsement of the infrastructure needs identification reports pursuant to paragraph 8, the ENTSO for Electricity and the ENNOH shall publish them on their website respectively. Where relevant, the ENTSO for Electricity and the ENNOH shall update the infrastructure needs identification reports in accordance with the sensitivity analyses adopted pursuant to Article 11(8), when requested by the Commission.

11. By [9 months after entry into force of this Regulation] the Agency, after having conducted an extensive consultation involving the Commission, the Member States the ENTSO for Electricity, the ENTSO for Gas, the ENNOH, the EU DSO Entity and other relevant stakeholders, shall publish a binding methodology for the identification of infrastructure needs.

12. The methodology shall ensure that the infrastructure needs identification report complies with the principles laid down in Annex VII.

13. The Agency on its own initiative, or upon request of the Commission, shall update the methodology where necessary.

14. Until 1 January 2027, this Article applies subject to the transitional provisions set out in Article 61 of Regulation (EU) 2024/1789.

*Article 13*

***Needs matching process in the electricity system***

1. When the infrastructure needs identification report for electricity concludes that projects submitted for inclusion in the Union wide ten-year network development plan do not fully meet the infrastructure needs identified pursuant to Article 12, the Commission may launch a process to identify possible solutions to address the unmatched needs.

2. The Commission, in cooperation with the ENTSO for Electricity, the Member States and the Agency, shall invite system operators in the relevant Groups to propose, within six months of the invitation, projects capable of addressing the unmatched needs. The Commission shall submit the proposed projects to the relevant Groups established in accordance with Article 3 for discussion. The Commission may involve other relevant stakeholders and other regional cooperation fora. Project promoters capable of addressing the unmatched needs shall submit eligible projects as soon as possible for inclusion in the subsequent national development plans, the Union-wide ten-year network development plan and the Union list.

3. Where the process under paragraph 2 does not identify projects capable of addressing the unmatched needs, the Commission may launch a call for proposals open to any third party capable of becoming a project promoter to propose projects capable of addressing the unmatched needs. Project promoters capable of addressing the unmatched needs shall submit eligible projects as soon as possible for inclusion in the subsequent national development plans, the Union-wide ten-year network development plan and the Union list.

4. The Commission shall monitor the outcome of the process and progress of the projects referred to in paragraphs 2 and 3 and closely involve the relevant Groups established in accordance with Article 3 and other relevant regional cooperation fora.

*Article 14*

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

1. For projects falling under the infrastructure categories set out in points (1)(a), (b), (c), (d), (e), (f) and (h) and points (2) and (3) of Annex II , the ENTSO for Electricity and the ENNOH shall use consistent single sector methodologies for a harmonised energy system-wide cost-benefit analysis at Union level when assessing projects for their inclusion in their respective Union-wide ten-year network development plans.

2. The methodologies shall:

   (a) be drawn up in accordance with the principles laid down in Annex V;

   (b) be based on common assumptions allowing for project comparison;

   (c) be consistent with the Union's targets for energy and climate and its 2050 climate neutrality objective and the central scenario referred to in Article 11, as well as with the rules and indicators set out in Annex IV;

   (d) allow for the assessment of project bundles pursuant to Article 18 and, in the electricity sector, for the consideration of non-wire solutions;

   (e) shall take a cross-sectoral approach.

3. The ENTSO for Electricity and the ENNOH shall develop and publish preliminary draft methodologies for the purpose of consulting the EU DSO Entity, and other relevant stakeholders. The consultation process shall be open, timely and transparent. The ENTSO for Electricity and the ENNOH shall prepare and make public a report on the consultation process.

4. The ENTSO for Electricity and the ENNOH shall publish and submit to Member States, the Commission and the Agency their draft methodologies. The ENTSO for Electricity and the ENNOH shall provide reasons where they have not, or have only partly, taken into account the comments from Member States, national authorities, or other stakeholders. The ENTSO for Electricity and the ENNOH shall publish and submit to Member States, the Commission and the Agency their first consistent single sector draft methodologies by December 2027.

5. Within three months of receipt of the draft methodologies, the Agency and Member States may deliver their opinions to the ENTSO for Electricity and the ENNOH and the Commission. The Commission may organise specific meetings of the Groups to discuss the draft methodologies.

6. Within three months of receipt of the opinions of the Agency and Member States, the ENTSO for Electricity and the ENNOH shall amend their respective methodologies to fully take into account the opinions of the Agency and the Member States and submit them to the Commission for its approval.

7. Within three months of receipt of the respective methodologies, the Commission shall issue its decision.

8. If the Commission rejects the draft methodology, it shall provide reasons. The ENTSO for Electricity and the ENNOH respectively shall revise the draft methodology and resubmit it to the Commission for its approval.

9. Within two weeks of the approval by the Commission, the ENTSO for Electricity and the ENNOH shall publish their respective methodologies on their websites.

10. The Commission and the Agency may request the ENTSO for Electricity and the ENNOH, as applicable, to update their methodologies and set a timetable. The Agency may act on its own initiative, or upon a duly reasoned request by national regulatory authorities or stakeholders. The Agency shall publish the requests it receives and all relevant non-commercially sensitive documents on which its request is based.

11. Where requested by the Agency or by the Commission, the ENTSO for Electricity and the ENNOH shall update the consistent single sector cost-benefit methodologies in accordance with the approval procedure pursuant to paragraphs 3 to 9.

12. The ENTSO for Electricity and the ENNOH shall publish in the context of each Union-wide ten-year network development plan the updated input data relevant for application of the methodologies, including calculation methods, network models, relevant load flow and market data. These data shall be published in a sufficiently accurate form subject to restrictions under national law and relevant confidentiality agreements. The Commission and the Agency shall ensure the confidential treatment of the data received by them and by any party that carries out analytical work on the basis of those data on their behalf.

13. The ENTSO for Electricity and the ENNOH shall calculate and publish, as part of the Union-wide ten-year network development plan, the results of cost-benefit analyses for all projects, showing how the benefits are distributed across countries. This shall include benefits for both hosting countries and non-hosting countries that benefit from the respective project.

14. For projects falling under the energy infrastructure categories set out in point (1)(g) and in point (4) of Annex II, the Commission shall ensure the development of methodologies for a harmonised energy system-wide cost-benefit analysis at Union level. Those methodologies shall be compatible in terms of benefits and costs with the methodologies developed by the ENTSO for Electricity and the ENNOH. The methodologies shall be developed in a transparent manner, including extensive consultation of the Agency, the Member States and all relevant stakeholders.

15. Starting from [April 2028] and every two years, the Agency shall establish and publish a set of indicators and corresponding reference values for the comparison of unit investment costs for comparable projects of the energy infrastructure categories included in Annex II. Project promoters shall provide the requested data to the national regulatory authorities and to the Agency. Those reference values may be used by the ENTSO for Electricity and the ENNOH for the cost-benefit analyses carried out for subsequent Union-wide ten-year network development plans.

# CHAPTER V

# Offshore grids for renewable integration

*Article 15*

***Offshore grid planning***

1. By [*within 6 months after entry into force*], Member States, with the support of the Commission, within their specific priority offshore grid corridors, set out in Section 2 of Annex I, taking into account the specificities and development in each region, shall update the non-binding agreement to cooperate on goals for offshore renewable generation to be deployed within each sea basin by 2030, 2040 and 2050, in accordance with their national energy and climate plans, and the offshore renewable potential of each sea basin. The agreement shall include renewable offshore hydrogen goals as applicable.

   As part of the non-binding agreements, Member States, with the support of the Commission, within their specific priority offshore grid corridors, set out in Section 2 of Annex I, shall also consider whether specific cross-border goals, such as for hybrid or cross-border radial projects, should be established between two or more Member States in their respective national energy and climate plans with the aim to achieve the goals for offshore renewable generation to be deployed within each sea basin in the most efficient manner.

   That non-binding agreement shall be made in writing as regards each sea basin linked to the territory of the Member States, and shall be without prejudice to the right of Member States to develop projects on their territorial sea and exclusive economic zone. The Commission shall provide guidance for the work in the Groups.

2. By [*within 12 months after entry into force*], and every four years thereafter, as part of the following ten-year network development plan thereafter, the ENTSO for Electricity, with the involvement of the relevant TSOs, the national regulatory authorities, the Member States and the Commission, and in accordance with the non-binding agreement referred to in paragraph 1 of this Article, shall develop and publish, as a separate report which is part of the Union-wide ten-year network development plan, high-level strategic integrated offshore network development plans for each sea-basin, in line with the priority offshore grid corridors referred to in Annex I, taking into account environmental protection and other uses of the sea.

   In the development of the high-level strategic integrated offshore network development plans within the timeline provided for in paragraph 1, the ENTSO for Electricity shall consider the non-binding agreements referred to in paragraph 1 for the development of the Union-wide ten-year network development plan central scenario.

   The high-level strategic integrated offshore network development plans shall provide a general overview of offshore generation capacities potential and resulting offshore grid needs, including the potential needs for interconnectors, hybrid projects, radial connections, reinforcements, and hydrogen infrastructure.

3. The high-level strategic integrated offshore network development plans shall be consistent with regional investment plans published pursuant to Article 34(1) of

Regulation (EU) 2019/943 and integrated within the Union-wide ten-year network development plans in order to ensure coherent development of onshore and offshore grid planning and the necessary reinforcements.

4. At the latest every four years after the adoption of the non-binding agreement with paragraph 1, the Member States, shall update their non-binding agreements referred to in paragraph 1 of this Article, including in view of the results of the application of the latest cost-benefit and cost-sharing to the priority offshore grid corridors.

5. After each update of the non-binding agreements in accordance with paragraph 4, for each sea basin, the ENTSO for Electricity shall update the high level strategic integrated offshore network development plans within the next Union-wide ten-year network development plan as referred to in paragraph 2.

*Article 16*

***Guidance on collaborative investment frameworks for offshore energy projects***

1. The Commission shall, with the involvement of the Member States, relevant TSOs, the Agency and the national regulatory authorities, consider whether an update of the guidance on collaborative investment frameworks for offshore energy projects, which provides for a specific cost-benefit and cost-sharing for the deployment of the sea-basin integrated offshore network development plans referred to in Article 15(2) in accordance with the non-binding agreements referred to in Article 14(1), is necessary and, where relevant, publish an updated version of the guidance. This guidance shall be compatible with Article 17(1). The Commission shall update its guidance when appropriate, taking into account the results of its implementation.

2. The ENTSO for Electricity, with the involvement of the relevant TSOs, the Agency, the national regulatory authorities and the Commission, shall update the results of the application of the cost-benefit and cost-sharing to the priority offshore grid corridors, including whenever the Commission publishes any update to the guidance for a specific cost-benefit and cost-sharing for the deployment of the sea-basin integrated offshore network development plans referred to in Article 15(2) in accordance with the non-binding agreements referred to in Article 15(1).

# CHAPTER VI

# Regulatory framework

*Article 17*

***Enabling investments with a cross-border impact***

1. The efficiently incurred investment costs, which exclude maintenance costs, related to a project of common interest falling under the energy infrastructure categories set out in points (1)(a), (b), (c), (d), (e), (f) and (h) of Annex II, and projects of common interest falling under the energy infrastructure category set out in point (2) of Annex II, where they fall under the competence of national regulatory authorities in each Member State concerned, shall be borne by the relevant TSO, HNO, other operators or the project promoters of the transmission infrastructure of the Member States to which the project provides a net positive impact, and, to the extent not covered by

congestion rents or other charges, be paid for by network users through tariffs for network access in that or those Member States.

2. The provisions of this Article shall apply to a project of common interest falling under the energy infrastructure categories set out in Article 27 and points (1)(a), (b), (c), (d), (e), (f) and (h) and point (2) of Annex II, where at least one project promoter requests the relevant national authorities their application for the costs of the project.

Projects falling under the energy infrastructure category set out in point (1)(g) of Annex II may benefit from the provisions of this Article where at least one project promoter requests its application from the relevant national authorities.

