



PROGRAMME FUNDED BY THE EU



The INOGATE Programme

TOOLS & OPTIONS TO FACILITATE ENERGY
INFRASTRUCTURE DEVELOPMENT

www.inogate.org



Contents of the Presentation

1. INOGATE & ENERGY INFRASTRUCTURE: HISTORY
 - a. What is INOGATE ?
 - b. Evolution 1996 - now
 - c. Budget allocation
2. ENERGY INFRASTRUCTURE IN THE EU: CONTEXT
 - a. The Need
 - b. The Challenges
 - c. The Tools
3. How ITS might help?
 - a. Operation of the Technical Expert Groups
 - b. Cross Border Study
 - c. Capacity Building Activities
 - d. Ad-Hoc Expert Facility



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The challenge

To secure adequate and reliable energy resources,
at affordable prices, for citizens in both the
INO GATE Partner Countries and the EU



What is INOGATE?

An EU-funded program for regional energy cooperation between the European Union and its Partner Countries in Eastern Europe, Caucasus and Central Asia

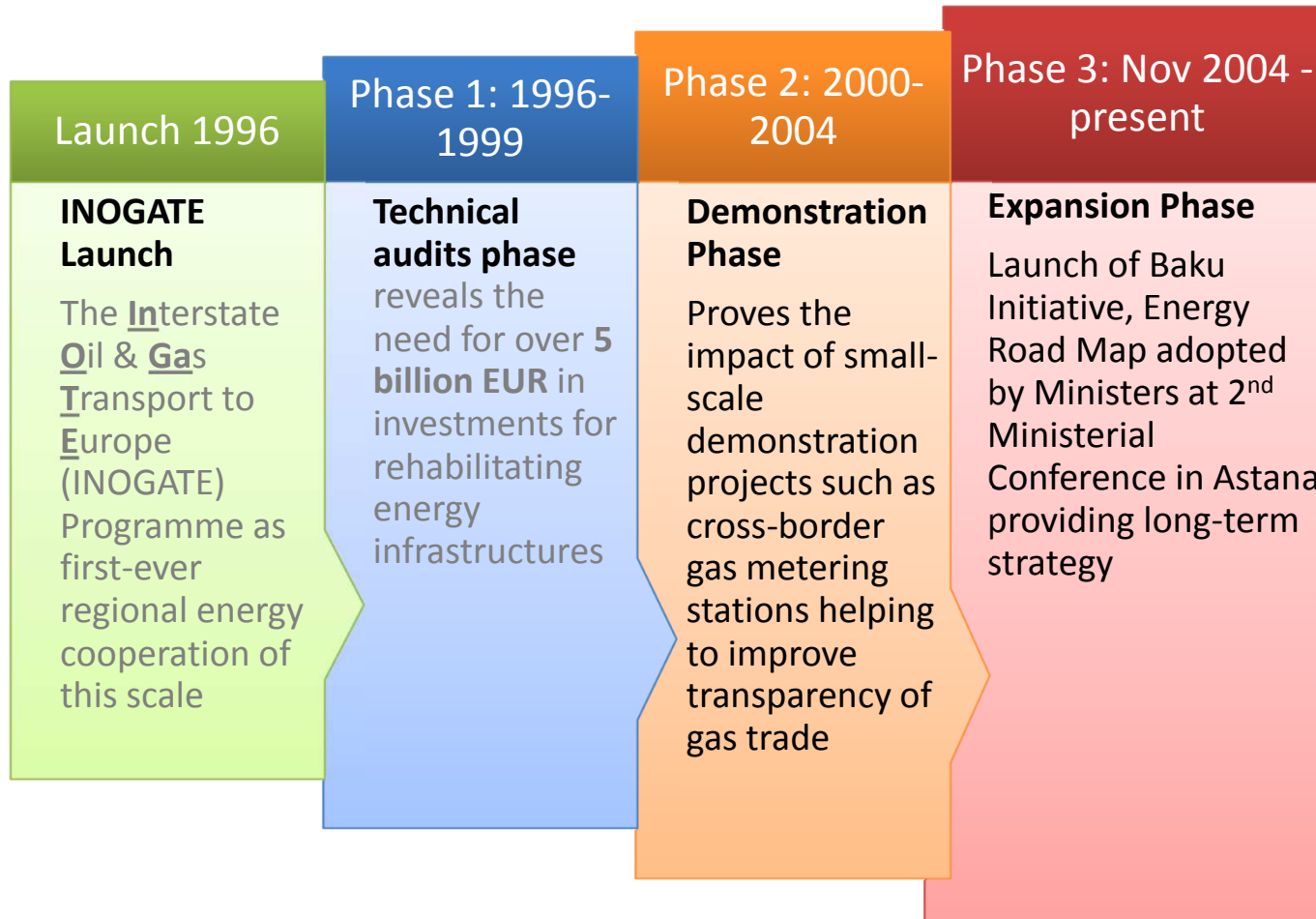


12 INOGATE Partner Countries:

Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.



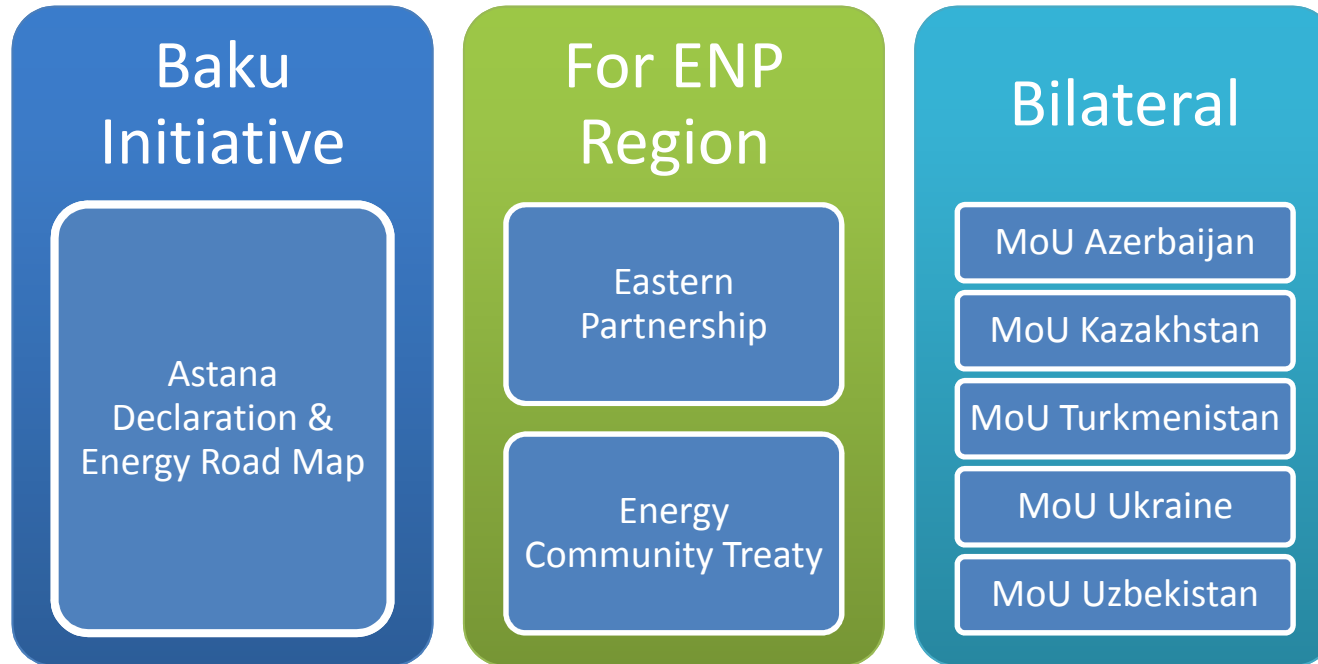
INOGATE Development 1996-2012



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INOGATE Policy Framework



INOGATE in numbers 1996-2011

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Projects & Supplies

- Over 60 projects implemented
- Over 40 million EUR in small-scale emergency equipment and supplies



