

CEF ENERGY

2021 CALL FOR PROPOSALS (CEF-ENERGY-2021)

FREQUENTLY ASKED QUESTIONS Part 1

TAGS; CEF2027, CEF-E-2021-PCI, CEF 2 Energy, Projects of Common Interest, CEF-2021, CEF-E-2021-PCI-STUDIES, Electricity, Gas, Smart Grids and CO₂ networks, CEF-E-2021-PCI-WORKS

PCI, Project of Common Interest, PCI list

1.3. Under Call CEF-E-2021-PCI, which PCIs can apply to this call and where can I find the latest list of PCIs?

The PCIs which can apply under this call for proposals are those contained in Commission Delegated Regulation (EU) 2020/389 of 31 October 2019 amending Regulation (EU) No 347/2013 of the European Parliament and of the Council as regards the Union list of projects of common interest (PCI). You can find the document at:

https://eur-lex.europa.eu/eli/reg_del/2020/389/oj

Eligible action, action, activities, eligibility

1.6. Under Call CEF-E-PCI, what type of actions can be funded under the CEF Energy programme?

CEF Energy may co-fund actions that are either studies or works. No mixed proposals, e.g. studies and works, can be co-funded. However, it is possible to submit more than one proposal related to the same PCI under this call. In such case, the activities of the two proposals must be clearly defined and cannot overlap.

The notions of studies and works are defined in Article 2 of Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility.

"Studies" include activities needed to prepare project implementation, such as preparatory, mapping, feasibility, evaluation, testing and validation studies, including in the form of 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.

"Works" include the purchase, supply and deployment of components, systems and services including software, the carrying-out of development, construction and installation activities relating to a project, the acceptance of installations and the launching of a project.

For examples of actions already co-funded under CEF Energy, see: <https://ec.europa.eu/inea/en/connecting-europe-facility/cef-energy/cef-energy-projects-and-actions>.

Duration, duration of action, action, activities

1.11. Under Call CEF-E-2021-PCI, is there a maximum duration for actions?

The CEF-E-2021-PCI Call for proposals specifies 31/12/2027 as maximum duration for actions proposed for funding. Extensions over this date are possible, if duly justified, through an amendment to the grant agreement.

Positive externalities

1.12. Under Call CEF-E-PCI, what are positive externalities? How can applicants demonstrate evidence of positive externalities?

The PCI specific cost-benefit analysis pursuant to Article 12(3)(a) of *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 1364/2006/EC and amending Regulations (EC) 713/2009, (EC) No 714/2009 and (EC) 715/2009* (the TEN-E Regulation) should provide evidence concerning the existence of significant positive externalities going beyond the Member State where the PCI is located and which cannot be internalised through the existing regulatory framework. Positive externalities may relate to security of supply, solidarity or innovation, as outlined in Article 14(2)(a) of the TEN-E Regulation. The existence of significant positive externalities is one of the eligibility criteria for grants for works. Applicants for Works proposals have to provide information on positive externalities as part of the application form B, under the Impact criterion.

Starting of activities, activities

2.3.3. Under Call CEF-E-2021-PCI, can a proposal for a study be submitted for the PCI scheduled to be commissioned between 2022 and 2023? Or is it better to wait for the next call?

Proposals for a study can be submitted under the current call for proposals, regardless of the expected PCI commissioning date. As indicative information, it is usually considered that a study should be ready to start at the latest within six months following the call deadline. Each proposal submitted under the current call for proposals will be assessed against the award criteria and notably maturity, priority and urgency.

Starting of activities, activities

2.3.5. Under Call CEF-E-PCI, can a proposal be submitted for an action which has already started?

A grant may be awarded for an action that has already begun, provided that the applicant demonstrates the need for starting the action prior to signature of the grant agreement, but no costs can be reimbursed for activities that took place before the starting date, which cannot be earlier than the proposal submission date. The action should be mature, meaning that it should be ready to start in the short term. As stated in the call text, the maturity of the action is one of the award criteria against which each proposal will be assessed (section 9 of the call document).

Call information, information, statistics, funding requests, call updates

2.5.1. Under Call CEF-E-PCI, are the statistics on funding requests publicly available?

After the call closure, statistics on the number of proposals received and the total requested funding are available on the in Call updates in the Participant Portal.

Information, scope

2.5.3. Under Call CEF-E-PCI, is there someone in the European Commission or CINEA whom we could contact to confirm that our proposal fits within the scope of the CEF Energy work programme and call for proposals?

The European Commission and CINEA follow a strict policy of equal treatment of all applicants. Therefore, individual advice to the potential applicants on the preparation of their proposals is not

available. General questions about the call and submission process can be sent to the call helpdesk: CINEA-CEF-ENERGY-CALLS@ec.europa.eu

Please note, however, that questions which are specific to a particular proposal and where the answer would provide a comparative advantage to the applicant will not be answered.

Eligibility of applicants, UK applicants, UK, eligible countries, eligibility criteria

3.1.4. Under Call CEF-E-PCI, can UK applicants still apply for the 2021 CEF Energy call?

UK is a non-EU country and it has not expressed interest to participate in the Connecting Europe Facility as a third country associated to the CEF in the sense of Article 5 of Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility.

Therefore, entities from UK are exceptionally eligible for CEF Energy grant, if the granting authority considers their participation essential for the implementation of the action.

Eligibility of applicants, third countries, eligible countries

3.4.1. Under Call CEF-E-PCI, could an entity from a third country receive financial support from CEF for energy infrastructure projects?

Entities from other countries are exceptionally eligible for projects of common interest in the field of energy, if the European Commission considers their participation essential for the implementation of the action.

Special rules apply for certain entities (e.g. entities subject to EU restrictive measures under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU) and entities covered by Commission Guidelines No 2013/C 205/059). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).

Eligibility of applicants, eligibility, PCI, project promoter

3.8.3. Under Call CEF-E-PCI, our proposed action concerns the construction of infrastructure as part of a PCI. It will be implemented by a private company which is not a project promoter. Can this company apply for a CEF Energy grant and still receive funding?

Such entity may apply, if the eligibility criteria related to the applicant and the PCI as described in the work programme and in the call for proposals are met, i.e. the company is involved in the implementation of an action related to one of the projects of common interest on the PCI list and it obtained the agreement of the concerned Member State. However, please keep in mind the definitions of the PCI and the project promoter in Article 2 of the TEN-E Regulation. Please also note that as the proposal will be assessed notably against its direct contribution to PCI implementation, it should demonstrate appropriate cooperation with the project promoter of the PCI.

Eligibility of applicants, eligibility, applicant, Independent System Operator, ISO

3.8.4. Under Call CEF-E-PCI, who should be the applicant for grants for works when the Independent System Operator (ISO) model is in place: the ISO on behalf of the transmission asset owner or the transmission asset owner itself?

For practical reasons, the ISO and the transmission asset owner must submit a joint application. Both the legal entity that implements the action and incurs the expenses (receives the invoices) and the legal entity that owns the PCI assets (has the detailed information for application/reporting etc.) should be involved.

Eligibility of applicants, eligibility, PCI, project promoter

3.8.5. Under Call CEF-E-PCI, when the project promoter of a PCI has a number of shareholders, can the application for the PCI be made by one of these shareholders?

Such an entity may apply if the eligibility criteria related to the applicant and the project as described in the work programme and in the call for proposals are met, i.e. the company is involved in the implementation of an action related to one of the projects of common interest on the PCI list and it obtained support of the concerned Member State.

PCI, Project of Common Interest, PCI list, eligibility

4.5. Under Call CEF-E-PCI, can we submit the proposal if our project is planning to apply to be on the next PCI list but is currently not on the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013?

No, if your project is not part of the current list of Projects of Common Interest as identified in the most recent Commission Delegated Regulation amending Regulation (EU) 347/2013, your proposal will not be eligible for funding under the current call for proposals.

The PCIs which can apply under this call for proposals are those contained in Commission Delegated Regulation (EU) 2020/389 of 31 October 2019 amending Regulation (EU) No 347/2013 of the European Parliament and of the Council as regards the Union list of projects of common interest (PCI). You can find the document at:

https://eur-lex.europa.eu/eli/reg_del/2020/389/oj

cross-border cost allocation decision, CBCA, investment request

4.8. Under Call CEF-E-PCI, is the adoption of a cross-border cost allocation decision (CBCA) and thus the submission of an investment request a prerequisite to apply for Union financial assistance for studies?