Where a project has several project promoters, the relevant national regulatory authorities shall without delay request all project promoters to submit the investment request jointly in accordance with paragraph 4.

3. For a project of common interest to which paragraph 1 applies, the project promoters shall keep all relevant national regulatory authorities regularly informed, at least once per year from inclusion of the project on the Union list, and until the project is commissioned, of the progress of that project and the identification of costs and the impact associated with it.

4. As soon as such a project of common interest has reached sufficient maturity, and is estimated to be ready to start the construction phase within the next 36 months, the project promoters, after having consulted the TSOs from the Member States which receive a significant net positive impact from it, shall submit an investment request. That investment request shall include a request for a cross-border cost allocation and shall be submitted to all the relevant national regulatory authorities concerned, accompanied by the following:

(a) up-to-date project-specific cost-benefit analysis consistent with the central scenario referred to in Article 11 and any sensitivities referred to in Article 11, and the methodology for a harmonised energy system-wide cost-benefit analysis referred to in Article 14 and taking into account benefits beyond the borders of the Member States on the territory of which the project is located;

(b) a business plan evaluating the financial viability of the project, including the chosen financing solution, and, for a project of common interest falling under the energy infrastructure category referred to in point (3) of Annex II, the results of market testing;

(c) where the project promoters agree, a substantiated proposal for a cross-border cost allocation.

Where a project is promoted by several project promoters, they shall submit their investment request jointly.

The relevant national regulatory authorities shall, upon receipt, transmit to the Agency, without delay, a copy of each investment request, for information purposes.

The relevant national regulatory authorities and the Agency shall preserve the confidentiality of commercially sensitive information.

5. Within six months of the date on which the investment request is received by the last of the relevant national regulatory authorities, those authorities shall, after consulting the project promoters concerned, take joint coordinated decisions on the allocation of efficiently incurred investment costs to be borne by each system operator for the

project, as well as their inclusion in tariffs, or on the rejection of the investment request, in whole or in part, if the common analysis of the relevant national regulatory authorities concludes that the project or a part of it fails to provide a significant net benefit in any of the Member States of the relevant national regulatory authorities.

The relevant national regulatory authorities shall include the relevant efficiently incurred investment costs in tariffs, as defined in the recommendation referred to in paragraph 14, in accordance with the allocation of investment costs to be borne by each system operator for the project.

For projects in the territories of their respective Member State, the relevant national regulatory authorities shall thereafter assess, where appropriate, whether any affordability issues might arise due to the inclusion of the investment costs in tariffs.

6. In allocating the costs, the relevant national regulatory authorities shall take into account the following:

(a) actual or estimated congestion rents or other charges;

(b) actual or estimated revenues stemming from the inter-transmission system operator compensation mechanism established under Article 49 of Regulation (EU) 2019/943.

The allocation of costs across borders shall take into account, the economic, social and environmental costs and benefits of the projects in the Member States concerned and the need to ensure a stable financing framework for the development of projects of common interest while minimising the need for financial support. In allocating costs across borders, the relevant national regulatory authorities, after consulting the TSOs concerned, shall seek a mutual agreement based on, but not limited to, the information specified in paragraph 4, first subparagraph, points (a) and (b), of this Article. Their assessment shall be based on the central scenario and any sensitivities referred to in Article 11, allowing a robust analysis of the contribution of the project of common interest to the Union energy policy of decarbonisation, market integration, competition, sustainability and security of supply.

7. In allocating the costs, the relevant national regulatory authorities shall apply the following general principles:

(a) where at least 10 % of the estimated benefits of a project occur in a Member State, that Member State and the relevant national regulatory authority shall take part in the cross-border cost-allocation process;

(b) where appropriate, the allocation of costs among the Member States shall be based on the distribution of net benefits, ensuring that the cost-allocation key reflects that distribution;

(c) the cross-border cost allocation shall be based on an *ex-ante* cost-allocation agreement designed to ensure investment certainty, whereas the agreement shall be transparent and predictable and the cross-border cost-allocation may provide for the possibility of ex-post adjustments, provided that such adjustments are explicitly defined in the cost allocation decision and clearly framed, including as regards timeframes and categories of costs covered.

Where a project of common interest mitigates negative externalities, such as loop flows, and that project of common interest is implemented in the Member State at the origin of the negative externality, such mitigation shall not be regarded as a cross-

border benefit and shall therefore not constitute a basis for allocating costs to the TSO of the Member States affected by those negative externalities.

8. The relevant national regulatory authorities shall, on the basis of the cross-border cost allocation referred to in paragraph 5 of this Article, take into account actual costs incurred by a TSO, HNO or other project promoter as a result of the investments when fixing or approving tariffs in accordance with Article 78(1) of Directive (EU) 2024/1788 and Article 59(1), point (a), of Directive (EU) 2019/944, insofar as those costs correspond to those of an efficient and structurally comparable operator.

9. The relevant national regulatory authorities shall notify the cost allocation decision to the Agency, without delay, together with all the relevant information with respect to that decision. In particular, the cost allocation decision shall set out detailed reasons for the allocation of costs among Member States, including the following:

(a) an evaluation of the identified impact on each of the concerned Member States, including those concerning network tariffs;

(b) an evaluation of the business plan referred to in paragraph 4, first subparagraph, point (b);

(c) regional or Union-wide positive externalities, such as security of supply, system flexibility, solidarity or innovation, which the project would generate;

(d) the result of the consultation of the project promoters concerned.

The cost allocation decision shall be published on the websites of the relevant national regulatory authorities and shared with Agency and the Commission.

By [*within 6 months of entry into force*], the Agency shall establish a central repository of all cross-border cost-allocation decisions taken by national regulatory authorities and host it on its website.

10. Where the relevant national regulatory authorities have not reached an agreement on the investment request within six months of the date on which the request was received by the last of the relevant national regulatory authorities, they shall inform the Agency without delay.

In that case, or upon a joint request from the relevant national regulatory authorities, the decision on the investment request including cross-border cost allocation referred to in paragraph 5 shall be taken by the Agency within three months of the date of referral to the Agency.

Before taking such a decision, the Agency shall consult the relevant national regulatory authorities and the project promoters. The three-month period referred to in the second subparagraph may be extended by an additional period of two months where further information is sought by the Agency. That additional period shall begin on the day following receipt of the complete information.

The assessment of the Agency shall be based on the central scenario established under Article 11 and any sensitivities, allowing a robust analysis of the contribution of the project of common interest to the Union energy policy targets of decarbonisation, market integration, competition, sustainability and security of supply.

The Agency, in its decision on the investment request including cross-border cost allocation, shall leave the determination of the way the investment costs are included

in the tariffs in accordance with the cross-border cost allocation prescribed, to the relevant national authorities at the time of the implementation of that decision in accordance with national law.

The decision on the investment request including cross-border cost allocation shall be published. Article 25(3) and Articles 28 and 29 of Regulation (EU) 2019/942 shall apply.

11. A copy of all cost allocation decisions, together with all the relevant information with respect to each decision, shall be notified, without delay, by the Agency to the Commission. The Agency shall publish non-confidential versions of all decisions on its website. That information may be submitted in aggregate form. The Agency and the Commission shall preserve the confidentiality of commercially sensitive information.

12. Cost allocation decisions shall not affect the right of TSOs to apply and of national regulatory authorities to approve charges for access to networks in accordance with Regulations (EU) 2019/943 and (EU) 2024/1789 and Directives (EU) 2019/944 and (EU) 2024/1788.

13. This Article shall not apply to projects of common interest which benefit from one or more of the following:

    (a) an exemption from Articles 31, 32, 33 and Articles 78(7) and Directive (EU) 2024/1788, pursuant to Article 78 of Regulation (EU) 2024/1789;

    (b) an exemption from Article 19(2) and (3) of Regulation (EU) 2019/943 or Article 6, Article 59(7) and Article 60(1) of Directive (EU) 2019/944, pursuant to Article 63 of Regulation (EU) 2019/943;

    (c) a derogation from unbundling or third-party access rules, pursuant to Article 17 of Regulation (EC) No 714/2009 of the European Parliament and of the Council[38] or to Article 64 of Regulation (EU) 2019/943 and Article 66 of Directive (EU) 2019/944.

14. By [*six months after entry into force of this Regulation*], the Agency shall adopt a recommendation for identifying good practices for the treatment of investment requests for projects of common interest in accordance with the principles referred to in paragraph 7 of this Article.

    That recommendation shall be regularly updated by the Agency as necessary. It shall take account of sectorial specificities, and shall ensure consistency with the principles on the offshore grids for renewable energy cross-border cost sharing as referred to in Article 16(1). In adopting or updating the recommendation, the Agency shall carry out an extensive consultation process, involving all relevant stakeholders. That recommendation shall also include a non-binding cross-border cost-allocation template to facilitate the work of national regulatory agencies.

15. Projects of mutual interest shall obtain a cross-border cost allocation under the same rules and conditions referred to in this Article as regards the benefits they bring for the Union. It shall be issued in a coordinated manner by the relevant national regulatory authorities of the benefiting Member States.

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[38] Regulation (EC) No 714/2009 of the European Parliament and of the Council on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 (OJ L 211, 14.8.2009, p. 15, ELI: http://data.europa.eu/eli/reg/2009/714/oj).

16. This Article shall apply *mutatis mutandis* to project bundles under Article 18.

*Article 18*

***Enabling energy infrastructure projects bundling for the purpose of cost-sharing***

1. Project promoters may bundle two or more projects on the Union list to facilitate the discussions on cost-sharing between the relevant Member States and third countries, as appropriate, and the cross-border cost-allocation decisions between the concerned competent authorities of the Member States or between the competent authorities of the Member States and third countries, as appropriate.

2. The Commission may invite project promoters to submit a proposal for one or several bundles of two or more projects on the Union list to the relevant Groups for discussion. A project bundle may include projects at different stages of maturity, provided that their bundling does not delay the implementation of the most mature projects.

3. Following the discussions in the Groups, the Commission may request the ENTSO for Electricity or the ENNOH to provide a common cost-benefit analysis for the proposed bundles of two or more projects on the Union list. The common cost-benefit analysis shall be consistent with the central scenario and sensitivities referred to under Article 11, and the methodology drawn up pursuant to Article 15. The ENTSO for Electricity or the ENNOH shall provide the common cost-benefit analysis within 2 months of the request to the Commission.

4. The relevant Member States, with the involvement of the relevant national regulatory authorities, and with the support of the Commission, shall conclude on the bundle of projects and, where appropriate, invite project promoters to add projects to the bundle or delete projects from the bundle, if this facilitates discussions on cost-sharing, provided that the number of projects on the Union list included in the bundle remains manageable.

5. The relevant Member States may decide to endorse the bundles and invite project promoters to submit a joint investment request under Article 17(4). That decision shall be shared with the relevant Groups and the Commission. For the purpose of Article 17(4), only one up-to-date cost-benefit analysis and one proposal for a cross-border cost-allocation shall be included in the investment request in view of facilitating a possible application for Union financial assistance pursuant to Article 21.

*Article 19*

***Ring-fenced congestion income for projects on the Union list***

1. TSOs shall set aside 25 % of the congestion rents not spent for guaranteeing the actual availability of the allocated capacity pursuant to Article 19(2), point (a), of Regulation (EU) 2019/943 and for compensation to offshore renewable electricity generation plant operators pursuant to Article 19(2), point (c), of Regulation (EU) 2019/943, for network investments into projects on the Union list relevant to reducing interconnector congestion pursuant Article 19(2), point (b), of Regulation (EU) 2019/943.

2. TSOs shall place the funds referred to in point 1 of this Article on a separate account line until it can be spent for financing projects on the Union list relevant to reducing interconnector congestion, or until they have demonstrated that the priority objectives set out in Article 19(2), point (b), of Regulation (EU) 2019/943 have been adequately fulfilled and there is no need for additional cross-border capacity to be built at the borders of the Member States concerned to reduce interconnector congestion.

