ANNEX 2 TO THE APPLICATION FORM UNDER THE CALL FOR CROSS-BORDER RENEWABLE ENERGY (CB RES) PROJECTS

APPLICATION PROCESS FOR CB RES STATUS

*YOUR PROJECT NAME*

*Template v.1: 04/03/2022*

***The following template is provided as an example. It is an extract of key elements of the Commission Methodologies for assessing the contribution of cross-border projects to the general criteria and for producing the cost- benefit analysis[[1]](#footnote-1).***

***The promoter(s) should thoroughly read the methodologies and can use this template as a tool to facilitate the drafting of the CBA.***

***The promoter(s) are strongly encouraged to use this template. In case the promoter(s) decide to apply a different structure, this template can be used to double check if all relevant information are included in the promoter(s)’ CBA.***

***Please use this annex in complementarity with the Application Form itself. In case you do not have extra information to provide under any of the sections below, please simply refer to the relevant section of the Application Form or any other annexes you may have submitted together with the Application Form.***

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# Implementation context of the project

Concise presentation of the implementation context

**Guidance:** Please include elements related to existing and foreseeable market conditions, such as (the following list of aspects is non exhaustive and non prescriptive, some aspects might be not relevant, depending on the project):

Structure of the market (degree of market liberalization, competition in the sector, and market entry, market rules for storage and flexibility); Wholesale market trends (prices); Interconnection between the participating MS; Energy Demand analysis: how large is the demand for the project’s output? (important when the output of the project includes services beyond energy production e.g. balancing products or contributions to ancillary services storage etc.); Support frameworks for RES: Support schemes, Auctions, Quotas, Others; RES capacity (exisiting and planned) including storage; *Renewables potential in all (potentially) participating countries*; *Plans of the Member States and or third country to make use of cooperation mechanism and/or the Union Financing Mechanism*; *Grid-related aspects of the project, including its connection regime, the status of the connection agreement and other relevant elements*

# Objective(s) of the project

Contribution to the Energy Union objectives

**Guidance:** Please indicate to which objective(s) the project contributes and explain briefly the way in which the project contributes to this/those objective(s).

All the following aspects should be covered:

* Decarbonisation
* Completion of the internal market
* Security of supply
* Promotion of cross-border cooperation in the field of planning, development and cost-effective exploitation of renewable energy sources
* Facilitation of renewable energy integration

# Information on the project

Description of the project

**Guidance:** Please include information on the relevant elements (following list of aspects is non exhaustive and non prescriptive, some aspects might be not relevant, depending on the project):

* Information on the renewables generating technology (possibly accompanied by storage or power-to-X facility) that will be implemented.
* Size of the project (in kW) and estimated renewable energy production (in kWh)
* Location(s) where the project will be implemented
* Planned/actual implementation schedule, i.e. planned/actual start date and end date of the project, milestones such as, permitting, construction, commissioning.
* Project status
* Specific engineering features and / or technical characteristics and standards and specifications
* Type of output and services envisaged (electricity, heating, renewable energy storage, which markets will be served etc.
* Bodies responsible and/or necessary for the project implementation (e.g. the project developer, the Member State, TSO, DSO).
* The business model of the project, described by using a standard reference such as the ‘Canvas’ model template, clearly identifying the revenues and costs of the project and the assumptions for these (e.g. projected electricity, capacity and ancillary services revenues, guarantees of origin revenues, projected arbitrage revenues for projects involving storage, CAPEX, biomass or other fuel costs).
* The technical design of the project.
* High-level environmental considerations, including climate change considerations and environmental impact considerations in line with outcome of the environmental impact.
* Compliance with applicable Directives on Environmental Impact Assessment (EIA)/Strategic Environmental Assessment (SEA) and similar sector-specific legislation.

# Cooperation agreement setting up the project

Description of the cooperation agreement

**Guidance:** Please describe clearly the status of the cooperation agreement, ranging from a written declaration of the participating Member States expressing their willingness to conclude a cooperation to a signed cooperation agreement or any other kind of arrangement.

The following elements need to be reflected:

* Objective of the cooperation
* Specification of the cooperation (e.g. joint project or joint support scheme), including high-level statements on the envisaged set up of the cooperation.
* Capacity (amount of MW installed)
* Eligible technologies
* Selection procedure for cooperation project / specific project description in case project is already identified
* High-level statement on renewable energy target accounting, including envisaged distribution of RES statistics for target contribution purposes (but distribution rule does not have to be agreed yet)
* High-level statement on envisaged sharing of costs and benefits
* High-level statements on envisaged monitoring, proof and verification

# Consistency with the European Green Deal and the national energy and climate plans

**Guidance:** Please describe how the project contributes to the objectives of Green deal related to decarbonisation of the energy sector, and how it is consistent with the National Energy and Climate Plans, whether the NECPs explicitly include crossborder cooperation in renewables.

# Project financing

High-level breakdown of expected total costs per investment components and funding and revenue sources

**Guidance:** Please provide a preliminary assessment of the expected total costs of the project separated into investment components.

Please provide information on funding and revenue sources if already vailable (e.g. national support scheme, joint support scheme, market revenues, Private Purchase Agreement, EU Funds including CEF, Recovery and Resilience Facility etc…).

# Socio-economic net benefits

**Guidance:** In the sections below, please provide any quantitative and qualitative information which is not already covered in the quantitive analysis provided in the CBA excel tool and which complements the quantitative analysis. In providing this information, you are encouraged to follow the guidance in the CBA methodology.

## Description of the counterfactual and scenario

**Guidance:** Please provide information on what counterfactual has been adopted (standardized counterfactual or case-specific counterfactual) and describe the main features of the project that would be implemented by (one of) the participating Member states alone in case the cooperation didn’t take place.

Please confirm that the main parameters specified in the CBA methodology in terms of scenario setting and boundaries of the analysis have been followed or justify any deviation.

## Cost of energy generation

**Guidance:** Please provide information on the calculation of the Levelised Cost of Energy (LCOE), breaking down and justifying the different cost components.

## System integration

**Guidance:** Please provide information on the calculation of profile costs, balancing costs and grid-related costs.

## Cost of support

**Guidance:** Please provide information on the cost of support.

## Greenhouse gas emissions

**Guidance:** Please provide information on quantification and monetisation of Greenhouse gas emissions.

## Security of Supply

**Guidance:** Please provide information on the value of changes in energy imports.

## Air and other local pollution

**Guidance:** Please provide information on the quantification and monetisation of air pollution as well as qualitative information on other local pollution.

## Innovation

**Guidance:** Please provide qualitative information on the technological innovation and policy innovation.

1. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021SC0429&qid=1564520971474> [↑](#footnote-ref-1)