No. There is no need to have an investment request or a CBCA decision to apply for grants for studies. This requirement is only for applications for works, when applicable (proposals related to projects falling under the categories in Annex II.1(a), (b), (d) and Annex II.2 of the 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 1364/2006/EC and amending Regulations (EC) 713/2009, (EC) No 714/2009 and (EC) 715/2009 (the TEN-E Regulation).

Elibility, eligibility of participants, project promoter

4.9. Under Call CEF-E-PCI, there are three project promoters in the PCI. Do we need two of these promoters to formally delegate the responsibility of applying to the call to the third project promoter?

If several project promoters are involved in the implementation of the proposed action and will be incurring costs in connection with it, they should all be included as applicants in the proposal. In this case, it is mandatory to designate a coordinating applicant.

In case only one project promoter will be involved in the implementation of the proposed action and incurring costs in connection with it, the application should clearly explain how cooperation between the project promoters will be ensured. It is not necessary to include a formal delegation of the responsibility by the other project promoters in the application, but it is recommended to demonstrate how the cooperation between the project promoters will be ensured, as part of the information provided in the application forms.

Eligibility, eligibility of participants, project promoter, cluster

4.10. Under Call CEF-E-PCI, do we have to submit a single application for activities related to two PCIs in the same cluster or should we make separate applications?

If the two PCIs in a cluster are complementary (such as an interconnector and an internal line) and are in a similar stage of development, we strongly recommend submitting a joint application. In the application, both PCIs to which the proposal relates should be clearly identified by means of selecting the relevant PCIs from the drop down list in application form part A.

However, if the two PCIs are in different stages of development or maturity, we recommend submitting two separate applications.

Eligibility, eligibility of participants, project promoter, cluster

4.11. Under Call CEF-E-PCI, in a single application for two PCIs in a cluster, could different grant agreements be concluded for the activities related to each PCI?

A single application may be submitted in relation to two PCIs in the same cluster, with all relevant project promoters listed as applicants. However, in this case an application leads to a single grant agreement covering the 2 PCIs.

Eligibility, eligibility of participants, project promoter

4.12. Under Call CEF-E-PCI, in case of a cross-border PCI in which both promoters intend to submit proposals for studies, should the application be submitted as a multi-applicant proposal?

In case of a cross-border PCI when both project promoters intend to submit proposals for funding, we strongly recommend submitting a joint application, with different work packages to be carried out by the two project promoters.

Eligibility, eligibility of participants, project promoter

4.14. Under Call CEF-E-PCI, is it possible for promoters to submit two applications for the same PCI, one for works and one for studies (given that it is not possible to combine both studies and works in one proposal), or alternatively two studies applications?

Yes. In principle, there are no restrictions to the number of applications to be submitted for the same PCI, therefore it is possible to submit two applications – whether for works+studies or studies+studies – relating to the same PCI under the same call for proposals. Please note, however, that all proposals will be assessed against the award criteria and notably the criterion on maturity of the action with regards to the developmental stage of the project, based on the PCI implementation plan.

Eligibility, eligibility of actions

4.15. Under Call CEF-E-PCI, can a PCI project be supported by grants for studies twice if the actions are clearly different (e.g. feasibility study and detailed engineering)?

Yes, if the CEF financial assistance is requested for different actions and these can be clearly defined and differentiated - such as a feasibility study and a detailed engineering study - it is possible to request grants for studies more than once for the same PCI, including under the same call. Please note however it is recommended that such studies are combined in the same proposal, if submitted under the same call for proposals.

Eligibility, eligibility of actions

4.17. Under Call CEF-E-PCI, can any project of common interest receive a grant for construction ("works actions") under the CEF Energy programme?

No. Projects of common interest included in Annex II.1 (a) to (d) and Annex II.2 of the TEN-E Regulation are eligible for grants for works if they meet the criteria specified in Article 14 (2) of the TEN-E Regulation. One of the eligibility criteria for CEF Energy grants for works actions is that the project is NOT commercially viable, i.e. that the market cannot fully finance the project. The applicant also has to provide a project-specific cost-benefit analysis (CBA) demonstrating the existence of significant positive externalities and the project must have received as well a cross-border cost allocation (CBCA) decision. Both the CBA and the CBCA need to be standalone documents and the CBA needs to be consistent with ENTSG/ENTSO-E methodology.

Projects of common interest included in Annex II.1 (e) and Annex II.4 of the TEN-E Regulation are also eligible for grants for works, if they meet the specific criteria as specified in Article 14(4) of the TEN-E Regulation.

Eligibility, eligibility of actions, final investment decision, FID

4.19. Under Call CEF-E-PCI, is it possible to receive a CEF grant for a works proposal if the final investment decision (FID) has already been taken?

Yes, a request for CEF funding may be submitted before the FID has been taken. Although there are no specific requirements regarding the FID, having one in place may have a positive effect on the scores awarded to the proposal at evaluation stage, notably on maturity and the need to overcome financial obstacles under impact.

Eligibility, eligibility of actions, cross-border cost allocation decision

4.20. Under Call CEF-E-PCI, can a project promoter submit a CEF application for works before having the conclusion of the national regulatory authority (NRA) regarding the cross-border cost allocation decision and measures to cover the costs?

It is not possible for the project promoters to apply for grants for works for projects of common interest falling under the categories set out in Annex II.1(a) to (d) and Annex II.2 of the TEN-E Regulation (except hydro-pumped electricity storage) if the CBCA decision from the concerned NRAs (or ACER) is still pending.

Furthermore, CEF funding may be allocated to a works proposal only if the PCI promoter(s) can demonstrate its non-commercial viability. Applicants for CEF funding should demonstrate, inter alia, that incentives received through the existing regulatory framework are not sufficient. Therefore, project promoters should take into account the conclusion of the concerned NRA(s) regarding the measures to cover the costs, before they submit a request for CEF funding in the form of grants.

Project promoters may apply for grants for works for PCIs falling under the categories set out in Annex II.1 (e) and 4 of the TEN-E Regulation (smart grids and cross-border carbon dioxide networks) and PCIs falling under the category set out in Annex II.1(c) and which are non-hydro pumped electricity storage without CBCA decision within the meaning of Article 12 of the TEN-E Regulation.

However, PCIs falling under categories set out in Annex II.1(e) and 4 will need to clearly demonstrate the significant positive externalities generated by the project and its lack of commercial viability, according to the business plan and other assessments, carried out notably by possible investors or creditors or, where applicable, a NRA, in line with Article 14(4) of the TEN-E Regulation. Moreover, for PCIs other than hydro-pumped electricity storage projects, falling under the category set out in Annex II.1(c) of the TEN-E Regulation, the project shall aim to provide services across borders, bring technological innovation and ensure the safety of cross-border grid operation.

Eligibility, eligibility of actions

4.21. Under Call CEF-E-PCI, is it possible to apply for funding for a study which is part of a contract which covers a number of activities, where some of the activities under the contract (other studies or works) have already been contracted, delivered or paid?

Yes, it is still possible to apply for CEF Energy funding for those activities which have not yet been delivered and/or paid, provided that the related costs are incurred during the action duration.

Please note that, for proposals submitted under this call, costs will be eligible from the start date of the action, which may be at the earliest the date on which the application is submitted and until the date of completion of the action, which should be 31 December 2027 at the latest.

Eligibility, eligibility of actions, budget, minimum contribution

4.24. Under Call CEF-E-PCI, is there a minimum size in terms of CEF financial contribution and/or total budget for a proposal to be considered eligible for support?

No, there is no minimum size regarding the requested CEF financial contribution and/or total budget for proposals submitted under the CEF Energy programme.

Eligibility, eligibility of actions

4.25. Under Call CEF-E-PCI, is it possible to include as part of a studies proposal, activities related to an electricity substation which lies along the path or at either end of a high voltage (HV) line which is on the PCI list?

Yes, in principle it is possible to include activities relating to the study which affect an electricity substation lying along the path or at either end of a high voltage (HV) line which is on the PCI list, provided that such substation is part of the technical description of the PCI.

Eligibility, eligibility of actions

4.26. Under Call CEF-E-PCI, would pipeline infrastructure to bring natural gas to industrial installations such as blast furnaces be eligible for this call?