3. The use of the funds referred to in paragraph 1 shall:

   (a) address the financing gap of projects on the Union list which have significant benefits outside their hosting countries, taking due account of expected tariff financing;

   (b) be made transparent in requests for cross-border cost allocation decisions pursuant to Article 17 of this Regulation;

   (c) avoid double funding and ensure proportionality, transparency and non-discrimination;

   (d) not compromise the fulfilment of the priority objectives under Article 19(2) of Regulation (EU) 2019/943.

4. The Commission is empowered to adopt delegated acts in accordance with Article 23 of this Regulation to supplement this Regulation by specifying the conditions under which TSOs may use the funds referred to in paragraph 1 of this Article and the conditions under which the objective of Article 19(2), point (b), of Regulation (EU) 2019/943 is considered adequately fulfilled.

5. Within [*6 months*] after the entry into force of the delegated acts referred in paragraph 4, the Agency shall update the methodology on the use of revenues from congestion income pursuant to Article 19(4) of Regulation (EU) 2019/943. The updated methodology shall be consistent with paragraphs 1, 2 and 3 of this Article and with the delegated acts adopted pursuant to paragraph 4 of this Article.

*Article 20*

***Regulatory incentives***

1. Where a project promoter incurs higher risks for the development, construction, operation or maintenance of a project of common interest falling under the competence of national regulatory authorities, when compared to the risks normally incurred by a comparable infrastructure project, national regulatory authorities may grant appropriate incentives to that project in accordance with Regulations (EU) 2019/943 and 2024/1789 and Directives (EU) 2019/944 and (EU) 2024/1788.

   The first subparagraph shall not apply where the project of common interest benefits from one or more of the following:

   (a) an exemption from Articles 31, 32, and 33, and Articles 78(7) and (9) of Directive (EU) 2024/1788, pursuant to Article 78 of Regulation (EU) 2024//1789;

   (b) an exemption from Article 19(2) and (3) of Regulation (EU) 2019/943 or from Article 6, Article 59(7) and Article 60(1) of Directive (EU) 2019/944 pursuant to Article 63 of Regulation (EU) 2019/943;

(c) an exemption pursuant to Article 36 of Directive 2009/73/EC;

(d) a derogation pursuant to Article 17 of Regulation (EC) No 714/2009.

2. In the case of a decision to grant the incentives referred to in paragraph 1 of this Article, national regulatory authorities shall consider the results of the cost-benefit analysis consistent with the methodology drawn up pursuant to Article 14 and in particular the regional or Union-wide positive externalities generated by the project. The national regulatory authorities shall further analyse the specific risks incurred by the project promoters, the risk mitigation measures taken and the reasons for the risk profile in view of the net positive impact provided by the project, when compared to a lower-risk alternative. Eligible risks shall in particular include risks related to new transmission technologies, both onshore and offshore, risks related to under-recovery of costs and development risks.

3. The decision to grant the incentives shall take into account the specific nature of the risk incurred and may grant incentives covering, inter alia, one or more of the following measures:

(a) the rules for anticipatory investment;

(b) the rules for recognition of efficiently incurred costs before commissioning of the project;

(c) the rules for providing additional return on the capital invested for the project;

(d) any other measure deemed necessary and appropriate.

# CHAPTER VII

# Financing

*Article 21*

***Eligibility of projects for Union financial assistance under Regulation (EU) 2021/1153***

1. Projects of common interest falling under the energy infrastructure categories set out in Article 27 and Annex II shall be eligible for Union financial assistance in the form of grants for studies and financial instruments.

2. Projects of common interest falling under the energy infrastructure categories set out in Article 27 and in points (1)(a), (b), (c), (d), (e), (f) and (h) and point (2) of Annex II and under the competence of national regulatory authorities shall also be eligible for Union financial assistance in the form of grants for works where they fulfil all of the following criteria:

(a) the project specific cost-benefit analysis drawn up pursuant to Article 17(4), point (a), provides evidence concerning the existence of significant positive externalities, such as security of supply, system flexibility, solidarity or innovation;

(b) the project has received a cross-border cost allocation decision pursuant to Article 17;

(c) the project cannot be financed by the market or through the regulatory framework in accordance with the business plan and other assessments, in particular those carried out by potential investors, creditors or the national regulatory authority, taking into account any decision on incentives and reasons referred to in Article 20(2) when assessing the project's need for Union financial assistance.

3. Projects of common interest carried out in accordance with the procedure referred to in Article 5(7), point (d), shall also be eligible for Union financial assistance in the form of grants for works where they fulfil the criteria set out in paragraph 2 of this Article.

4. Projects of common interest falling under the energy infrastructure categories set out in Annex II other than those referred to in paragraph 2, with the exception of the infrastructure category set out in point (3) of that Annex shall also be eligible for Union financial assistance in the form of grants for works where they fulfil all of the following criteria:

(a) the project specific cost-benefit analysis drawn up by the project promoter in application of the relevant cost-benefit analysis methodology developed in accordance with Article 11 provides evidence concerning the existence of significant positive externalities, such as security of supply, system flexibility, solidarity or innovation;

(b) the project cannot be financed by the market in accordance with the business plan drawn-up by the project promoter and other assessments, in particular those carried out by potential investors, creditors or the national regulatory authority;

(c) the project has received an evaluation carried out by the relevant national authority or, where applicable, the national regulatory authority, in consultation with the TSOs or relevant DSOs from the Member States where the project provides a significant net positive impact, that clearly demonstrates the existence of significant positive externalities, such as security of supply, system flexibility, solidarity or innovation, generated by the project and include an evaluation thereof, and provides clear evidence of their lack of commercial viability, in accordance with the cost-benefit analysis, the business plan and assessments carried out by the project promoter and potential investors or creditors and, where applicable, a national regulatory authority.

5. The evaluation referred to in paragraph 4, point (c), of this Article shall be based on the scenario established under Article 11 and any existing sensitivity analyses thereof and shall include an accurate evaluation and assessment of the efficiently incurred costs, an accurate description of the benefits of the project including their split across borders for individual Member States or third countries including non-hosting countries, a description of the split of costs across-borders and of all financing sources relevant for the project and already certain.

6. This Article shall apply *mutatis mutandis* to projects of mutual interest and bundles of projects pursuant to Article 18.

Projects of mutual interest shall be eligible for Union financial assistance under conditions set out in Regulation (EU) 2021/1153. With regard to grants for works, projects of mutual interest shall be eligible for Union financial assistance provided that they fulfil the criteria set out in paragraph 2 or 4 of this Article, as applicable,

and where the project contributes to the Union's overall energy and climate policy objectives.

*Article 22*

***Guidance for the award criteria of Union financial assistance***

The specific criteria set out in Article 4(3) of this Regulation and the parameters set out in Article 4(5) of this Regulation shall apply for the purpose of establishing award criteria for Union financial assistance under Regulation (EU) 2021/1153. For projects of common interest falling under Article 27 of this Regulation, in addition to the requirements provided by Article 21(2), the criteria of market integration, security of supply, competition and sustainability shall apply.

# CHAPTER VIII

# Final provisions

*Article 23*

***Exercise of the delegation***

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 3(4), Article 11(6) and Article 19(4) shall be conferred on the Commission for a period of seven years from 23 June 2027. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the seven-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 3(4), Article 11(6) and 19(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 3(4), Article 11(6) and Article 19(4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they

will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

*Article 24*

***Reporting and evaluation***

By 30 June 2032, the Commission shall publish a report on the implementation of projects on the Union list and submit it to the European Parliament and the Council. That report shall provide an evaluation of:

(a) the progress achieved in the planning, development, construction and commissioning of projects on the Union list, and, where relevant, delays in implementation and other difficulties encountered;

(b) the funds engaged and disbursed by the Union for projects on the Union list, compared to the total value of funded projects on the Union list;

(c) the progress achieved in terms of integration of renewable energy sources, including offshore renewable energy sources, and reduced greenhouse gas emissions through the planning, development, construction and commissioning of projects on the Union list;

(d) for the electricity and hydrogen sectors, the evolution of the interconnection level between Member States, and the corresponding evolution of energy prices;

(e) the permit-granting process and public participation, in particular:

  (i) the average and maximum total duration of the permit-granting process for projects on the Union list, including the duration of each step of the pre-application procedure, compared to the timing foreseen by the initial major milestones referred to in Article 10(9);

  (ii) best and innovative practices with regard to stakeholder involvement;

  (iii) best and innovative practices with regard to mitigation of environmental impacts, including climate adaptation, during permit-granting processes and project implementation;

  (iv) the effectiveness of the schemes provided for in Article 8(3) regarding compliance with the time limits set in Article 10(1) and (2);

  (v) the rate of digitalisation of permitting procedures;

(f) regulatory treatment, in particular:

  (i) the number of projects of common interest, or bundles of projects, having been granted a cross-border cost allocation decision pursuant to Article 17;

  (ii) the number and type of projects of common interest which received specific incentives pursuant to Article 20;

(g) the effectiveness of this Regulation in contributing to the Union targets for energy and climate and the achievement of climate neutrality by 2050 at the latest;

(h) the improvement of physical and cyber security resilience of cross-border energy infrastructure;

(i) the uptake of non-wire solutions in terms of number of projects and respective increase in grid capacity.

*Article 25*

***Review***

By 30 June 2033, the Commission shall carry out a review of this Regulation, on the basis of the results of the reporting and evaluation provided for in Article 24 of this Regulation, as well as the monitoring, reporting and evaluation carried out pursuant to Articles 22 and 23 of Regulation (EU) 2021/1153.

*Article 26*

***Information and publicity***

The Commission shall establish and maintain a transparency platform easily accessible to the general public through the internet. The platform shall be regularly updated with information from: the reports referred to in Article 5(4); the website referred to in Article 9(7); and direct information from the project promoters as regards projects no longer on the Union list. The platform shall contain the following information:

(a) general, updated information, including geographic information, for each project on the Union list;

(b) the implementation plan as set out in Article 5(1) for each project on the Union list, presented in a manner that allows the assessment of the progress in implementation at any time;

(c) the main expected benefits and contribution to the objectives referred to in Article 1(1) and the costs of the projects except for any commercially sensitive information;

(d) the Union list;

(e) the funds allocated and disbursed by the Union for each project on the Union list;

(f) the links to the national manual of procedures referred to in Article 9;

(g) information and status updates as regards projects that were on the Union list, but are no longer included.

*Article 27*

***Derogation for interconnections for Cyprus and Malta***

1. In the case of Cyprus and Malta, which are not interconnected to the trans-European gas network, a derogation from Article 3, Article 4(1), points (a) and (b), Article 4(5), and Annexes I, II and III shall apply. One interconnection for each of those

Member States shall maintain its status of project of common interest under this Regulation with all relevant rights and obligations, where that interconnection:

(a) was under development or planning on 23 June 2022;

(b) has been granted the status of project of common interest under Regulation (EU) No 347/2013 of the European Parliament and of the Council[39];

(c) is necessary to secure permanent interconnection of those Member States to the trans-European gas network.

Those projects shall ensure the future ability to access new energy markets, including hydrogen.

2. The project promoters shall provide sufficient evidence of how the interconnections referred to in paragraph 1 will allow access to new energy markets, including hydrogen, in accordance with the Union's overall energy and climate policy objectives. Such evidence shall include an assessment of the supply and demand for renewable or low-carbon hydrogen as well as a calculation of the greenhouse gas emissions reduction enabled by the project.

The Commission shall regularly verify that assessment and that calculation, as well as the timely implementation of the project.

3. In addition to the specific criteria set out in Article 21 for Union financial assistance, the interconnections referred to in paragraph 1 shall be designed in view of ensuring access to future energy markets, including hydrogen, shall not lead to a prolongation of the lifetime of natural gas assets and shall ensure the interoperability of neighbouring networks across borders. Any eligibility for Union financial assistance under Article 21 shall end on 31 December 2027.

4. Any request for Union financial assistance for works shall clearly demonstrate the aim to convert the asset into a dedicated hydrogen asset by 2036 if market conditions allow, by means of a roadmap with a precise timeline.

