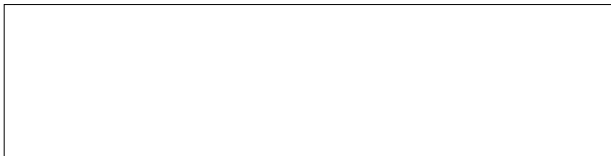


"PROJECT OF COMMON INTEREST" (PCI) STATUS PROJECTS



What is a Project of Common Interest (PCI)?

In line with Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure (TEN-E regulation) Projects of Common Interest (PCIs) are key infrastructure projects aimed at completing the European energy market in order to help the EU achieve its energy policy and climate objectives: affordable, secure and sustainable energy for all citizens, as well as the long-term decarbonisation of the economy.

Every two years, the EU draws up a list of PCIs. The selected PCI projects must have a significant contribution to the implementation of the strategic energy infrastructure priority corridors and areas, as identified in the Trans-European Networks for Energy (TEN-E) strategy, i.e. impact on energy markets and market integration in at least two EU countries, boost competition on energy markets and help the EU's energy security by diversifying sources as well as contribute to the EU's climate and energy goals by integrating in the use of renewables.

The selection process gives preference to projects in the following priority corridors, as identified in the Trans-European Networks for Energy (TEN-E) strategy:

- North-South gas interconnections in Central Eastern and South Eastern Europe
- Baltic Energy Market Interconnection Plan in gas
- Southern Gas Corridor
- North-South gas interconnections in Western Europe

Detailed information on the PCI projects is set forth in [TEN-E regulation](#).

PCIs selection process

Gas project, to be eligible for inclusion in the Union list of projects of common interest (PCIs), shall be part of the latest available [ENTSOG](#)'s Ten-Year Network Development Plan ([TYNDP](#)).

Once part of the TYNDP, projects promoters willing to obtain the status of Projects of Common Interest submit an application for selection as project of common interest during the PCI candidate submission phase.

Candidate projects are then assessed by Regional Groups that include representatives from EU countries, the Commission, transmission system operators and their European networks, project promoters, regulatory authorities, as well as the Agency for the Cooperation of Energy Regulators ([ACER](#)).

After these assessments, the Commission adopts the list of approved PCIs via a delegated act procedure.

At the end of the selection process, the list of approved projects is submitted by the Commission to the European Parliament and Council. These institutions have two months to oppose the list, or they may ask for an extension of two months to finalise their position. If neither the Parliament nor the Council rejects the list, it enters into force. The Parliament and the Council cannot request amendments to the list.

The PCI selection process is illustrated on the graph below:



PCIs benefits

Projects selected as PCIs can benefit from many advantages stemming from the Trans-European Network – Energy (TEN-E) Regulation, including an accelerated permit granting process and as well as specific regulatory solutions provided for in EU Regulation 347/2013. Under specific conditions, a PCI status gives a possibility of receiving financial assistance under the Connecting Europe Facility (CEF) in the form of grants and innovative financial instruments.

Which projects implemented by GAZ-SYSTEM had been granted the PCI status?

The most recent third list of PCI projects was released by the European Commission on 24 November 2017. In accordance with provisions of TEN-E Regulation PCI projects are selected in the Regional Groups dedicated for four priority gas infrastructure corridors. The projects conducted by GAZ-SYSTEM received the priority status in two of them. This proves their importance in achieving the objectives set forth in TEN-E Regulation, most importantly by improving security and diversification of supply, enhancing competition and improving the access to natural gas as a low emission source of energy in Central Europe and the Baltic region:

1. Baltic Energy Market Interconnection Plan in gas (“BEMIP Gas”)

The aim of the initiative is to create a gas infrastructure to end energy isolation of three Baltic countries (Lithuania, Latvia, Estonia) and Finland, to increase diversification of supplies in the Baltic Sea region. The initiative's members are: Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Finland, and Sweden.

- Baltic Pipe Project
- Capacity extension of winouj cie LNG terminal in Poland
- Gas Interconnection Poland-Lithuania

2. North-South gas interconnections in Central Eastern and South Eastern Europe (“NSI East Gas”)

The aim of the initiative is to create a gas infrastructure for regional connections between the areas of Baltic Sea, Adriatic and Aegean Sea region, the eastern part of the Mediterranean and the Black Sea, as well as within these regions, also to increase diversification and security of gas supply. The initiative's members are: Austria, Bulgaria, Croatia, Cyprus, Czechia, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia.

- Poland-Slovakia interconnection with North-South Gas Corridor in Eastern Poland
- Poland-Czech Republic Interconnector with North-South Gas corridor in Western Poland

The list of Projects of Common Interest is accompanied by a technical document providing more information on each individual project on its location, the type and technology employed the implementation status and the commissioning dates.

Detailed scope of projects implemented by GAZ-SYSTEM had been granted the PCI status:

Cluster 8.3 consists of two PCIs:

1. the 8.3.1 Reinforcement of Nybro-Poland/Denmark Interconnection (Promoter Energinet):

- a new onshore pipeline
- offshore crossing
- one compressor station in DK, i.e. Zealand CS

2. the 8.3.2 Poland-Denmark interconnection [currently known as Baltic Pipe]:

- a new, bi-directional offshore gas pipeline connecting Poland and Denmark through the Baltic Sea
- the receiving terminal
- the onshore pipelines connecting the offshore pipeline with the national grids in Poland and Denmark
- Goleniów-Lwówek pipeline
- three compressor stations in Poland i.e. Goleniów CS, Odolanów CS, Gustorzyn CS

The **8.5 Poland-Lithuania interconnection [currently known as GIPL]** project includes:

- a new bidirectional pipeline
- compressor station in Gustorzyn (approx. 16 MW, according to the project fiche 20 MW as CS Gustorzyn is also included in Baltic Pipe project)

The **8.7 Capacity extension of winouj cie LNG terminal in Poland** project includes:

- the extension of the regasification capacity from 5 bcm/year to 7.5bcm/year
- the construction of the third LNG storage tank

The **6.2.1 Poland-Slovakia interconnection** project includes:

- a new, bi-directional, cross-border pipeline
- construction of new compressor station in Strachocina (Poland)
- modification of the compressor station at Ve kú Kapušany (Slovakia)
- construction of border gas metering station on the Slovak territory

The **6.2.2 North-South Gas Corridor in Eastern Poland** project includes:

- Rembelszczyzna-Wronów pipeline
- Rozwadów-Ko skowola- Wronów pipeline
- Jarosław-Rozwadów pipeline
- Hermanowice-Jarosław pipeline
- Hermanowice-Strachocina pipeline
- Tworóg-Tworze pipeline
- Pogórska Wola-Tworze pipeline
- Strachocina-Pogórska Wola pipeline
- Gustorzyn-Wronów pipeline

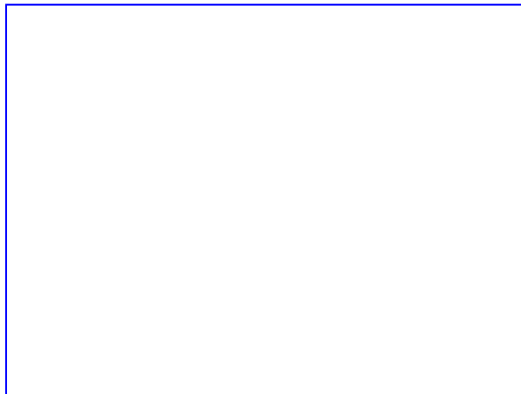
The **6.2.10 Poland-Czech Republic Interconnector [currently known as Stork II]** project includes:

- a new, bi-directional, cross-border pipeline (PL->CZ, CZ->PL)

- Zdzeszowice-K dzierzyn pipeline
- Zdzeszowice-Wroclaw pipeline
- Czeszów-Kielczów pipeline
- Czeszów-Wierzchowice pipeline
- compressor station in K dzierzyn
- PL-CZ interconnection polish (Czech Section)

The **6.2.11 North-South Gas corridor in Western Poland** project includes:

- Lwówek-Odolanów pipeline
- compressor station in Odolanów (20 MW, according to the project fiche 30 MW as CS Odolanów is also included in Baltic Pipe project)
- Tworóg-K dzierzyn pipeline



Why GAZ-SYSTEM projects were selected as PCIs?

Due to the strategic location of the Polish transmission system between the Baltic region and Central-Eastern Europe, the implementation of GAZ-SYSTEM projects will help to create a synergy effect by linking the NSI EAST gas and BEMIP gas priority corridors.

The direct gas connection with deposits on Norwegian Continental Shelf and significant LNG supply options (via terminal in winouj cie, FSRU in Poland) and the implementation of currently developed cross-border pipeline projects connecting the Polish gas grid with Slovakia, Lithuania, Czech Republic, and Ukraine, will lay the foundations for the Polish market to become a regional gas distribution centre in the medium term providing the access to reliable sources of gas (NCS, LNG, Western Europe), traded according to price formulas based on the hub rules, for the Baltic and CEE countries, as it is on the mature Western gas markets.

The creation of a regional gas hub with a high level of liquidity and security will allow to materialize the EU concept of creating a single European gas market, ensuring maximum security of supply and fostering price convergence between domestic markets, as well as will contribute to the implementation of the ACER-backed vision of the European gas market, composed of strong and liquid regional hubs.

Moreover, the PCIs will help to meet the European Union climate objectives as the projects promoted by GAZ-SYSTEM are foreseen to provide incremental volumes of natural gas as a low emission fuel to the power, heating sectors and other industries in the CEE and Baltic regions. Furthermore, the PCIs will help accommodate the increasing uptake of renewable energy sources. As a result, this will foster the energy transition in an efficient, affordable and sustainable manner. Natural gas is an efficient source of energy that may well be used not only to meet policy objectives but also to mitigate specific and tangible environmental problems faced by citizens. Air pollution resulting from burning high emission and low-quality fuels, especially in the winter period, constitutes a serious problem in many communities. In this context natural gas may help achieve this in a timely and cost-efficient manner with the connection of new customers like households, heat and power plants to the gas grid and the promotion of alternative fuels in the transport sector.

Public participation

According to TEN-E Regulation the project promoter, before the permit granting process, informs stakeholders about the project at an early stage and the public consultation that will enable to identify the most suitable location and the relevant issues to be addressed in the application file.

Submitting the contribution

The consultation on the list of candidate Projects of Common Interest in gas infrastructure in view of preparing the fourth Union list of Projects of Common Interest in energy was closed on 20 May 2019.

During the implementation of PCIs comprehensive impact assessments and public consultation processes are organised with a wide range of stakeholders, including citizens and NGOs. The results of the public consultations are available here:

- [2019 Consultation on the list of candidate Projects of Common Interest for CO₂ networks](#)
- [2019 Consultation on the list of candidate Projects of Common Interest for smart grids](#)
- [2019 Consultation on the list of candidate Projects of Common Interest in gas](#)

Further useful information

- [Projects of Common Interest, examples of PCIs and their benefits.](#)
- [Technical information on Projects of Common Interest, the PCI lists.](#)
- [Connecting Europe Facility, application process, applying for funding.](#)
- [TEN-E Regulation](#)