No. The CEF Energy programme co-finances studies and works related, *inter alia*, to CO₂ transport infrastructure. However, to be funded under CEF Energy, a proposed action has to meet, among others, two conditions: 1) it contributes to the implementation of an energy infrastructure project of common interest (PCI) and 2) it relates to one (or more) of the infrastructure items described in Annex II of the TEN-E regulation. These do not include gas pipelines for supply to industrial installations such as blast furnaces.

Eligibility, eligibility of actions, CO₂ infrastructures

4.27.1. Under Call CEF-E-PCI, in the framework of a proposal related to one of the CO₂ transport projects on the PCI list, would the concept of a central treatment hub for purification of the different CO₂ streams be eligible?

Yes, this would be eligible for funding under this call, as it falls within the scope of Annex II, 4.c), of the TEN-E Regulation, which states that "concerning carbon dioxide [...] (c) any equipment or

installation essential for the system in question to operate properly, securely and efficiently, including protection, monitoring and control systems.” This specific infrastructure item is considered to be included in such kind of assets.

Eligibility, eligibility of actions, CO₂ infrastructures

4.27.2. Under Call CEF-E-PCI, would CO₂ shipping activities be eligible for co-funding?

No, since CO₂ shipping is not covered by Annex II.4 of the TEN-E Regulation, these activities are not eligible under this call.

Eligibility, eligibility of actions, CO₂

4.27.5. Under Call CEF-E-PCI, are studies on cleaning/purification infrastructure/stations/installations to enable the transport of CO₂ for the purpose of permanent geological storage of CO₂ eligible?

Yes, if the infrastructures are part of the PCI scope. As they fall under categories described in Annex II.4.c of the TEN-E Regulation, they would be eligible for funding under this call.

Second batch:

Eligibility, commercial non-viability, cross-border cost allocation decision, CBCA

5.3. Under Call CEF-E-PCI, what kind of evidence should project promoters provide in order to duly justify the commercial non-viability of works projects?

Applicants must demonstrate the commercial non-viability of a project on the basis of the compulsory documents that are requested in the case of grant application for works: cross-border cost allocation (CBCA) decision, business plan and cost-benefit analysis. In addition, where possible they can also base their answer on the results of market testing (gas projects) such as open seasons, results of TSO consultations or of NRAs and/or investors consultations.

Eligibility, commercial non-viability, cross-border cost allocation decision, CBCA

5.4. Under Call CEF-E-PCI, is a project commercially viable if, in a cross-border cost allocation decision, 100% of the project investment costs have been allocated?

That is not the proof of commercial viability. Commercial viability refers to a situation whereby the regulatory framework allow to fully cover the externalities provided by the project. Most projects should become commercially viable through a cross-border cost allocation and/or through incentives provided by the national regulatory authorities (Article 14(2) of the TEN-E Regulation). Pursuant to this article, the commercial viability should be assessed according to the business plan and other assessments carried out, notably by possible investors or the national regulatory authority.

Eligibility, commercial non-viability, cross-border cost allocation decision, CBCA, externalities

5.5. Under Call CEF-E-PCI, is a project commercially non-viable if it generates externalities in more than one Member State?

No. The fact that a project generates externalities beyond the national borders does not make it commercially non-viable. Project is commercially non-viable if the cross-border cost allocation and incentives provided by the national regulatory authorities (Article 14(2b) of the TEN-E Regulation) and/or the use of financial instruments are not sufficient to make it a commercially viable.

Eligibility, commercial non-viability

5.8. Under Call CEF-E-PCI, if a PCI is commercially viable, can an Action relating to this PCI be eligible for a grant for studies?

Yes, all electricity, gas, smart grid and cross-border carbon dioxide networks PCIs are eligible for grants for studies. Only oil PCIs are not eligible for CEF co-funding.

Investment request, cross-border cost allocation decision, CBCA

6.1.4. Under Call CEF-E-PCI, if the process for a CBCA is ongoing but has not yet received a final decision by all concerned regulators, can we still participate in this call?

No, you may not participate. As stated in the call text, section 2 under CEF-E-2021-PCI-WORKS, for a proposal for works, the project of common interest (PCI) must have received a legally valid cross-border cost allocation (CBCA) decision pursuant to Article 12 of the TEN-E Regulation; or, for projects of common interest falling under the category set out in Annex II.1(c) and that therefore do not receive a CBCA decision, the project shall aim to provide services across borders, bring technological innovation and ensure the safety of cross-border grid operation.

Cost-Benefit Analysis, CBA, business plan

6.2.1. Under Call CEF-E-PCI, are a Cost-Benefit Analysis (CBA) and a business plan mandatory for all Projects of Common Interest?

All projects of common interest must demonstrate that the potential overall benefits outweigh the costs, as stipulated in Article 4.1.b of the TEN-E Regulation as one of the three general criteria applicable to projects of common interest for their inclusion in the PCI list.

However, for application to the CEF-E-PCI call, the CBA and business plan are only required as mandatory documents for works proposals (with the exception of Smart grids and CO₂ applications, which only need to provide the business plan and other assessments carried out to prove the existence of positive externalities).

Cost-Benefit Analysis, CBA, cross-border cost allocation decision, CBCA, significant positive impact on other Member States

6.2.2. Under Call CEF-E-PCI, is there a methodology to prepare the Cost-Benefit Analysis (CBA)?

The project-specific cost-benefit analysis (CBA) to be submitted in a works proposal for projects under categories in Annex II.1.(a) to (d) (electricity) and 2 (gas) of the TEN-E Regulation should be consistent with the methodologies drawn up by the European Network of Transmission System Operations (ENTSO) for Electricity (ENTSO-E) and for Gas (ENTSOG), respectively, following the requirements stipulated in Annex V of the TEN-E Regulation.

These respective methodologies have been approved by the European Commission and can be accessed at the following links:

- <https://tyndp.entsoe.eu/cba/>
- <https://www.entsog.eu/methodologies-and-modelling#2nd-cba-methodology>

For smart grids projects (Annex II.1.(e)), the European Commission's Joint Research Centre (JRC) issued guidelines which are available on the JRC website:

http://publications.jrc.ec.europa.eu/repository/bitstream/JRC67964/2012.2783-jrc_rr_cba_for_smart_grids_online.pdf

For projects in CO₂ networks (Annex II.4), the Commission recommends following the methodology developed in 2017 by Ramboll-Ecorys, available to all CO₂ PCI promoters.

Cost-Benefit Analysis, CBA, positive socio-economic value, commercially non-viable, positive externalities

6.2.5. Under Call CEF-E-PCI, what is the source for the calculation/analysis for works that have a positive socio-economic value while being commercially non-viable?

First, it should be noted that, in order to be eligible for grants for works, the project should provide significant positive externalities (such as security of supply, solidarity or innovation). As to the analysis, it is the project promoters' own calculation. Information should be included in the project-specific cost-benefit analysis consistent with the methodology drawn up pursuant to Article 11 of the TEN-E Regulation, in the business plan and other assessments, carried out notably by possible investors or creditors or the national regulatory authority. The CBA should demonstrate the existence of significant positive externalities by country concerned, including their (monetary) quantification.

Cost-Benefit Analysis, CBA

6.2.9. Under Call CEF-E-2021-PCI, does the CBA have to be based on the data from the Ten-Year Network Development Plan (TYNDP) 2018, used for the PCI selection for the 4th PCI list, or the data used at the TYNDP 2020?

For this call, the CBA which has to be provided in the application is the most recent one carried out for the related project of common interest. This may be the CBA carried out during the project selection for the 4th PCI list, based on TYNDP 2018, or the one based on TYNDP 2020, if the project is part of it.

Business Plan

Business Plan

6.3.4 Under Call CEF-E-PCI, should the business plan submitted with the application concerning the entire project of common interest or should it be limited to the action for which the grant is requested?

According to section 2 of the call for proposals and pursuant to Article 12 of the TEN-E Regulation, applicants are requested to submit a cost-benefit analysis and a business plan concerning the entire project of common interest, when this is required, i.e. when applying for grants for works.

Business Plan

6.3.6. Under Call CEF-E-PCI, is it possible to submit two business plans according to Article 12 of the TEN-E Regulation if there are two project promoters involved in the project?