5. The derogation set out in paragraph 1 shall apply until Cyprus or Malta, respectively, is directly interconnected to the trans-European gas network or until 31 December 2029, whichever is the earlier.

*Article 28*

***Amendments to Regulation (EU) 2019/942***

Regulation (EU) 2019/942 is amended as follows:

(1) in Article 3(2), the first subparagraph is replaced by the following:

'At ACER's request, the regulatory authorities, the ENTSO for Electricity, the ENTSO for Gas, the ENNOH, the regional coordination centres, the EU DSO Entity, the transmission system operators, hydrogen network operators, the nominated electricity market operators, and entities established by transmission system

[39] Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (OJ L 115, 25.4.2013, p. 39, ELI: http://data.europa.eu/eli/reg/2013/347/oj).

operators for natural gas, LNG system operators, natural gas storage system operators or hydrogen storage operators or hydrogen terminal operators shall provide to ACER the information in the same level of detail necessary for the purpose of carrying out ACER's tasks under this Regulation, unless ACER has already requested and received such information.'

(2) in Article 11, points (c) and (d) are replaced by the following:

'(c) carry out the obligations laid out in Articles 5, 11, 12, 14, 17 of Regulation (EU) …/… of the European Parliament and of the Council* [*the TEN-E Regulation as proposed by COM(2025)xxxx*] and in Section 2, point (8), of Annex III to that Regulation;

(d) take decisions on investment requests including cross-border cost allocation pursuant to Article 17(9) of Regulation (EU) …/… [*the TEN-E Regulation as proposed by COM(2025)xxxx*].

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* Regulation (EU) …/… of the European Parliament and of the Council [the TEN-E Regulation as proposed by COM(2025)xxxx] (OJ…, ELI: …)'

*Article 29*

***Amendments to Regulation (EU) 2019/943***

Article 48 of Regulation (EU) 2019/943 is replaced by the following:

'Article 48

**Ten-year network development plan**

1. The Union-wide network development plan referred to under Article 30(1), point (b), of this Regulation shall be based on the central scenario and the identification of system needs report pursuant to Articles 11 and 12 of Regulation (EU) …/… of the European Parliament and of the Council* [*the TEN-E Regulation as proposed by COM(2025)xxxx*] and shall include the modelling of the integrated network and an assessment of the resilience of the system. Relevant input parameters for the modelling of the central scenario, such as assumptions on fuel and carbon prices or installation of renewables, and assumptions for the European resource adequacy assessment developed pursuant to Article 23 of this Regulation should be consistent to the extent possible.

The Union-wide network development plan shall, in particular:

(a) build on projects of cross-border relevance included in national ten-year network development plans and national investment plans, taking into account regional investment plans as referred to in Article 34(1) of this Regulation, and be based on Union aspects of network planning as set out in Regulation (EU) …/… [*the TEN-E Regulation as proposed by COM(2025)xxxx*]; it shall be subject to a cost-benefit analysis using the methodology established in Article 14 of that Regulation;

(b) consider with priority alternatives to network expansion, such as non-wire solutions pursuant to Regulation (EU) …/… [*the TEN-E Regulation as proposed by COM(2025)xxxx*] or non-fossil flexibility;

(c) regarding cross-border interconnections, also build on the reasonable needs of different system users and integrate long-term commitments from investors referred to in Articles 44 and 51 of Directive (EU) 2019/944;

(d) identify investment gaps, in particular with respect to cross-border capacities.

In regard to the second subparagraph, point (d), a review of barriers to the increase of cross-border capacity of the network arising from different approval procedures or practices may be annexed to the Union–wide network development plan.

2. ACER shall provide an opinion on the national ten-year network development plans to assess their consistency with the Union–wide network development plan, including compliance with requirements of Article 3(6) and (7) of Regulation (EU) …/… [*the TEN-E Regulation as proposed by COM(2025)xxxx*]. If ACER identifies inconsistencies between a national ten-year network development plan and the Union–wide network development plan, it shall recommend amending the national ten-year network development plan or the Union–wide network development plan as appropriate by two months upon its receipt. If such a national ten-year network development plan is developed in accordance with Article 40a of Directive (EU) 2019/944, ACER shall recommend that the regulatory authority amend the national ten-year network development plan in accordance with Article 40a(7) of that Directive and inform the Commission thereof.

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* Regulation (EU) …/… of the European Parliament and of the Council [the TEN-E Regulation as proposed by COM(2025)xxxx] (OJ…, ELI: …)'

*Article 30*

***Amendments to Regulation (EU) 2024/1789***

Regulation (EU) 2024/1789 is amended as follows:

(1) Article 60 is replaced by the following:

'Article 60

**Union-wide network development plan for hydrogen**

1. The Union-wide network development plan for hydrogen shall be based on the central scenario and the identification of system needs report pursuant to Articles 11 and 12 of Regulation (EU) …/… of the European Parliament and of the Council* [*the TEN-E Regulation as proposed by COM(2025)xxxx*] and shall include the modelling of the integrated hydrogen network, a European supply adequacy outlook and an assessment of the resilience of the system.

The Union-wide network development plan for hydrogen shall, in particular:

(a) build on the national hydrogen transmission network development plans as laid down in Article 55 of Directive (EU) 2024/1788 and be based on Union aspects of network planning as set out in Regulation (EU) …/… [the TEN-E Regulation as proposed by COM(2025)xxxx];

(b) regarding cross-border interconnections, build on the reasonable needs of different network users and integrate long-term commitments from investors as referred to in Article 55(7) of Directive (EU) 2024/1788;

(c) identify investment gaps, in particular with respect to the necessary cross-border capacities, to implement the priority corridors for hydrogen and electrolysers as referred to in point 3 of Annex I to Regulation (EU) …/… [*the TEN-E Regulation as proposed by COM(2025)xxxx*].

With regard to the second subparagraph, point (c), a review of barriers to the increase of cross-border capacity of the network arising from different approval procedures or practices may be annexed to the Union-wide network development plan for hydrogen. Such a review may be accompanied, where appropriate, by a comprehensive plan to remove such barriers and accelerate the implementation of the priority corridors for hydrogen and electrolysers.

2. ACER shall provide an opinion on the national hydrogen transmission network development plans where relevant to assess their consistency with the Union-wide network development plan for hydrogen including compliance with requirements of Article 3(6) and (7) of Regulation (EU) …/… [*the TEN-E Regulation as proposed by COM(2025)xxxx*]. If ACER identifies inconsistencies between a national hydrogen transmission network development plan and the Union-wide network development plan for hydrogen, it shall recommend amending the national hydrogen transmission network development plan or the Union-wide network development plan for hydrogen as appropriate, no later than two months after receiving the national hydrogen transmission network development plan.

3. When developing the Union-wide network development plan for hydrogen, the ENNOH shall cooperate with the ENTSO for Electricity and with the ENTSO for Gas, in particular on the development of the energy system wide cost-benefit analysis referred to in Article 14 of Regulation (EU) …/… [*the TEN-E Regulation as proposed by COM(2025)xxxx*], and the infrastructure gaps identification referred to in Article 13 of that Regulation.

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* Regulation (EU) …/… of the European Parliament and of the Council … [the TEN-E Regulation as proposed by COM(2025)xxxx] (OJ…, ELI: …)'

(2) Article 61 is replaced by the following:

'Article 61

**Union-level integrated network planning**

1. During the transitional period until 1 January 2027, the ENTSO for Gas shall develop the 2026 Union-wide network development plan for hydrogen, with the full involvement of hydrogen transmission network operators and together with the ENNOH as soon as it is established. The 2026 Union-wide network development plan for hydrogen shall consist of two separate chapters, one for hydrogen and one for natural gas. The ENTSO for Gas shall without delay transfer to the ENNOH all the information, including data and analyses it collected during the preparation of the Union-wide network development plans for hydrogen by 1 January 2027.

2. The ENNOH shall develop the 2028 Union-wide network development plan for hydrogen pursuant to this Article and Article 60.

3. The ENNOH shall cooperate closely with the ENTSO for Electricity and the ENTSO for Gas to develop integrated Union-wide network development plans pursuant to Articles 32 and 60 of this Regulation and to Article 30 of Regulation (EU) 2019/943 respectively.

4. Where decisions need to be made to ensure system efficiency as defined in Article 2, point (4), of Directive (EU) 2023/1791 of the European Parliament and of the Council across energy-carriers the Commission shall ensure that the ENTSO for Electricity, the ENTSO for Gas and the ENNOH cooperate closely.

5. The ENNOH, the ENTSO for Electricity and the ENTSO for Gas shall cooperate in an efficient, inclusive and transparent manner, they shall facilitate taking decisions by consensus and they shall develop the necessary working arrangements for the purpose of enabling such cooperation and ensuring their fair representation.

   The ENNOH, together with the ENTSO for Electricity and the ENTSO for Gas, may establish working groups to fulfil its obligations pursuant to the first subparagraph, points (a), (b) and (d) and shall ensure fair and equal representation of the hydrogen, electricity and gas sectors in the working groups.

*Article 31*

***Transitional provisions***

1. This Regulation shall not affect the granting, continuation or modification of financial assistance awarded by the Commission pursuant to Regulation (EU) No 1316/2013 of the European Parliament and of the Council[40] and Regulation (EU) 2021/1153.

2. Any process for developing the cost-benefit analysis methodology initiated by the ENTSO for Electricity or ENNOH in accordance with Article 11 of Regulation (EU) 2022/869 before [*date of entry into force/start of application of this Regulation*] shall continue under Article 14 of this Regulation.

   Any steps completed under Article 11 of Regulation (EU) 2022/869 shall be deemed to have been completed under the corresponding provisions of Article 14 of this Regulation.

   Any energy system-wide cost-benefit analysis methodology approved by the Commission pursuant to Article 11(4) of Regulation (EU) 2022/869 shall be deemed to have been approved under Article 14 (7) of this Regulation and shall remain valid until it is replaced by a new energy system-wide cost-benefit analysis methodology developed pursuant to Article 14 of this Regulation.

3. The joint scenarios being developed by the ENTSO for Electricity, the ENTSO for Gas, and the ENNOH pursuant to Article 12 of Regulation (EU) 2022/869 shall continue to be developed and approved by the Commission in accordance with the

[40] Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013) p. 129, http://data.europa.eu/eli/reg/2013/1316/oj.

procedure set out in that Article. Those joint scenarios, once approved by the Commission, shall be deemed to be central reference scenarios under Article 11 of this Regulation and shall remain valid until they are replaced by new central reference scenarios developed pursuant to Article 11 of this Regulation.

4. Annex VII to Regulation (EU) 2022/869 setting out the [__] Union list of projects of common interest and projects of mutual interest as well as Articles [___] of Regulation (EU) 2022/869, and Annexes [___] to that Regulation, shall continue to apply to the projects of common interest and projects of mutual interest included on the [__] Union list until the delegated act referred to in Article 3(4) of this Regulation establishing the first Union list starts to apply.

*Article 32*

***Repeal***

Regulation (EU) 2022/869 is repealed. References to Regulation (EU) 2022/869 shall be construed as references to this Regulation.

*Article 33*

***Entry into force***

This Regulation shall enter into force on the twentieth day following that of its publication in *the Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

| | |
|---|---|
| *For the European Parliament* | *For the Council* |
| *The President* | *The President* |

# LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT


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# 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

## 1.1. Title of the proposal/initiative

Regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure amending Regulations (EU) 2019/942, and (EU) 2019/943 and (EU) 2024/1789 and repealing Regulation (EU) 2022/869.

## 1.2. Policy area(s) concerned

Area: Energy

Activity: Clean Industrial Deal

## 1.3. Objective(s)

### *1.3.1. General objective(s)*

The general objective is the timely an efficient development and interoperability of resilient energy infrastructure, renewable energy and flexibility, including storage and recharging stations, across the EU. This will enable the EU to deliver on its energy and climate objectives, including ensuring energy affordability through better interconnectivity, leading to price convergence, reduced wholesale electricity prices and lower volatility of electricity prices as well as to accelerated connection of generation and demand.

### *1.3.2. Specific objective(s)*

To achieve the general objective, four specific objectives (SOs) are addressed by this initiative:

i) SO1: Ensure that projects included in network development plans and selected as PCI/PMIs address appropriately and effectively identified infrastructure needs ensuring timely and efficient development of energy infrastructure;

ii) SO2: Facilitate the use of cost-sharing tools for faster deployment of cross-border infrastructure projects, leading to an increased use of cost-sharing tools and a reduction in project deployment time;

iii) SO3: Shorten and simplify permitting procedures for energy infrastructure, renewable energy and storage projects, as well as recharging stations, leading to shorter time to obtain necessary permits, making it feasible to meet the existing deadlines, and simplified permit requirements;

iv) SO4: Enhance physical and cyber security and resilience of cross-border energy infrastructure (PCIs/PMIs) by increasing the number of protection and resilience equipment and installations on critical network elements.

The proposal entails a **new requirement for the Commission,** which is linked to the achievement of **SO1:**

– Requirement 1 (linked to SO1): The Commission is tasked with the development of a comprehensive central scenario and sensitivity analyses, as necessary, at least every four years for the electricity, hydrogen and gas sectors to be used for the Union-wide ten year network development plans (TYNDP) (Article 11).

**The proposal entails new requirements for ACER, which are linked to the achievement of SO1 and SO2:**

- Requirement 2 (linked to SO1): For the purpose of the central scenario development, ACER is tasked with supporting as well as verifying the data collection by the Commission (Article 11). In addition, ACER is required to develop and publish a binding framework methodology for the identification of infrastructure needs (to be conducted by ENTSO-E and ENNOH).
- Requirement 3 (linked to SO2): ACER is mandated to update its Cross-Border Cost Allocation (CBCA) recommendation and establish a central repository of all CBCA decisions (Article 17).

### 1.3.3. *Expected result(s) and impact*

*Specify the effects which the proposal/initiative should have on the beneficiaries / groups targeted.*

The additional resources will allow the Commission and ACER to carry out the tasks necessary to fulfil their mandate under EU legislation as per the requirements under this proposal. The proposal is expected to have the following effects on the beneficiaries and groups targeted:

- **Requirement 1:** Tasking the Commission with central scenario development is expected to ensure greater transparency, scrutiny and coherence of inputs used in network planning both at European and national level, with the ultimate aim to ensure infrastructure needs are identified and addressed more effectively, leading to a reduction in the gap between planned infrastructure projects in the TYNDP and the identified cross-border infrastructure needs over time, to the benefit of all system and network operators and users by progressing faster towards an optimal grid.
- **Requirement 2:** Entrusting ACER with tasks related to the central scenario development and infrastructure needs identification will ensure the process and its outcomes are robust and credible, with similar benefits as Requirement 1.
- **Requirement 3:** Tasking ACER with updating its Cross-Border Cost Allocation Recommendation will create a more harmonised cost-sharing framework improving consistency across Member States and CBCA decisions and encourage greater involvement of non-hosting Member States, with the aim to facilitate the use of cost-sharing tools for faster deployment of cross-border infrastructure projects.

### 1.3.4. *Indicators of performance*

*Specify the indicators for monitoring progress and achievements.*

The indicators for monitoring progress and achievement of the initiative's objectives are listed in Annex 8 of the Impact Assessment accompanying the Grids Package. They include in particular:

- the extent to which projects included in network developments and selected as PCIs/PMIs address appropriately and effectively identified infrastructure needs;
- the effective and increased use of cost-sharing tools;
- the simplification of permitting procedures, shortening of permitting lead times and meeting current deadlines;

– the enhanced physical and cyber security and resilience of energy infrastructure.

As regards the specific objectives which Requirements 1-3 are linked with, the following indicators apply:

– **Indicators for Requirement 1 & 2 (linked to SO1):** The number and total capacity of new cross-border interconnectors approved/implemented; the extent to which identified infrastructure needs are addressed by infrastructure projects (capacity) included in the TYNDP (planned, under construction or commissioned) or other non-wire solutions (presence of the gap between needs and projects, and decrease of the gap); the uptake of non-wire solutions in terms of number of projects and respective increase in grid capacity.

– **Indicators for Requirement 3 (linked to SO2):** The number of binding cost-sharing agreements enabling the implementation cross-border projects; the average duration for reaching a cost-allocation agreement; the number of non-hosting countries contributing to cost-sharing agreements; the number of projects being as part of bundles being submitted for PCI/PMI status

**1.4. The proposal/initiative relates to:**

☐ a new action

☐ a new action following a pilot project / preparatory action[70]

X the extension of an existing action

☐ a merger or redirection of one or more actions towards another/a new action

**1.5. Grounds for the proposal/initiative**

*1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

**Requirement 1:**

A new provision is introduced requiring the Commission to develop a central scenario to be used for the Union-wide TYNDP after entry into force of the Regulation and at least every four years thereafter (Article 11). The Commission must also develop a methodology for the collection of data from the ENTSO-E, ENNOH and ENTSO-G and consult the relevant actors on the data collected. The Commission must also consult the draft central scenario with the TEN-E Group and adopt and publish the final central scenario. The Commission may also develop sensitivity analyses to the central scenario if necessary based on market of policy developments. The Commission will have to follow up on the identified needs in the relevant regional fora. Within the Commission, these tasks would be attributed to DG Energy and the JRC.

**As regards DG Energy,** the new requirement related to the central scenario development, would necessitate additional resources to manage the scenario development process which implies a large number of interactions with stakeholders, Member States, supporting services and partners etc. On the basis of the impact assessment accompanying this proposal, the execution of these tasks will result in an

[70] As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

additional workload for DG Energy totalling 6 FTEs. These additional resources would cover the following needs:

*Process steering:*

– Coordinate the overall process between ENTSO/TSOs, the Commission and ACER as required by the TEN-E legislation; Consult with stakeholders and Member States during the different phases of the process (including hrough workshopes and meeetings) and appropriate follow-up (as described in Articles 11 to 13).

– Ensure the compatibility of grid scenarios within the overall policy architecture; Align the scenario design with ongoing policy scenario (e.g. related to 2040 targets, RED, EE, ETS, etc); Ensure alignment with NECPs and ERAA; Manage the assessment process of the draft and final infrastructure needs identification report (carried out by the ENTSOs).

– Coordinate the needs matching process (following the adoption of the infrastructure needs assessment) with ENTSO-E, TSOs, Member States, national regulatory authorities and relevant stakeholders and steer the process with the relevant regional groups. Closely follow the energy system wide cost-benefit analysis with ENTSOs and ensure propoer implementation including the inclusions of relevant stakeholders.

– Prepare and draft legal acts and manage the adoption process.

*Scenario development and coordination:*

– Ensure data collection with Member States, ENTSO-E, ENTSO-G, ENNOH, NRAs, and other stakeholders. Maintain repositories and ensure data quality process.

– Coordination of the assessment work. This will include all steps of the modelling process, i.e. ensuring data availability, setting critical assumptions, reviewing and quality controlling draft modelling results, following up on work plan and planning the interaction of modellers/analysts with relevant stakeholders.

– Document the different steps of the modelling exercise and disseminate the reports and data sets. The documentation will include methodology, data, key assumptions, results in different formats: reports, data files, online resources.

**As regards the JRC**, they would be tasked with supporting DG Energy in the central scenario development as well as executing the modelling. Data collection from Member States and TSOs for electricity, gas and hydrogen modelling will be the responsibility of DG ENER with support from the JRC. On the basis of the impact assessment this is expected to result in new workload for JRC totalling 12 FTEs.

– Working with DG Energy and providing technical and policy expertise in developing the methodology for the central scenario modelling as well as supporting DG Energy with the necessary data collection from the ENTSO-E, ENNOH and ENTSO-G.

– Energy system modelling: Construct scenarios and sensitivities; Data management required for the energy system modelling;

– Electricity modelling: Electricity dispatch modelling of the scenarios; Power flow calculations; Data management required for the electricity modelling

– Gas and hydrogen modelling: Updating the long-term expectations for gas and hydrogen; Gas market and network modelling of the scenarios; Modelling of gas/hydrogen flows; Data modelling included for gas/hydrogen modelling; Data management required for gas and hydrogen modelling.

Overall, it is estimated that the proposal will result in new workload for the Commission totalling **18 FTEs** for (6 FTEs for DG Energy and 12 FTEs for JRC, of which 4 redeployed from its current resources and 9 financed via an administrative agreementI). In addition, EUR 1 million in one-off operational costs and 500,000 in recurrent, annual operational costs would be required for technical updates, extensions and maintenance of the electricity, gas and hydrogen models, for modelling of targets, NECPs and energy mixes, as well as organisation of workshops and missions.

**ACER**

Requirement 2:

ACER is tasked with supporting as well as verifying the all input data collected by the Commission as part of the central scenario development (Article 11). In addition, ACER is required to develop a binding methodology for the identification of infrastructure needs (Article 12) and assess the compliance of the draft infrastructure needs identification developed and submitted by ENTSO-E and ENNOH, with the developed framework methodology and report to the TEN-E Group. ACER is also required to update the framework methodology when necessary on its own initiative or upon the request of the Commission

The execution of these new tasks is estimated to result in an additional workload for ACER totalling 2 FTE. In addition, ACER would have operational expenditures including consultancy support for the development of the infrastructure needs methodology, the development of an IT tool to facilitate data verification and overheads, with estimated one-off cost of EUR 130 000 as well as recurrent operational costs of EUR 100 000 per year.

Requirement 3:

ACER is required to adopt a Cross-Border Cost Allocation Recommendation, identifying good practices for the treatment of investment requests for PCIs, taking into account the principles in the TEN-E Regulation (Article 17). That recommendation shall be regularly updated as necessary. In adopting or amending the recommendation, ACER shall carry out an extensive consultation process, involving all relevant stakeholders. That recommendation shall also include a non-binding cross-border cost-allocation template to facilitate the work of national regulatory agencies.

The development and adoption of a Cross-Border Cost Allocation Recommendation a\s well as the maintenance of a repository of CBCA Decisions is estimated to result in an additional workload for ACER totalling 1 FTE as well as an estimated one-off cost of EUR 70 000 for the development of the IT tool for the repository of CBCA decisions.

For DG Energy and, JRC and ACER, the requirements above to implementation of the legislative proposal extend beyond the current 2021-2027 MFF.

*1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For*

*the purposes of this section 'added value of EU involvement' is the value resulting from EU action that is additional to the value that would have been otherwise created by Member States alone.*

Please see Explanatory Memorandum sections on subsidiarity and proportionality.

*1.5.3. Lessons learned from similar experiences in the past*

The evaluation of the previous TEN-E Regulation showed that it effectively improved integration of Member States' networks, stimulated energy trade and hence contributed to Union competitiveness. PCIs have also strongly contributed to security of supply as a main contextual driver to the design of the TEN-E Regulation. Following its evaluation in 2020, the TEN-E Regulation was revised in 2022. The Implementation Report annexed to the Impact Assessment analyses lessons learned from the implementation of the revised TEN-E Regulation. The Implementation Report provides evidence of the need for further improvements, namely when it comes to scenario development, infrastructure needs identification and consequent TYNDP, PCI/PMI project selection and assessment, as well as CBCA and permitting frameworks.

*1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments*

This Grids Package is a key deliverable under the Clean Industrial Deal and the Action Plan for Affordable Energy, which are part of the 2025 Commission Work Program. The proposal is complementary to other initiatives that aim to create a more integrated European energy market and lower energy costs for households and industries. Energy infrastructure is also crucial to achieve the proposed 2040 EU climate target, and to the EU's objective of achieving climate neutrality by 2050.

The Commission proposal for the new Multiannual Financial Framework (MFF) 2028-2034 highlights "the vital importance of a genuine Energy Union and well-integrated EU infrastructure networks", which is reflected in a substantially increased budget proposed for the Connecting Europe Facility (CEF) for Energy. The TEN-E Regulation provides the basis for energy infrastructure projects funded under CEF.