The TEN-E Regulation explicitly refers to "a business plan evaluating the financial viability of the project" and requires that "if a project is promoted by several project promoters, they shall submit their investment request jointly". Therefore, one business plan should be prepared for each PCI. In cases where more than one PCI is covered by the investment request and more than one Member State is concerned, separate business plans may be accepted.

Cross border cost allocation, CBCA, national regulatory authorities

6.4.5. Under Call CEF-E-PCI, what if several national regulatory authorities are involved in the CBCA decision? Will they reach different agreements?

Concerned national regulatory authorities shall coordinate and come up with one CBCA decision. If they cannot agree on one coordinated decision within six months of the date on which the request was received by the last national regulatory authority concerned, they should refer the question to ACER (Agency for the Cooperation of Energy Regulators) (see Article 12(6) of the TEN-E Regulation).

Cross border cost allocation, CBCA

6.4.7. Under Call CEF-E-PCI, according to which methodology should the CBCA for gas storage projects be made? What costs are allocated to other Member States and how?

Article 12 of the TEN-E Regulation does not foresee a specific methodology for gas storage projects when requesting a CBCA decision. Concerned national regulatory authorities will assess the project and decide on the cost allocation depending on the net positive impact on the Member State(s) concerned.

Cross border cost allocation, CBCA

6.4.8. Under Call CEF-E-PCI, if the CBCA decision was received in 2014/2015 and the project promoter applies for funding under the current call, is the decision still valid?

In principle yes, unless the CBCA decision itself contains a validity date or a provision on the need to revise it under certain conditions, or is not applicable anymore due to relevant changes in the project characteristics, costs, benefits, etc. The TEN-E Regulation does not provide for the

expiration of a CBCA decision, nor does it for its revision. In line with Article 12(3) of the TEN-E Regulation, project promoters shall keep all concerned national regulatory authorities (NRAs) regularly informed (at least once per year until the project is commissioned) of the progress and the identification of costs and impacts associated with it. However, relevant changes to the project, which are likely to have an effect on the CBCA decision (e.g. cost overruns or changes in benefits), should be notified to the concerned NRAs. In particular, if the CBCA decision was prepared on the basis of a cost-benefit analysis which is not in line with the latest CBA prepared in the framework of the PCI selection process or is not consistent with ENTSO-E/ENTSOG methodology, the CBCA Decision may need to be updated. NRAs should confirm in such case whether the CBCA Decision remains applicable in its current terms or it needs to be revised or updated.

Cross border cost allocation, CBCA

6.4.10. Under Call CEF-E-PCI, if there is no decision by the concerned national regulatory authorities (NRAs) on the CBCA before the current call deadline, does it mean that the project promoter has to wait until the next call in order to apply for a works grant?

Yes. It is not possible for the project promoters to apply for grants for works under the current call if the CBCA decision from the concerned NRAs (or the Agency for the Cooperation of Energy Regulators – ACER) is still pending. However, a works proposal could be submitted under the next call, once the CBCA decision has been issued.

Cross border cost allocation, CBCA

6.4.13. Under Call CEF-E-PCI, is it possible to receive a CEF Energy grant for works if a CBCA decision allocated 100% of the costs to one Member State only?

In principle, such a project may receive a CEF Energy grant for works. The absence of costs-sharing between concerned Member States or project promoters will be assessed during the evaluation.

Cross border cost allocation, CBCA

6.4.14. Under Call CEF-E-PCI, if part of the works for which funding is requested is executed outside the EU for a PCI interconnector between a non-EU country and an EU Member State, with impact on another Member State, is a CBCA needed?

Yes, a CBCA decision issued by the national regulatory authorities from the EU Member States impacted by the project is required for applications for a CEF Energy grant for works, according to Article 12 and 14 of the TEN-E Regulation. A CBCA decision is not needed for applications for works for proposals falling under the infrastructure category 1c (electricity storage), 1e (smart grids) and 4 (carbon dioxide) of Annex II of the TEN-E Regulation.

Cross border cost allocation, CBCA

6.4.15. Under Call CEF-E-PCI, if an applicant has already provided the relevant CBA and CBCA in its application(s) under previous CEF Energy call(s), is it necessary to provide them again under this call?

Yes. The evaluation is done only on applications for the current call and does not take previous applications into account. Therefore it is necessary to submit all requested documents for each application, even in the case that an applicant would submit several proposals for the same call.

Please also note that it is the responsibility of the applicant to ensure that data provided in the application is up-to date and valid.

Member States Agreement, Letter of support, MS Agreement

7.1. Under Call CEF-E-PCI, if a study covers a section of the PCI on the territory of only one of the two Member States (MS) concerned by this PCI, is it necessary to get the agreement by or just the MS where the section subject to our application is located?

As stated in Article 11.6 of the CEF Regulation, "Proposals shall be submitted [...] with the agreement of the Member States concerned". 'Member States concerned' in the context of this call for proposals are considered to be all Member States on the territory of which the proposed Action will be implemented.

In this case, the agreement of just the Member State concerned by the section subject to the proposed study is required. Please use the template provided for in the call documents.

Please note that the proposal must clearly explain how the Member States and relevant project promoters of the entire PCI cooperate in the implementation of the proposed Action, and in particular how the cooperation between the project promoter and the EU Member State that is not involved in the application takes place.

Member States Agreement, Letter of support, MS Agreement, third country

7.5. Under Call CEF-E-PCI, can we analyse as part of our proposal a route which would cross a third country? Do we need any approval from this third country for the analysis, if there is no promoter from this country involved in the study?

The agreement by the third country is not required to be submitted as part of the CEF-E-PCI application.

The application form (Section 4.1. Social, environmental and other impacts, question on Cross-border dimension) should however clearly explain how the cooperation between the project promoter and the third country takes place.

Member States Agreement, Letter of support, MS Agreement

7.7. Under Call CEF-E-PCI, for a proposed Action which is not physically taking place in any Member State, which country should sign the letter of support?

In the case of an Action taking place entirely outside of the European Union, applicants need to provide proof of the agreement of the EU Member State(s) concerned by the PCI to which the Action relates. For instance, agreement of the Member State for which the related PCI or PCI cluster has a significant cross-border impact and/or who supported the inclusion of the candidate project into the PCI list should be provided.

Member States Agreement, Letter of support, MS Agreement, territory

7.8. Under Call CEF-E-PCI, what is "the territory of which the proposed Action is planned to be implemented"? Are these all the locations (and countries) mentioned in the Action or are these the territories where applicants actually incur costs related to the Action?

"The territory of which the proposed Action is planned to be implemented" concerns the location(s) of the activity/ies that are the subject of the proposal. It does not necessarily cover the location where the costs are to be incurred or where the personnel working on the Action are located.

Compliance with EU law, environmental compliance, third country

8.7 Under Call CEF-E-PCI, if a proposed Action takes physically place in a Member State and in a third country, does compliance with EU law have to be ensured also in the third country?

Compliance with EU law (e.g. environment, competition, energy infrastructure, procurement) has to be ensured in EU Member States, where EU Directives and Regulations are applicable. For third countries, where EU legislation does not apply, national legislation on the subject will be applicable and needs to be complied with.

TSO certification, financial and operational capacity

9.4. Under Call CEF-E-PCI, does the exact date of a TSO certification decision matter? Does it need to be a recent date?

According to the conditions of the call, certified TSOs are exempt from demonstrating their financial and operational capacity. The date of the certification does not matter, as long as the certification decision is valid and no changes have taken place in the structure of the TSO that would require a new certification decision.

Proposal deadline, submission deadline, supporting documents

15.2. Under Call CEF-E-PCI, can supporting documents be sent to CINEA after the call submission deadline?

All supporting documents have to be attached to the application in the Funding & tender Portal. Should CINEA nevertheless receive any documentation outside the portal, it will not be taken into consideration. In order to ensure transparency and fair treatment of all proposals, each proposal will be assessed and evaluated on its own merits, based on the information that it contains.

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1) Work Programme, Projects of Common Interest

Q: It seems that the list of PCIs for CEF2-Energy does not include any hydrogen-related actions. Is the CEF2-Transport catch-all for all hydrogen Studies/Works?

A: This call is for PCIs in [the 4th list of PCIs](#), and there are no hydrogen-related PCIs on that list. For the time being, there are opportunities for funding of hydrogen-related projects under CEF-Transport and the Innovation Fund.