*1.5.5. Assessment of the different available financing options, including scope for redeployment*

The Impact Assessment report acompanying this proposal analysed different policy options to achieve the initiative's general and specific objectives. The preferred policy option which is pursued through this legislative proposal, was considered the most effective and cost-efficient approach and in line with the subsidiarity and proportionality principles.

DG Energy, JRC and ACER are considered best placed to execute the additional requirements stemming from the legislative proposal due to their previous experiences with the infrastructure planning process and energy system modelling.

DG Energy has developed significant experience in the infrastructure planning and coordination process since the TEN-E Regulation was first adopted in 2013. It is therefore best suited to coordinate the infrastructure needs identification and gap filling mechanisms at EU-level in an impartiall manner. The JRC has significant technical knowledge in energy system modelling and has developed its own

modelling tools. It is therefore considered best placed to conduct the modelling tasks linked to the central scenario development.

Due to its mandate, ACER is best placed to implement requirements 1 & 2. It has developed substantial technical expertise as a key actor with a formal role in both the infrastructure planning process and the cross-border cost allocation framework at EU-level under the current TEN-E framework

The additional FTEs are needed for new tasks/requirements ensuing from this legisltive proposal, while existing tasks will not decrease in the foreseeable future.

**1.6. Duration of the proposal/initiative and of its financial impact**

☐ **limited duration**

– ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY

– ☐ financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☒ unlimited duration

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

**1.7. Method(s) of budget implementation planned**

☒ **Direct management** by the Commission

– ☒ by its departments, including by its staff in the Union delegations;

– ☐ by the executive agencies

☐ **Shared management** with the Member States

☒ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated

– ☐ international organisations and their agencies (to be specified)

– ☐ the European Investment Bank and the European Investment Fund

– ☒ bodies referred to in Articles 70 and 71 of the Financial Regulation

– ☐ public law bodies

– ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees

– ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act

– ☐·bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

| N.A. |
|---|

## 2. MANAGEMENT MEASURES

### 2.1. Monitoring and reporting rules

**DG Energy and the JRC**

The tasks directly implemented by DG Energy will follow the annual cycle of planning and monitoring, as implemented in the Commission and the executive agencies, including reporting the results through the Annual Activity Report of DG ENER and the Annual Activity Report of the JRC.

**ACER**

According to its financial regulation, ACER has to provide, in the context of its Programming Document, an annual Work Programme including details on resources, both financial and human, per each of the activities carried out.

ACER reports monthly to DG Energy on budget execution, including commitments, and payments by budget title, and vacancy rates by type of staff.

In addition, DG Energy is directly represented in the governance bodies of ACER. Through its representatives in the Administrative Board, DG Energy will be informed of the use of the budget and the establishment plan at each of its meetings during the year.

Finally, also in line with financial rules, ACER is subject to annual requirements for reporting on activities and the use of resources through the Administrative Board and its Annual Activity Report.

### 2.2. Management and control system(s)

*2.2.1. Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

Requirement 1:

The tasks under Requirement will be assigned to the Commission.

Subject to decision taken during the implementation, these tasks may be carried out internally or outsourced to a service provider, via a public procurement procedure. In the case the tasks are procured from a service provider, the procurement will be implemented under direct management, in full application of the provisions of the Financial Regulation. The control strategy for procurements in DG Energy and the JRC includes specific ex-ante legal, operational and financial controls on the procurement procedure (review by the advisory committee for procurement and contracts) as well as on the signature of contracts. In addition, expenditure made to procure goods and services is subject to ex ante and, when necessary, ex-post and financial controls.

Requirements 2 & 3:

Due to its mandate, ACER is best placed to establish expertise related to the implementation of requirements 4 and 3.

DG Energy established a control strategy for managing its relations with ACER, part of the 2017 Internal Control Framework of the Commission. The Agency revised and adopted its own Internal Control Framework in December 2018.

*2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them*

**DG Energy**

The elements directly managed by DG Energy may be subject to the usual risks affecting public procurement procedures. These risks are considered low level as regards legality and regularity of the expenditure. Appropriate and effective controls are in place at corporate and DG level.

Concerning performance, the main risk are wrong estimates as regards the workload created by this proposal, given that it introduces new tasks. This risk needs to be accepted, since, as experience has shown, if additional resources needs are not included in the initial proposal, it is very difficult to remedy this situation later on.

**DG JRC**

As part of the risk assessment process for its scientific activities, the JRC identifies potential risks, evaluates their level and plans necessary mitigating actions and identifies existing controls. The key risk identified refers to a) the estimation of the related workload for the new tasks associated to this proposal (the workload for some of the tasks might be underestimated); b) insufficient quantity or quality of the data to support the various new tasks. For a) the risk needs to be accepted; mitigation measures include careful staff planning throughout the duration of the activities to ensure appropriate expertise. For b) the actions include an early participation in designing and framing the data collection processes, as well as early identification, within each task requiring data intense activities, of the potential barriers to get access to the data of interest and early communication with DG ENER and relevant stakeholders to raise the issue of data availability.

**ACER**

As regards new tasks for ACER, the proposal includes several new tasks which mitigates this risk, since while the workload of some future tasks may be underestimated, others may be overestimated, providing scope for possible future redeployment.

*2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

DG Energy

The tasks assigned for DG Energy will be implemented following already existing control system and the cost of control ratio is expected to remain stable (5 to 6% of the funds managed based on recent exercises).

ACER

The allocation of additional tasks for the existing mandate of ACER is not expected to generate specific additional controls at Agency level, therefore, the ratio of control costs over value of funds managed will remain unaltered for ACER.

**2.3. Measures to prevent fraud and irregularities**

**DG Energy**

DG Energy adopted a revised Anti-fraud Strategy in 2020 and, in 2023, a revised action plan covering the years 2023-2025. DG Energy is is currently revising its AFS for the years 2026-2028, in accordance with the OLAF methodology. The Energy AFS are based on the Commission Antifraud Strategy and on a specific risk assessment carried out internally to identify the areas most vulnerable to fraud, the controls already in place and the actions necessary to improve DG Energy's capacity to prevent, detect and correct fraud.

**DG JRC**

The JRC Anti-Fraud Strategy, along with its accompanying Action Plan, was adopted in 2020 and modified in 2024 to revise and update the plan for the period 2025-2027. The updated plan includes three new actions: an awareness-raising campaign focusing on Commission ethics issues and anti-fraud measures, with relevant examples tailored for JRC scientific staff, launched in the first half of 2025; an expanded training programme featuring thematic sessions on topics such as conflict of interest, authorship, the use of AI, whistleblowing and reporting channels, among others; updated Sharepoint pages dedicated to ethics issues and anti-fraud measures. These new actions complement the ongoing efforts from the 2021-2024 Action Plan and JRC participation in the Commission Antifraud Strategy Action Plan. The JRC values its cooperation with OLAF, the internal control team, and other stakeholders in our collective efforts to combat fraud.

**ACER**

ACER applies the anti-fraud principles of decentralised EU Agencies, in line with the Commission approach and the Guidelines by OLAF of 2024 for decentralised agencies and JUs. In December 2024 the Agency adopted a new Anti-Fraud Strategy, repealing Decision 15/2021 of the Administrative Board of the Agency. The new strategy, spanning the period 2025-2027, is based on the following strategic objectives: optimise existing fraud prevention measures, enhance timeliness and accuracy of existing detection systems, strengthen investigation protocols, and optimise corrective actions for swift recoveries.

## 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE [71]

### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

*In order of multiannual financial framework headings and budget lines.*

| Heading of multiannual financial framework | Budget line | Type of expenditure | Contribution | | | |
|---|---|---|---|---|---|---|
| | Number | Diff./Non-diff.[72] | from EFTA countries [73] | from candidate countries and potential candidates [74] | From other third countries | other assigned revenue |
| 01 | 02.03.02 Connecting Europe Facility – Energy | Diff. | NO | NO | NO | NO |
| 01 | 02.01.22.01 Support expenditure for Connecting Europe Facility – Energy | Non-diff. | NO | NO | NO | NO |
| 01 | 02.10.06 European Union Agency for the Cooperation of Energy Regulators | Diff. | YES | NO | NO | NO |

[71] Though this LFDS covers only the 2021-2027 MFF, the proposal is expected to have financial impact beyond 2027,

[72] Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

[73] EFTA: European Free Trade Association.

[74] Candidate countries and, where applicable, potential candidates from the Western Balkans.

## 3.2. Estimated financial impact of the proposal on appropriations

### *3.2.1. Summary of estimated impact on operational appropriations*[75]

– ☐ The proposal/initiative does not require the use of operational appropriations

– X The proposal/initiative requires the use of operational appropriations, as explained below

#### *3.2.1.1. Appropriations from voted budget*

EUR million (to three decimal places)

| **Heading of multiannual financial framework** | Number | 01 |
|---|---|---|

| DG: ENER | | | Year 2024 | Year 2025 | Year 2026 | | Year 2027 | TOTAL MFF 2021-2027 | POST 2027 |
|---|---|---|---|---|---|---|---|---|---|
| Operational appropriations | | | | | | | | | |
| Budget line: 02.03.02 Connecting Europe Facility – Energy | Commitments | (1a) | | | | | 4.232 | **4.232**[76] | **6.732** |
| | Payments | (2a) | | | | | 3.232 | **3.232** | **7.732** |
| Appropriations of an administrative nature financed from the envelope of specific programmes | | | | | | | | | |
| Budget line 02.01.22.01 Support expenditure for Connecting Europe Facility - Energy | | (3) | | | | | **0,428** | **0,428** | **2,996** |
| **TOTAL appropriations for DG Energy**[77] | Commitments | =1a+1b+3 | **0.000** | **0.000** | **0.000** | | **4,660** | **4,660** | **9,728** |
| | Payments | =2a+2b+3 | **0.000** | **0.000** | **0.000** | | **3,660** | **3,660** | **10,728** |

| JRC | Year 2024 | Year 2025 | Year 2026 | | Year 2027 | TOTAL MFF 2021- | POST 2027 |
|---|---|---|---|---|---|---|---|

75 The post-2027 amounts are indicative and do not prejudge the outcome of the ongoing negotiations on the next MFF.

76 A part of the operational appropriations under the Connecting Europe Facility will be dedicated to an Administrative Agreement with the JRC for the 9 FTEs (CA) as indicated in Section 1.5.1

77

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | **2027** | |
| | Operational appropriations | | | | | | | | | |
| N/A | | Commitments | (1a) | | | | | | | |
| | | Payments | (2a) | | | | | | | |
| | Appropriations of an administrative nature financed from the envelope of specific programmes | | | | | | | | | |
| Budget line 01 01 01 11 Expenditure related to officials and temporary staff implementing Horizon Europe — Direct research | | | (3) | | | | | **0,754** | **0,754** | **5,278** |
| **TOTAL appropriations for JRC[78]** | | Commitments | =1a+1b+3 | **0.000** | **0.000** | **0.000** | | **0,754** | **0,754** | **5,278** |
| | | Payments | =2a+2b+3 | **0.000** | **0.000** | **0.000** | | **0,754** | **0,754** | **5,278** |

EUR million (to three decimal places)

| [Agency]: European Union Agency for the Cooperation of Energy Regulators (ACER) | Year **2024** | Year **2025** | Year **2026** | Year **2027** | **TOTAL MFF 2021-2027** | **Post 2027** |
|---|---|---|---|---|---|---|
| Budget line: 02.10.06 European Union Agency for the Cooperation of Energy Regulators / EU Budget contribution to the agency | | | | 0.327 | **0.327** | **3.320** |

The appropriations / EU budget contribution to the agency will be compensated by a reduction of the envelope of the following programme Connecting Europe Facility - Energy/ budget line: 02.03.02 / in the year(s): 2027.