Q: Do actions supporting cross-border projects in the field of renewable energy need to contribute to PCIs or can they potentially be set up outside the PCI scope?

A: Cross-border renewable projects are different from PCIs; a call for funding for preparatory studies to support cross-border renewable projects is envisaged to be opened on 22/09/2021. There will be an Info Day on the CEF 2 Energy - cross-border renewable energy projects on 28/09/2021.

Climate proofing

Q: Under Call CEF-E-2021-PCI, is climate proofing part of this call for proposals also or it will be only for the next call?

A: Climate proofing is already required in the current call for proposals. It will also be part of subsequent calls as mentioned in the multiannual Work Programme. See slide 15 in the [DG ENER presentation](#).

Calls for proposals

Q: Under Call CEF-E-2021-PCI, how many calls for proposals are expected to be launched in 2022?

A: One call is tentatively planned for 2022, according to the CEF-Energy Work Programme 2021-2023.

2) Proposal

State aid rules

Q: Under Call CEF-E-PCI, are there any state aid rules to be?

A: Yes, state aid rules apply. In the [Application form Part B](#), Section 2.2, you are requested to provide information on state aid.

Eligible actions, eligible costs

Q: Under Call CEF-E-PCI, which is the start date of the period in which the actual costs should be incurred in order to be accepted as eligible?

A: For proposals selected for funding, the specific start date of the project will be set out in the Grant Agreement. The [call document](#) states that the earliest possible date for such project start date (for incurred costs to be eligible) is the proposal submission date.

Member States, reporting

Q: Under Call CEF-E-PCI, should the Member State endorse a report on the progress of the action before submitting it to CINEA? Is the Member State involved in any way throughout the action implementation?

A: The coordinator has to send the reports on the progress of the action for information also to the Member States concerned or provide them with access to the project in the Portal, so that Member States can verify the reports themselves. Member States do not need to certify any longer the reports. The final amounts paid to the actions will be published. The Commission and CINEA will inform the CEF Committee about any changes to the grant amounts during the lifetime of the actions.

Work packages, application form, Part B

Q: Under Call CEF-E-PCI, is the applicant allowed to add Work Packages (WPs) in the application template provided?

A: Yes. However, please make sure that the additional WPs are necessary for the implementation of the action.

Work packages, application form, Part B

Q: Under Call CEF-E-PCI, how do you recommend structuring the Work Packages (WPs)? Is it possible to structure WPs according to the investments related to projects partners, or should it be structured according to the investment category?

A: This is under the discretion of the applicant. In the WP description, it should be clear what applicants plan to do under each WP, e.g. construction of a line, completion of a study, tender, etc. Please also consider future reporting and what would be the logic structure of WPs from the reporting point of view, throughout the lifecycle of the project. See also guidance in [Application form Part B](#) 6.2 Work packages and activities. Also make sure that the presentation of the submitted budget by work package matches the presentation of the budget by cost category.

Work packages, application form, Part B, task, activity

Q: Under Call CEF-E-PCI, in Application form B two terms are used - Activity and Task. Is there a difference between them when used in Section 6.2 Work packages and activities?

A: Work Packages (WP) are synonymous with activities in this context. A WP could be for example "project management". Tasks are the subdivision of work packages into more specific parts of the work to be carried out. Please see definitions in the application form B and the presentation "[How to prepare a successful proposal](#)"

Work packages, application form, Part B, task

Q: Under Call CEF-E-PCI, how long should the 'Description' be in the WP tables per each Task?

A: This is at the discretion of the applicant. Please consider the guidance provided in the [application form B](#), 6.2 Work packages and activities. However, note that the Part B has a page limit of 120 pages in total.

Work packages, application form, Part B

Q: Under Call CEF-E-PCI, the project envisages construction (works) and its supervision (service). Shall the two related activities be included in one Work Package or we shall put them in separate WPs?

A: This is up to the applicant. Please consider who is carrying out the different WPs, for example, if it is the same contractor or a different one, of there are one or several procurements, etc.

Work packages, application form, Part B, task

Q: Under Call CEF-E-PCI, how detailed should a task of a WP be? How many tasks should there be for one WP?

A: This is up to the applicant. Please see the presentation on [“Successful proposal”](#) for reference.

Funding rate, maximum EU contribution, requested EU contribution

Q: Under Call CEF-E-PCI, regarding works topic – technically does the submission system allow you to apply with funding rate lower than 50% or 75%?

A: The system allows you technically only to choose a funding rate of either 50% or 75%, which are hardcoded in the system according to the call text provisions’ and cannot be changed. The system will then automatically calculate the maximum EU contribution possible based on the total estimated costs and the chosen funding rate.

However, in a second step each applicant has to manually encode in the actually requested co-funding amount into “Requested EU contribution to eligible costs/EUR”. This can be lower than the maximum amount calculated by the submission system. For example if with 1000EUR total costs and a 50% selected funding rate, after encoding your costs, the system calculates you a “Maximum EU contribution to eligible costs/EUR” of 500EUR, you can still fill in 400EUR into “Requested EU contribution to eligible costs/EUR”, corresponding to an actual 40% funding rate. Remember though that any funding rate above the standard 50% has to be duly justified according to the Call conditions. For reference, see [the presentation on budgets](#).

Synergetic elements, eligible costs, eligible actions

A: Under Call CEF-E-PCI, could you provide us some cost examples that can be included in the "D3 of Synergetic elements"?

A: [The CEF Regulation](#) (EU) 2021/1153 of 7 July 2021 establishes in its Article 10.2 that actions eligible in accordance with its Article 9 may include synergetic elements relating to any of the other sectors (...) provided that they comply with all of the following requirements: (a) the cost of the synergetic elements does not exceed 20 % of the total eligible costs of the action; (b) the synergetic elements relate to the transport, energy or digital sector; and (c) the synergetic elements enable the socioeconomic, climate or environmental benefits of the action to be significantly improved. Such synergetic elements should be described in Section 1.4 of [application form B](#) and the cost thereof should be indicated as part of the budget table per budget categories. No specific examples are provided in the CEF Regulation, but they could relate to assets allowing synergies between the energy sector and the transport sector (as co-funded under the [CEF-Synergy](#) call for proposals held in 2016) or with the digital sector.

Climate proofing, Environmental Impact Assessment

Q: Under Call CEF-E-PCI, which questions could be considered related to climate proofing that can be omitted in case there is already an Environmental Impact Assessment?

A: Applications for works subject to an Environmental Impact Assessment (EIA) shall include information on the climate proofing of the project, taking into account the Technical guidance on the climate proofing of infrastructure in the period 2021-2027 ([OJ C 373](#)). Such information may be provided in the form of a summary of the main findings and conclusions, notably as regards mitigation and adaptation measures.

In cases, where the EIA has not been completed yet, the application shall confirm that climate proofing will be considered as part of the EIA.

Applications relating to a project for which an EIA was completed before 31 December 2021 are not subject to this requirement. However, the Environmental compliance form should in any case be uploaded and information should be provided in [application form Part B](#), under Impact Section 4.

Application form, Part B, Authorisations, approvals and permits, building permits

Q: Under Call CEF-E-PCI, what level of details is required in Part B- par 2.2 tables on 'Authorisations, approvals and permits' and 'building permits'?

A: Please list and briefly describe the authorisations and permits, which will be necessary for the implementation of the project. If dates for obtaining them are not known yet, please include whatever information is available at the time of the proposal, even if it would be an estimate.

Application form, part A, TENtec number, past projects

Q: Under Call CEF-E-PCI, in Application form Part A there is a question of proposals in past 2 years. As in previous call the TENtec number had 8 digits, what is the reference with 6 or 9 digits?

A: The system requirement is 6 or 9 digits based on the research programme. You may insert the 8 digit TENtec number preceded by 0. Please indicate as well any other related projects funded under another CEF call and part of the same global project in [Part B](#), Section 8 “Twinned projects”.

Reporting periods

Q: Under Call CEF-E-PCI, structuring of the reporting periods – are there instructions how to organize them? Previously they were elaborated on a later phase when the GA was prepared.

A: Actions are structured in reporting periods, which are independent from calendar years. The default reporting period for actions funded under this call is 24 months, the first one starting on the start date of the action. In the budget table per Work Package, applicants need to provide information on the budget per reporting period for each Work Package. The reporting periods for each action will be further defined and confirmed during Grant preparation.

Application form, Part B, Consortium set-up, consortium

Q: Under Call CEF-E-PCI, should the Section 3.2. “Consortium set-up” be filled-in if no consortium cooperation is planned?

A: That section should include information on cooperation between promoters and the organization of the project, so even if there is no formal consortium established, please provide information on the project participants. There is no obligation to have a consortium in this Call.

Application form, Part B, Financial maturity

Q: Under Call CEF-E-PCI, can you confirm that section 2.3 “Financial maturity” of Part B is only applicable for works proposals and not applicable for studies?

A: The section is applicable for both, but the information to be provided is different. For studies, please provide information on the overall financial situation and maturity of the project. For works, applicants need to provide additional information regarding the type of project finance, financial ratios (internal rate of return, financial net present value) and financial model.

Activities, eligible costs

Q: Under Call CEF-E-PCI, in case of Works applications, which event triggers the start of the Action?

A: It is up to you to define the milestone or task that starts your project. Typically, the start of a works project is not the kick-off of the physical construction, as there are usually preceding phases, e.g. tendering of contractors, supply of material, etc., which could be part of the application.

prepayment

Q: Under Call CEF-E-PCI, compared to the total project budget, what is the percentage of the prepayment?

A: As stated in the Call text, the percentage range is 25-50%. This will be determined individually for each project according to the specific duration of the project. As a general principle, the pre-

financing amount will be calculated as the amount of the maximum EU contribution, divided by the number of reporting periods and potentially diminished by a percentage.

3) Proposal annexes

Annexes, Environmental compliance, TEN-E compliance

Q: Under Call CEF-E-PCI, are the Environmental and TEN-E compliance Annex docs mandatory for studies without physical intervention?

A: The Environmental compliance file and the TEN-E compliance file should be submitted also for studies without physical intervention.

Permit granting, annexes

Q: Under Call CEF-PCI, how has the permit granting process improved in the new TEN-E Regulation Commission proposal compared to the TEN-E Regulation in force? Did the one-stop-shop existed already in the TEN-E Regulation in force?

A: The TEN-E Regulation currently in force applies, so for the current call for proposal there has been no change in this respect. The one-stop-shop for permit granting is already part of the current TEN-E Regulation.

Annexes, business plan

Q: Under Call CEF-E-PCI, do business plans prepared for CEF 2020 have to be updated according to the new business plan template in CEF 2021?

A: There is no business plan template as such provided. A financial spreadsheet template is provided, but it is optional (not mandatory) and it is the same as in previous calls. It is not obligatory to use our template, you can use another one. Applicants need to make sure the information is updated and reflects the latest status of your project.

Environmental compliance file, annexes

Q: Under Call CEF-E-PCI, could you clarify when the Environmental compliance file is mandatory and what level of detail should be provided for it?

A: The Environmental compliance file applies to all types of actions, studies and works. The difference is in the detail of information to be provided. The first box should be filled in for all proposals. For a study without physical intervention, that is the only section that needs to be filled out. For studies with physical interventions or works, applicants have to fill in the entire form with information from past, current and future, replying according to the present situation.

Environmental compliance file, annexes, Environmental Impact Assessment, annexes

Q: Under Call CEF-E-PCI, how should I fill in the Declarations in the end of the Environmental compliance file, depending on whether I have Environmental Impact Assessment completed, ongoing or not even started?

A: In each case the declaration should be filled in, but the level of detail can be different. The declarations reflect the current state of play of your project. Applicants need to mention in the form if an EIA has already been carried out.

Environmental compliance file, annexes, multibeneficiary projects, annexes

Q: Under Call CEF-E-PCI, how should the Environmental compliance file be filled in for multibeneficiary projects?

A: The Environmental compliance file should be filled in for each beneficiary and for each Member State where the project is implemented.

Member States agreement, MS agreement, letter of support, annexes

Q: Under Call CEF-E-PCI, with respect to the Member State agreement, will this need to be signed by all the Member States where the PCI is located for an application for studies?

A: The agreement should be provided by the concerned Member States, meaning the Member States where the action is taking place. In the case of works taking place in two Member States, the two of them have to provide agreement. If it is a study is taking place in one Member State only, then only the agreement of that Member State is required.

Member States agreement, MS agreement, letter of support, CEF Energy Committee, CEF Energy Committee Members, annexes

Q: Under Call CEF-E-PCI, in order to get the Agreement of the Member State signed, I need to contact the national representative in the CEF Energy Committee Member. Where can I find the list of CEF Energy Committee Members?

A: The list of CEF Energy Committee Members is available at

https://ec.europa.eu/energy/sites/ener/files/documents/cef_energy_contact_points_for_inea.pdf

CBA, Business plan, CBCA, annexes

Q: Under Call CEF-E-PCI, can CBA and Business Plan include additional information compared to what has been delivered for the CBCA decision?

A: If the CBA and business plan have changed or been updated since the investment request which was submitted for the CBCA Decision, then both versions, the old and the new updated ones, should be provided, if possible combined into a single file.

Annexes, Audited Financial Accounts, Annual Activity Report

Q: Under Call CEF-E-PCI, can the Audited Financial Accounts of an organisation be uploaded as the "Annual Activity Report"?

A: Applicants who need to prove their operational capacity should provide all the information that demonstrates the technical capability to successfully implement the action. This should include at least the annual activity report and proof of completion of previous projects, and may include as well audited accounts if they provide additional evidence, but in principle, they are not necessary.

environmental procedure, Part B, application form

Q: Under Call CEF-E-PCI, what if the environmental procedure is planned for the near future? Is that a barrier?

A: No. Applicants should explain the state of play of environmental procedures. Please consider the section 2.2 of the Application Form B.

1. DEFINITIONS

Eligibility of actions

1.8. Under Call CEF-E-PCI, what are studies with physical interventions?

Studies with physical interventions are studies that imply interventions such as destructive tests, excavations, etc. aimed to define and develop a project fully and decide on its financing or final design. Typically, laboratory tests or tests of similar nature that have no impact on soil, air or water, would not be considered as having physical interventions. Additional examples of "physical

interventions" can also be found in the Annex I and II of the EIA Directive (https://ec.europa.eu/environment/eia/pdf/EIA_Directive_informal.pdf).

It is the responsibility of the applicant(s) to determine the nature of the submitted action and work packages in light of the applicable definitions.

Project promoter, eligibility of applicants

3.1.2 Under Call CEF-E-PCI, if it is already known at the proposal stage that a new company will be established to implement the Action and will be the legal successor of the initial promoter, which type of document should be provided at the proposal stage?

The information to be provided has to reflect the situation of the current applicant. If the new company taking over the implementation of the proposed Action is not yet officially established at the time of submission, no specific administrative documents need to be provided. Nonetheless, if important changes - such as a change to the legal structure of the project promoter - are already known at submission stage, they should be described in the application. An explanation of how such changes will be implemented should also be provided in the application. Applicant(s) should also indicate to which extent and how the change may impact the implementation of the proposed Action. If the change led to new risks related to the implementation of the Action, these should also be described together with the risk mitigation measures envisaged. All of this information can be provided in Section 3.2 Consortium set-up, governance and organisational structure of the application form part B.

Eligibility of applicants, eligibility

3.8.7. Under Call CEF-E-PCI, is it possible to obtain financial support if the applicant also wants to obtain some exemptions described in the Article 36 of the Directive 2009/73/EC concerning common rules for the internal market in natural gas?

PCIs included in Annex II.1 (a) to (d) and Annex II.2 of the TEN-E Regulation are eligible for grants for works if they meet the criteria specified in Article 14.2, notably having received a cross border cost allocation decision pursuant to Article 12.

Article 12.9 stipulates that projects which have received one of the following exemptions cannot apply for cross-border cost allocation decision and therefore cannot apply for grants for works:

- (a) an exemption from Articles 32, 33, 34 and Article 41(6), (8) and (10) of Directive 2009/73/EC pursuant to Article 36 of Directive 2009/73/EC;
- (b) an exemption from Article 15(6) of Regulation (EC) No 714/2009 or an exemption from Article 32 and Article 37(6) and (10) of Directive 2009/72/EC pursuant to Article 17 of Regulation (EC) No 714/2009;
- (c) an exemption under Article 22 of Directive 2003/55/EC; or
- (d) an exemption under Article 7 of Regulation (EC) No 1228/2003.