The appropriations allocated in the next MFF should be integrated into the Agency's subsidy due to the permanent nature of the tasks allocated by this proposal and will be compensated, if relevant, by an equivalent reduction of a relevant programme envelope under the same MFF heading, without prejudice to its future agreement. If a compensatory reduction is needed, the resources allocated to the Agency will need to be revised.

| | | | Year **2024** | Year **2025** | Year **2026** | Year **2027** | **TOTAL MFF 2021-2027** | **POST 2027** |
|---|---|---|---|---|---|---|---|---|
| • TOTAL operational appropriations (all operational headings) | Commitments | (4) | 0,000 | 0,000 | 0,000 | 4,559 | **4,559** | **10,052** |
| | Payments | (5) | 0,000 | 0,000 | 0,000 | 3,559 | **3,559** | **11,052** |

78 Estimates based on average staff costs applicable as from 2026 and corresponding to four officials in the relevant category to be redeployed within JRC.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| • TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings) | | (6) | 0.000 | 0.000 | 0,000 | 1,182 | **1,182** | **8,274** |
| **TOTAL appropriations under Headings 1 to 6** of the multiannual financial framework (Reference amount) | Commitments | =4+6 | **0,000** | **0,000** | **0,000** | **5,741** | **5,741** | **18,326** |
| | Payments | =5+6 | **0.000** | **0.000** | **0.000** | **4,741** | **4,741** | **19,326** |

| **Heading of multiannual financial framework** | **7** | 'Administrative expenditure' |
|---|---|---|

| DG: ENER | | Year **2024** | Year **2025** | Year **2026** | Year **2027** | **TOTAL MFF 2021-2027**[79] | **POST 2027** |
|---|---|---|---|---|---|---|---|
| • Human resources | | 0,000 | 0,000 | 0,000 | 0,376 | **0,376** | 2,632 |
| • Other administrative expenditure | | 0,000 | 0,000 | 0,000 | 0,012 | **0,012** | 0,084 |
| **TOTAL DG ENER** | **0,000** | **0,000** | **0,000** | **0,000** | **0,388** | **0,388** | **2,716** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **TOTAL appropriations under HEADING 7 of the multiannual financial framework** | (Total commitments = Total payments) | **0,000** | **0,000** | **0,388** | **0,388** | **2,716** | |

EUR million (to three decimal places)

| | Year | Year | Year | Year | **TOTAL** | **POST 2027** |
|---|---|---|---|---|---|---|

[79] This administrative expenditure is to be continued in the next MFF.

| | | 2024 | 2025 | 2026 | 2027 | MFF 2021-2027 | |
|---|---|---|---|---|---|---|---|
| **TOTAL appropriations under HEADINGS 1 to 7** | Commitments | **0.000** | **0.000** | **0.000** | **6,129** | **6,129** | **21,042** |
| of the multiannual financial framework | Payments | **0.000** | **0.000** | **0.000** | **5,129** | **5,129** | **22,042** |

### *3.2.2. Estimated output funded from operational appropriations*

Commitment appropriations in EUR million (to three decimal places)

| **Indicate objectives and outputs** ⇩ | | | Year **2024** | | Year **2025** | | Year **2026** | | Year **2027** | | Enter as many years as necessary to show the duration of the impact (see Section 1.6) | | | | | | **TOTAL** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **OUTPUTS** | | | | | | | | | | | | | | | | | |
| | Type[80] | Average cost | No | Cost | No | Cost | No | Cost | No | Cost | No | Cost | No | Cost | No | Cost | Total No | Total cost |
| SPECIFIC OBJECTIVE No 1[81]… | | | | | | | | | | | | | | | | | | |
| - Output | | | | | | | | | | | | | | | | | | |
| - Output | | | | | | | | | | | | | | | | | | |
| - Output | | | | | | | | | | | | | | | | | | |
| Subtotal for specific objective No 1 | | | | | | | | | | | | | | | | | | |
| SPECIFIC OBJECTIVE No 2 ... | | | | | | | | | | | | | | | | | | |
| - Output | | | | | | | | | | | | | | | | | | |
| Subtotal for specific objective No 2 | | | | | | | | | | | | | | | | | | |

80 Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

81 As described in Section 1.3.2. 'Specific objective(s)'

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **TOTALS** | | | | | | | | | | | | | | | | |

### 3.2.3. *Summary of estimated impact on administrative appropriations*

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– X The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

#### *3.2.3.1. Appropriations from voted budget*

| VOTED APPROPRIATIONS | Year 2024 | Year 2025 | Year 2026 | Year 2027 | TOTAL 2021 - 2027 | POST 2027 |
|---|---|---|---|---|---|---|
| **HEADING 7** | | | | | | |
| Human resources | 0,000 | 0,000 | 0,000 | 0,376 | **0,376** | 2,632 |
| Other administrative expenditure | 0,000 | 0,000 | 0,000 | 0,012 | **0,012** | 0,084 |
| **Subtotal HEADING 7** | **0,000** | **0,000** | **0,000** | **0,388** | **0,388** | **2,716** |
| **Outside HEADING 7** | | | | | | |
| Human resources | 0.000 | 0.000 | 0.000 | 1,910 | **1,910** | 13,370 |
| Other expenditure of an administrative nature | 0.000 | 0.000 | 0.000 | 0,024 | **0,024** | 0,168 |
| **Subtotal outside HEADING 7** | **0.000** | **0.000** | **0.000** | **1,934** | **1,934** | **13,538** |
| | | | | | | |
| **TOTAL** | **0.000** | **0.000** | **0.000** | **2,322** | **2,322** | **16,254** |

#### *3.2.3.2. Total appropriations*

| TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES | Year 2024 | Year 2025 | Year 2026 | Year 2027 | TOTAL 2021 - 2027 | POST 2027 |
|---|---|---|---|---|---|---|
| **HEADING 7** | | | | | | |
| Human resources | 0,000 | 0,000 | 0,000 | 0,376 | **0,376** | 2,632 |
| Other administrative expenditure | 0,000 | 0,000 | 0,000 | 0,012 | **0,012** | 0,084 |
| **Subtotal HEADING 7** | **0,000** | **0,000** | **0,000** | **0,388** | **0,388** | **2,716** |
| **Outside HEADING 7** | | | | | | |
| Human resources | 0,000 | 0,000 | 0,000 | 1,910 | **1,910** | 13,370 |
| Other expenditure of an administrative nature | 0,000 | 0,000 | 0,000 | 0,024 | **0,024** | 0,168 |
| **Subtotal outside HEADING 7** | **0,000** | **0,000** | **0,000** | **1,934** | **1,934** | **13,370** |
| | | | | | | |
| **TOTAL** | **0,000** | **0,000** | **0,000** | **2,322** | **2,322** | **16,254** |

The appropriations required for human resources under H7 and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

### 3.2.4. *Estimated requirements of human resources*

– ☐ The proposal/initiative does not require the use of human resources

– X The proposal/initiative requires the use of human resources, as explained below

### *3.2.4.1. Financed from voted budget*[1]

*Estimate to be expressed in full-time equivalent units (FTEs)*

| VOTED APPROPRIATIONS | Year 2024 | Year 2025 | Year 2026 | Year 2027 | Post 2027 |
|---|---|---|---|---|---|
| **• Establishment plan posts (officials and temporary staff)** | | | | | |
| 20 01 02 01 (Headquarters and Commission's Representation Offices) | 0 | 0 | 0 | 2 | 2 |
| 20 01 02 03 (EU Delegations) | 0 | 0 | 0 | 0 | |
| 01 01 01 01 (Indirect research) | 0 | 0 | 0 | 0 | |
| 01 01 01 11 (Direct research) | 0 | 0 | 0 | 4 | 4 |
| Other budget lines (specify) | 0 | 0 | 0 | 0 | |
| **• External staff (in FTEs)** | | | | | |
| 20 02 01 (AC, END from the 'global envelope') | 0 | 0 | 0 | 0 | |
| 20 02 03 (AC, AL, END and JPD in the EU Delegations) | 0 | 0 | 0 | 0 | |
| Admin. Support line [XX.01.YY.YY] - at Headquarters | 0 | 0 | 0 | 0 | |
| Admin. Support line [XX.01.YY.YY] - in EU Delegations | 0 | 0 | 0 | 0 | |
| 01 01 01 02 (AC, END - Indirect research) | 0 | 0 | 0 | 0 | |
| 01 01 01 12 (AC, END - Direct research) | 0 | 0 | 0 | 0 | |
| Other budget lines (specify) - Heading 7 | 0 | 0 | 0 | 0 | |
| Other budget lines (02 01 22 01 Support expenditure for CEF-E ) - Outside Heading 7 | 0 | 0 | 0 | 4 | 4 |
| **TOTAL** | **0** | **0** | **0** | **10** | **10** |

### *3.2.4.2. Total requirements of human resources*

| TOTAL VOTED APPROPRIATIONS +EXTERNAL ASSIGNED REVENUES | Year 2024 | Year 2025 | Year 2026 | Year 2027[2] | Post 2027 |
|---|---|---|---|---|---|
| **• Establishment plan posts (officials and temporary staff)** | | | | | |
| 20 01 02 01 (Headquarters and Commission's Representation Offices) | 0 | 0 | 0 | 2 | 2 |
| 20 01 02 03 (EU Delegations) | 0 | 0 | 0 | 0 | |
| 01 01 01 01 (Indirect research) | 0 | 0 | 0 | 0 | |
| 01 01 01 11 (Direct research) | 0 | 0 | 0 | 4 | 4 |
| Other budget lines (specify) | 0 | 0 | 0 | 0 | |
| **• External staff (in full time equivalent units)** | | | | | |
| 20 02 01 (AC, END from the 'global envelope') | 0 | 0 | 0 | 0 | |
| 20 02 03 (AC, AL, END and JPD in the EU Delegations) | 0 | 0 | 0 | 0 | |

[1] Because the additional FTEs will cover new tasks assigned to the Commission, there are currently not FTEs that are already assigned to the management of the action or that can be redeployed within the DG as far as DG Energy is concerned.

[2] As indicated earlier, the proposal has an unlimited duration and the resource needs will extend beyond 2027 also under the 2028-2034 MFF.

| | | | | | | |
|---|---|---|---|---|---|---|
| Admin. Support line [XX.01.YY.YY] | - at Headquarters | 0 | 0 | 0 | 0 | |
| | - in EU Delegations | 0 | 0 | 0 | 0 | |
| 01 01 01 02 (AC, END - Indirect research) | | 0 | 0 | 0 | 0 | |
| 01 01 01 12 (AC, END - Direct research) | | 0 | 0 | 0 | 0 | |
| Other budget lines (specify) - Heading 7 | | 0 | 0 | 0 | 0 | |
| Other budget lines (02 01 22 01 Support expenditure for CEF-E ) - Outside Heading 7 | | 0 | 0 | 0 | 4 | 4 |
| **TOTAL** | | **0** | **0** | **0** | **10** | **10** |

| | **Current staff available in the Commission services** | **Additional staff*** | | |
|---|---|---|---|---|
| | | **To be financed under Heading 7 / Research** | **To be financed from BA line** | **To be financed from fees/** |
| Establishment plan posts | 4 DG JRC (redeployment)<br>2 DG ENER | 0 | 0 | 0 |
| External staff (CA, SNEs, INT) | | 0 | 4 CA DG ENER | |

Description of tasks to be carried out by:

| | |
|---|---|
| Officials and temporary staff | **DG Energy:** The 2 additional officials requested for DG Energy would be tasked with overseeing, steering and coordinating the new tasks of DG Energy related to central scenario development (please see section 1.5.1 above). These tasks pertain to process steering (including effective coordination of stakeholder eco-syste, compatibility of grid scenarios with overall policy architecture, coordination of new infrastructure needs matching process and the preparation of legal acts), as well as scenario development and coordination (including overseeing data collection, coordination of the assessment work, and overseeing and documenting the modelling process). |
| External staff | **DG Energy**: The 4 additional Contract Agents requested for DG Energy would be tasked with central scenario development, supporting the 2 officials assinged to oversee and steer this work. The Contract Agents would execute tasks related to process steering and scenario development and coordination (please see section 1.5.1 above). |

### *3.2.5. Overview of estimated impact on digital technology-related investments*

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 7 should be presented in the designated line.