However, PCIs that have received any of the above exemptions are eligible to receive CEF Energy funding for studies and can benefit from other financial instruments according to Article 14 of the TEN-E Regulation.

4. ELIGIBILITY CRITERIA/PROJECTS

Eligibility of activities

4.22. Under Call CEF-E-PCI, if the studies phase covers the construction and operation of a sub-industrial scale installation to optimise technology in order to generate further input for the design and FEED studies, could this be all included in one studies proposal?

If the construction and operation of such an installation is not research-related, but part of the preparatory studies necessary to carry out further design and design studies for the implementation of a PCI, such costs may be included in a studies proposal. The proposal should explain the need for such installation and justify its relation with the PCI implementation.

Cluster

4.23. Under Call CEF-E-PCI, if a proposal is related to a PCI which is part of a cluster of PCIs, does the applicant need to provide information about the PCIs which are part of the same cluster?

If a proposal is related to a PCI which is part of a cluster of PCIs, the information provided in the application form should relate to the proposed Action itself and, where relevant, to the PCI to which it is related. In particular, for works proposals, applicants should refer to the CBA of the concerned PCI when providing information on the need to overcome financial obstacles. However, if the CBA was prepared for a cluster of PCIs, rather than for a specific PCI within that cluster, the information can then be provided for the cluster.

4.27. Eligibility of CO₂ infrastructures

CO₂ capture, eligibility of activities

3.1.5. Under Call CEF-E-PCI, as a CO₂ emitting industrial company we will benefit from the infrastructure developed under a CO₂ transport project from the PCI list, within a broader project. Can we apply for activities and/or tasks aiming at CO₂ capture?

No. Only the infrastructure categories covered by Annex II.4 of the TEN-E Regulation are eligible under CEF Energy. These relate to CO₂ transport via dedicated pipelines, facilities for liquefaction or buffer storage of CO₂ in view of its further transportation or any equipment or installation to properly, securely and efficiently operate the CO₂ transport infrastructure. Activities or tasks related to other types of assets, such as those aiming at CO₂ capture or CO₂ geological storage, are not eligible.

Eligibility, eligibility of actions, CO₂ infrastructures

4.27.4. Under Call CEF-E-PCI, in the framework of a CO₂ transport PCI, would studies on the offshore platform modifications needed to connect offshore transport pipeline segments be eligible under this call?

It is important to note that CO₂ geological storage-related infrastructures are excluded from Annex II.4 of the TEN-E Regulation and therefore cannot be funded under this call. However, if these platforms serve as transport network intersections for the concerned PCI, studies on the offshore platform modifications needed for connection between CO₂ transport sections could be eligible for funding under this call if they fall under Annex II.4.a or c of the TEN-E Regulation.

5. COMMERCIAL VIABILITY

Commercial viability, commercial non-viability, financial instruments

5.6. Under Call CEF-E-PCI, how can a PCI be eligible for financial instruments and grants for works if the criterion of Article 14(2)c of the TEN-E Regulation is commercial non-viability? How can financial instruments and grants be combined?

Article 14.1 of the TEN-E Regulation specifies that projects falling under categories set in Annex II.1, 2 and 4 of the TEN-E Regulation are eligible for Union financial assistance in the form of grants for studies and financial instruments. Projects of common interest included in Annex II.1 (a) to (d) and Annex II.2 of the TEN-E Regulation are eligible for grants for works if they meet the criteria specified in Article 14.2.

Being commercially non-viable is not a sufficient condition for a project to be eligible for grants for works. The project should also demonstrate the existence of significant positive externalities that cannot be internalised through the existing regulatory framework (Article 14(2a) of the TEN-E Regulation).

Before applying to CEF, project promoters may submit a request for funding to the EIB, or other banks, or provide opinions from third parties (investors, creditors) about the project's financial obstacles. Financial instruments and grants may be combined, grants being the last resort measure for implementing a PCI after all other measures (tariffs, incentives, cross-border cost allocation contributions, financial instruments, equity and loans) have been exhausted. Information about [availability of financial resources, considering the sources of funding sought and already secured for the project](#) will be assessed during the evaluation of the proposal, and notably under the criterion of maturity.

6.2 Cost-Benefit Analysis (CBA)

CBA, gas PCI

6.2.7. Under Call CEF-E-PCI, when preparing the project-specific CBA for a gas PCI, should the project promoter use one of the reference methodologies to calculate tariffs established in the Tariffs Network Code or can one make an estimation on its own?

For a gas PCI the project-specific cost-benefit analysis (CBA) should be consistent with the methodology drawn up by the European Network of Transmission System Operations for Gas (ENTSOG) following the requirements stipulated in Annex V of the TEN-E Regulation.

The CBA methodology developed by ENTSOG includes specific guidance regarding how to calculate or estimate tariffs in Annex 1.

For further details regarding this methodology, please consult the related documents on ENTSOG's website: <https://www.entsog.eu/methodologies-and-modelling#>

8. COMPLIANCE WITH EU LAW

environmental compliance, development consent

8.2. Under Call CEF-E-PCI, our proposal has not yet received development consent. How should this be addressed in the application form?

Questions under point 2 of Section I of the Environmental Compliance File ask for detailed information on the development consent, where applicants must clearly explain the administrative steps already undertaken and when the development consent is expected. If other documents

requested in this Environmental Compliance File are not yet available due to pending development consent, this must be clearly indicated and explained in the application.

Please note that the lack of environmental permits may have an impact on the maturity of the proposed Action during the evaluation phase. It may also lead to specific conditions regarding the fulfilment of environmental legislation being included in the individual grant agreement, if the proposal is selected for CEF funding.

environmental compliance

8.4. Under Call CEF-E-PCI, which is the competent authority to sign the Environmental Compliance File?

If the Action involves works or any type of physical intervention, the competent authority in the Member State in question needs to sign the declaration for monitoring of NATURA 2000 sites to certify that there is no impact on NATURA 2000 areas.

The authority that needs to sign the Declaration on NATURA 2000 is the national authority responsible for the monitoring of NATURA 2000 areas under national law. This is not necessarily the Ministry which is supporting the submission of the application in Letter of support. The designation of the responsible authority for NATURA 2000 falls under the responsibility of each Member State.

9. SELECTION CRITERIA: FINANCIAL AND OPERATIONAL CAPACITY

Operational capacity

9.2. Under Call CEF-E-PCI, do all applicants have to demonstrate their operational capacity?

No. The requirement for applicants to demonstrate their operational and financial capacity does not apply to Member States, third countries, international organisations, public bodies established in the EU, transmission system operators certified following the procedures laid down in Articles 10 or 11 of Directive 2009/72/EC or Articles 10 or 11 of Directive 2009/73/EC and Joint Undertakings established in the EU which qualify as public bodies.

Financial and operational capacity

9.3. Under Call CEF-E-PCI, in the case in which the designated affiliated entity will be the only one implementing the proposed Action, does the Applicant also have to demonstrate its financial and operational capacity?

Yes. The requirement to demonstrate financial and operational capacity applies to all applicants and affiliated entities, except for the categories set out in Section 1 of the call text. The need to demonstrate operational and financial capacity does not apply to transmission system operators certified following the procedures laid down in Articles 10 or 11 of Directive 2009/72/EC, or Articles 10 or 11 of Directive 2009/73/EC and Joint Undertakings established in the EU which qualify as public bodies.

Smart Grids, CO2, co-funding rate

9.3. Under Call CEF-E-PCI, can works proposals for smart grids or carbon dioxide network projects be funded at a co-funding rate higher than 50%?

No. According to Article 15(3) of the CEF Regulation (EU) 2021/1153, for works proposals the co-financing rate may be increased to a maximum of 75% for Actions contributing to the development of projects of common interest which, based on the evidence referred to in Article 14(2) of Regulation (EU) No 347/2013, provide a high degree of regional or Union-wide security of supply, strengthen the solidarity of the Union or offer highly innovative solutions. This does not apply to smart grids or carbon dioxide networks proposals.

12. ELIGIBLE COSTS

eligible costs, eligible activities

12.1. Under Call CEF-E-PCI, are costs for acquisition of property rights and easement (e.g. pipeline rights of way) eligible costs?

No, costs for acquisition of property rights and easement are not eligible.

eligible costs, eligible activities

12.2 Under Call CEF-E-PCI, in the call text section 10, why does it say studies are not eligible costs?

In grants for works, a cost category exists for costs for studies. Under this call, a works action may not include studies and therefore costs for studies are not eligible under the works topic. This has no implication for proposals under the studies topic.

eligible costs

12.13. How do we justify personnel costs? What type of data should be provided?

In order to simplify the declaration of costs of beneficiaries, the reimbursement of personnel costs declared as unit costs (so called 'average personnel costs') is authorised under the CEF programme by Commission Decision (C(2020)7715) of 20 October 2020 (https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/unit-cost-decision-sme-owners-natural-persons_en.pdf). Therefore, beneficiaries may declare either actual personnel costs or personnel costs based on unit costs.

eligible costs, co-financing

12.15. Under Call CEF-E-PCI, is it possible to declare in the financial reporting only external staff? Our internal staff working on the project would be financed from our own financial resources.

Yes, it is possible.

CEF Energy grants take the form of a reimbursement of a percentage of eligible costs actually incurred. To be eligible, costs declared must comply with the eligibility criteria laid down in Article 6 of the model grant agreement.

You may contract part of your Action's activities, in line with Article 9.3 of the model grant agreement.

As regards the financial reporting during the Action's implementation, only eligible costs incurred for the implementation of the Action must be declared in the financial statement accompanying the

cost claims, regardless of whether they are internal costs or external costs linked to contracting. The final amount of the CEF grant will be calculated on the basis of those costs found eligible. In any case, the grant will not exceed the maximum amount as specified in the Data Sheet (see Point 3) of the grant agreement.

Please note that indirect costs are not eligible under this call.

eligible costs, eligible activities

12.16. Under Call CEF-E-PCI, can activities which were included as part of a previous EU co-funded Action, but not implemented under the related grant agreement, be included in a new proposal?

Please note that there is a strict prohibition of double funding from the EU budget. If some activities have not been implemented under a previous grant agreement and no costs related to these activities were declared and reimbursed under this grant agreement, then they can be included as part of another proposed Action as long as they fulfil the criteria of the new call and if the previous grant has been closed.

Applicants are requested in the application form (section 8 Declaration) to declare if the project as a whole or any part of it have benefitted from any other EU grant and are (or will be) submitted for any other EU grants.

Please note also that double funding is considered as fraud to the EU budget, which may lead to an exclusion as described under Article 7 of the call text.

Eligible costs

NEW: Under Call CEF-E-PCI-WORKS, is the cost of electrical equipment manufactured in any third country and commissioned into an EU country considered eligible?

The costs of electrical equipment manufactured in any third country and commissioned into an EU country may be considered eligible as long as all the other general and special conditions of eligibility of costs are met.

Eligible activities, CO₂

12.18. Under Call CEF-E-PCI, for an action relating to a PCI where CO₂ is stored in a geological formation, what are the eligible costs? Are the costs up to and including the subsurface injection equipment, which connects the pipeline and the well eligible?

No. The boundaries for cost eligibility are established in Annex II of the TEN-E Regulation (Annex II.4 for CO₂). According to Annex II.4.b, infrastructure within a geological formation used for the permanent geological storage of CO₂ which comprises subsurface injection equipment, is not included within the scope of the TEN-E Regulation and thus costs related to such infrastructure would not be considered as eligible under this call.

Eligible activities, eligible costs, CO₂

12.19. Under Call CEF-E-PCI, if the application is for a study (Pre-FEED or FEED), is the study of well locations regarded as eligible cost? The well locations will be decided from studies of the optimal subsurface and surface distribution of wells for injection of CO₂.

No. The boundaries for cost eligibility are established in Annex II of the TEN-E Regulation (Annex II.4 for CO₂). These kind of studies refer to infrastructure within a geological formation used for the

permanent geological storage of CO₂, which, according to Annex II.4.b, is not included within the scope of the TEN-E Regulation and thus would not be considered as eligible under this call.

13. SUB-CONTRACTING/AWARD OF PURCHASE CONTRACTS

Eligible costs, subcontracting

13.1. Under Call CEF-E-PCI, if the project promoter has to award contracts for carrying out a part of the activities of the proposed Action, is it still possible to apply for CEF funding?

Yes, it is possible to apply for CEF Energy funding if part of the activities of the proposed Action will be implemented through subcontracts. All procurements to be done in relation to the activities of the proposed Action should be clearly explained in the application form. Please note the specific cost eligibility conditions for this call: only costs for activities carried out in eligible countries or target countries are eligible; subcontracted work must be performed in the eligible countries or target countries.

For further details on specific eligibility conditions applicable to award of purchase contracts and subcontractors, please refer to Article 6.2 (sections C Purchase costs and B Subcontracting costs), and Article 9.3 of the model grant agreement.

Eligible costs, subcontracting

13.3. Under Call CEF-E-PCI, is there a eligibility requirement that there should be no signed contract between project promoter and contractor prior to submitting an application?

There is no requirement outlining that there should be no signed contract between project promoter and contractor before a proposal has been submitted. If a contract already exists, this should be stated in application form. Please note the specific cost eligibility conditions for this call: only costs for activities carried out in eligible countries or target countries are eligible, subcontracted work must be performed in the eligible countries or target countries.

For further details on specific eligibility conditions applicable to award of purchase contracts and subcontracting, please refer to Article 6.2 (sections C Purchase costs and B Subcontracting costs), and Article 9.3 of the model grant agreement.

GIS tool

14.1.5. Under Call CEF-E-PCI, the proposed Action takes places exactly on a PCI line. Is it still requested to draw a line or a polygon in the interactive map editor of the e-Grants eSubmission system?

Even if your proposed Action takes place exactly on the line of a PCI, you must indicate a location (e.g. a line or a polygon notably to locate the PCI section to which the Action relates) in the interactive map editor, as you will not be able to submit your proposal otherwise. Uploading an additional map in the "Supporting documents" section is also possible but it is not mandatory, as the data you provide in the map editor is sufficient.

15. SUPPORTING DOCUMENTS

Supporting documents, language

15.1. Under Call CEF-E-PCI, two of the supporting documents we will provide in the application are not in English. As these are official documents, they are in the national language of our Member State. Do these documents need to be translated to English?

The working language of the programme is English, so it is strongly recommended that key supporting documents (e.g. cost-benefit analysis, business plan, cross-border cost allocation decision) requested in the application form are also provided in English. Where the original language of the document is in a different language, it is strongly recommended that the applicant provides a translation. A certified translation is not necessary.

Please note that administrative documents, such as the Financial Identification Form, Legal Entity Form, and financial statements may be submitted in original languages.

17. GRANT PREPARATION/MANAGEMENT

Grant agreement, ownership of the results

17.1. Under Call CEF-E-PCI, what are the conditions related to the ownership of the results of the Action (study or works) by the beneficiaries of CEF Energy grants?

As indicated in Article 16.2 of the model grant agreement, the granting authority does not obtain ownership of the results of the Action. However, as stated in the grant agreement (see Article 16.3), the granting authority has the right to use non-sensitive information relating to the action and materials and documents received from the beneficiaries (notably summaries for publication, deliverables, as well as any other material, such as pictures or audio-visual material, in paper or electronic form) for policy, information, communication, dissemination and publicity purposes — during the action or afterwards.

Grant agreement, project promoter

17.9. Under Call CEF-E-PCI, if the proposed Action consists of the implementation of a PCI by two or more promoters who submit a joint application, what will be the liability regime of the applicants/beneficiaries under the Grant Agreement?

In the case of a multi-beneficiary application, if the proposal is retained for funding, a multi-beneficiary Grant Agreement will be signed. Please note that the fact that parts of the Action to be exclusively implemented by one of the beneficiaries does not affect the liability regime under the Grant Agreement as defined under Article 22 of the model Grant Agreement and Data Sheet point 4.4 Recoveries.

As regards the financial liability for recoveries (see Data Sheet point 4.4 Recoveries - Joint and several financial liability for recovery), the model Grant Agreement foresees several options. Please note that the option by default is option 1- limited joint and several liability of other beneficiaries — up to the maximum grant amount of the beneficiary.