The appropriations under Headings 1-6 should be reflected as "Policy IT expenditure on operational programmes". This expenditure refers to the operational budget to be used to re-use/ buy/ develop IT platforms/tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 "Digital dimensions".

| **TOTAL Digital and IT appropriations** | Year **2024** | Year **2025** | Year **2026** | Year **2027** | **TOTAL MFF 2021 - 2027** | **TOTAL MFF post-2027** |
|---|---|---|---|---|---|---|
| **HEADING 7** | | | | | | |
| IT expenditure (corporate) | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** | |
| **Subtotal HEADING 7** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | |
| **Outside HEADING 7** | | | | | | |
| Policy IT expenditure on operational programmes | 0.000 | 0.000 | 0.000 | 1,120 | **1,120** | **3,500** |
| **Subtotal outside HEADING 7** | **0.000** | **0.000** | **0.000** | **1,120** | **1,120** | **3,500** |
| | | | | | | |
| **TOTAL** | **0.000** | **0.000** | **0.000** | **1,120** | **1,120** | **3,500** |

*3.2.6. Compatibility with the current multiannual financial framework*

The proposal/initiative:

– X can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)

| |
|---|
| Redeployment would be required within the CEF-E budget line to finance the operational expenditure for 2027.<br>Inter-DG redeployment could be required to provide for the 2 officials requested for DG Energy to execute the tasks under Requirement 1 described in section 1.5.1. |

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation

– ☐ requires a revision of the MFF

*3.2.7. Third-party contributions*

The proposal/initiative:

– X does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

| | Year **2024** | Year **2025** | Year **2026** | Year **2027** | Total |
|---|---|---|---|---|---|
| Specify the co-financing body | | | | | |
| TOTAL appropriations co-financed | | | | | |

### 3.2.8. Estimated human resources and the use of appropriations required in a decentralised agency

Staff requirements (fulll-time equivalent units)

| Agency: ACER | Year **2024** | Year **2025** | Year **2026** | Year **2027** | Post 2027 |
|---|---|---|---|---|---|
| Temporary agents (AD Grades) | | | | 1 | 1 |
| Temporary agents (AST grades) | | | | | |
| *Temporary agents (AD+AST) subtotal* | ***0*** | ***0*** | ***0*** | ***1*** | ***1*** |
| Contract agents | | | | 1 | 2 |
| Seconded national experts | | | | | |
| *Contract agents and seconded national experts subtotal* | ***0*** | ***0*** | ***0*** | *1* | ***2*** |
| **TOTAL staff** | **0** | **0** | **0** | **2** | **3** |

Appropriations covered by the EU budget contribution in EUR million (to three decimal places)

Staff expenditure to be adapted to the planned recruitment month (if recruitment occurs in July, only 50 % of the average cost is taken into account).

| Agency: ACER | Year **2024** | Year **2025** | Year **2026** | Year **2027** | **TOTAL 2021 - 2027** | **POST 2027**[3] |
|---|---|---|---|---|---|---|
| Title 1: Staff expenditure | | | | 0.127 | 0.127 | **2.546** |
| Title 2: Infrastructure and operating expenditure | | | | | | |
| Title 3: Operational expenditure | | | | 0.200 | 0.200 | **0.773** |
| **TOTAL of appropriations covered by the EU budget** | **0.000** | **0.000** | **0.000** | **0.327** | **0.327** | **3.320** |

**Overview/summary of human resources and appropriations (in EUR million) required by the proposal/initiative in a decentralised agency**

| Agency: ACER | Year **2024** | Year **2025** | Year **2026** | Year **2027** | **TOTAL 2021 - 2027** | **Post 2027** |
|---|---|---|---|---|---|---|

[3] Figure for the entire MFF 2028-2034

| | | | | | | |
|---|---|---|---|---|---|---|
| Temporary agents (AD+AST) | **0** | **0** | **0** | 1 | **1** | **1** |
| Contract agents | **0** | **0** | **0** | 1 | **1** | **2** |
| Seconded national experts | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total staff** | **0** | **0** | **0** | 2 | **2** | **3** |
| Appropriations covered by the EU budget | 0.000 | 0.000 | 0.000 | 0.327 | **0.327** | **3.320** |
| Appropriations covered by fees (if applicable) | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** | **0.000** |
| Appropriations co-financed (if applicable) | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** | **0.000** |
| **TOTAL appropriations** | **0.000** | **0.000** | **0.000** | **0.327** | **0.327** | **3.320** |

### 3.3. Estimated impact on revenue

– X The proposal/initiative has no financial impact on revenue.

– ☐ The proposal/initiative has the following financial impact:

  – ☐ on own resources

  – ☐ on other revenue

  – ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

| Budget revenue line: | Appropriations available for the current financial year | Impact of the proposal/initiative[4] | | | |
|---|---|---|---|---|---|
| | | Year **2024** | Year **2025** | Year **2026** | Year **2027** |
| Article ……. | | | | | |

For assigned revenue, specify the budget expenditure line(s) affected.

| |
|---|
| n.a |

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

## 4. DIGITAL DIMENSIONS

### 4.1. Requirements of digital relevance

Requirements of digital relevance in the proposal:

Requirement 1 (R1) relates to scenario development processes and infrastructure needs identification, which should consider the potential use of digital and smart solutions next to physical grid development already in the modelling part of the network development planning. As a related requirement, transmission system operators in electricity are required to consider with priority non-wire and digital solutions when proposing new infrastructure projects, with such requirements applicable on a European level (as part of the EU-wide ten-years network development plan) as well as on a national level (national network development plans on a transmission level). This will help ensuring maximum efficiency in grid development and also incentivise use of digital solutions in practice.

This requirement applies for EU institutions responsible for the modelling process, Member States, bodies representing transmission system operators on a European level (ENTSO for Electricity, ENTSO for Gas and ENNOH) as well as to transmission system operators on a national level.

Requirement 2 (R2) relates to introduction of a new non-wire and digital transmission category for Projects of Common Interest. Such category aims to provide better incentives for use of grid enhancing and digital technologies by transmission system operators, to increase efficiency of grid utilisation and increase cross-border transmission capacity. When applying for the new category, transmission system operators are required to submit data related to technical characteristics of proposed digitalisation systems as well as

[4] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.

expected impacts on the transmission system operation. ENTSO for Electricity, as a body proposed for calculating the costs and benefits of new projects, would be responsible for processing related data.

Requirement 3 (R3) relates to the permitting application procedure for projects on the Union list of projects of common interest and of projects of mutual interest. Member States' national competent authority must be able to receive permitting applications and all relevant documents in digital format (Article 8). Under the proposal, Member States are required to ensure a digital platform is available at national level to manage steps of the permit of the permit-granting procedure (including permitting applications, permitting processes, ongoing permitting decisions) and make available decisions issued in an easily accessible format (Article 10 (4)). This should contribute to more uniform digitalisation and transparency across different permitting authorities in Member States and ultimately speed up permitting.

This will be on top of the obligation on MS that all decisions are to be issued in an easily accessible format.

### 4.2. Data

For Requirement 1: The requirement relates to existing data collection for purposes of grid modelling and scenario development and may lead to new data being collected on future use of digital technologies and their potential. While assumptions on potential of such technologies exist in literature, Member States' data are currently not publicly available and are not collected for the same purpose (once-only principle has been duly followed). Transmission system operators will start assessing flexibility needs assessment pursuant to Regulation (EU) 2019/943 as of 2026 and some of the data being used can also be used for purposes of grid planning. However, the span of the former is only 10 years, while Union-wide grid planning covers upcoming 10-20 years. In this regard, data collection seems inevitable to ensure full coverage. Secondary legislation on concrete format of data will ensure existing collections for the purposes of Flexibility Needs Assessments are taken into account to avoid any duplication in requirements. Regarding the data flow, data are provided by transmission system operators, regulatory authorities and Member States to the Commission based on rule to be adopted via secondary legal acts. Additional data for grid modelling, if necessary, are to be provided by transmission system operators directly to the ENTSO for electricity.

For Requirement 2: Data related to submission of application for the Project of Common Interest are unique for each project and hence must be collected at time of submission of the application (once-only principle hence fully complied to). Such data relate to scope of the project, financial estimates, technologies used, location, impact on environment and power grid, etc. Data will be submitted by project promoters (mostly transmission system operators) to the ENTSO for Electricity and the European Commission for the purpose of assessing costs and benefits under the evaluation processes for Projects of Common Interest.

For Requirement 3: The digital platforms which Member States would be required to set up would store all data necessary for a complete permit or permits for projects of common interest and projects of mutual interest. These are personal data with connection to the applicant whether a natural or legal person, the characteristics of the project and all necessary supporting documents.

### 4.3. Digital solutions

For Requirement 1: Platform related to requirement 1 relates to grid modelling and scenario modelling for future infrastructure development. ENTSO for Electricity already uses such platform, hence new requirement relates to upgrade of the platform to process more data. Regarding European Commission role in the scenario modelling process, data will be used in existing models, hence no new requirements to establish a separate platform are stipulated by changes.

For Requirement 2: This requirement should not lead to establishment of new platforms of systems for processing the data, as the PCI selection process is well established and the aim is to broaden the scope of categories (while keeping the principles for the assessment, using existing systems for processing applications and calculating costs and benefits).

For Requirement 3: The digitalisation and centralisation of permitting procedures will be facilitated by the digital platforms which Member States would be required to set up. By centralising this data, we expect to simplify procedures and prevent the duplication of the same data in different platforms. In the recitals, the Commission urges that the portal should present features, including by means of artificial intelligence, allowing the single contact point, other authorities and applicants to check the status of the application and where delays are, as well as check compliance with the permitting deadlines. In addition, it should allow for the extraction of statistics to check the overall progress of permitting-granting procedures in Member States. The portal should facilitate the duties of the single contact point who should have access to all relevant data and information.

### *4.4. Interoperability assessment*

Requirements 1 and 2 do not require interaction across Member State borders as the aim is to feed data for evaluations at the EU level, in a centralized way. They are also not related to cross-border interoperability as the data exchanged are on future estimates of project development, not on existing data flows related to operation of the system (which are already exchanged via other TSO cooperation platforms). There is an expectation that data will be shared only once, i.e. either to the ENTSO for Electricity (which will consequently share them with the Commission), or with the Commission directly (in case identical data are not needed by the ENTSO for Electricity). Information is exchanged via data files – not via mutual linking of two platforms.

Requirement 3 does not require interaction across Member State borders, among EU entities or between EU entities and public sector bodies. It also does not have an effect on cross-border inter-operability as the data is of relevance for national, rather than EU-level decision-making procedures. A centrally defined data structure has been considered and discarded, since due to the mostly national character of the biggest percentage of the permitting procedures in each MS and the different permitting systems, it is logical that the actual decision on format for the implementation is left to MS, which can decide what fits best to their system and the new digital platform they will set up. While TEN-E Regulation requires national competent authorities in charge of permitting to cooperate in cross border projects to the extent possible, it gives Member States the freedom to decide on the most appropriate way to do so. Since part of the data in question may also be required and assessed for procedures related with projects not covered unde TEN-E regulation, it will also be proposed that these platforms are set up as multi-purpose platform that covers the

permitting of a wide range of energy asets (grids,pipelines, renewables, storage, etc).

The public services affected by these suggestions would be all national authorities involved in the permitting of energy assets, e.g. energy ministry and/or agencies, municipal/local administration and environmental authorities. Administrative bodies or entities responsible for opinion or approval on projects afecting spatiall planning and cultural heritage sites would also be affected.

### 4.5. Measures to support digital implementation

Measures relate to Requirement 2, i.e. introduction of a new non-wire and digital transmission category for Projects of Common Interest. Such category aims to provide better incentives for use of grid enhancing and digital technologies by transmission system operators, to increase efficiency of grid utilisation and increase cross-border transmission capacity. Such investment, if granted a status of a Project of Common Interest, would benefit from accelerated permitting and if fulfilling all necessary conditions, may apply for a funding from Connecting Europe Facility. These measures should support implementation of digital platforms within EU transmission and distribution grids.