Aid

- 125 million EUR in technical assistance

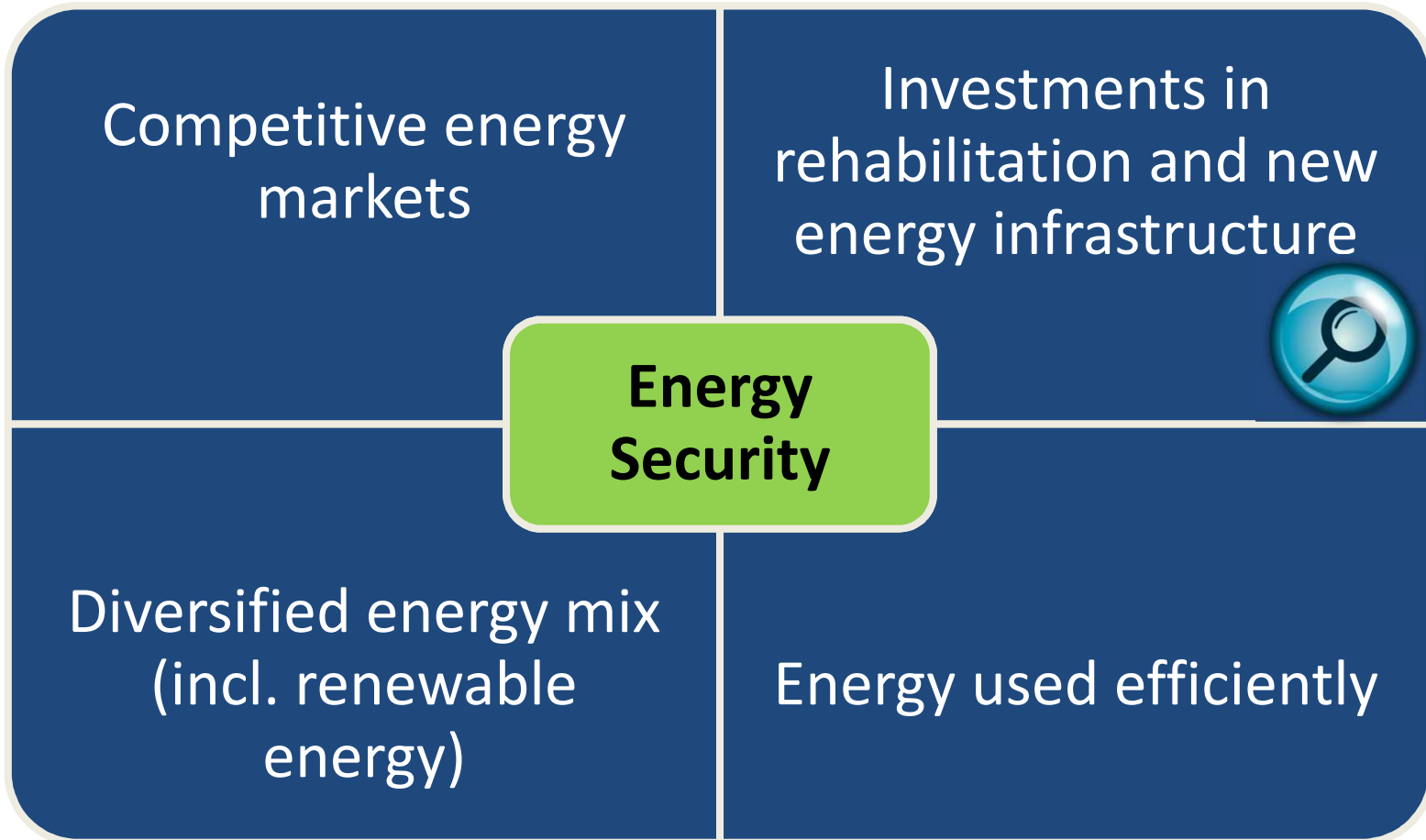


People

- Over 7,000 persons trained



INOGATE “recipe” for energy security





INOGATE Assistance

Ex-post Budget Allocation Exercise

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INOGATE Energy Portal - Mozilla Firefox

INOGATE Energy Portal

www.inogate.org/index.php?option=com_inogate&view=projects&layout=search&Itemid=67&lang=en

Language: English Admin login Home | Sitemap | Contact us search... Search

Energy Portal
Energy Cooperation between the EU, Eastern Europe, the Caucasus and Central Asia

Programme funded by the European Union

INOGATE Programme

- About INOGATE
- Areas of Cooperation
- INOGATE Projects
- INOGATE Network
- INOGATE Work Programme
- Conferences & Meetings
- INOGATE News & Events

Regional Energy Information

- Partner Countries
- European Commission
- Regional Energy Stakeholders
- Energy Information
- INOGATE News & Events
- Regional Information

Energy Projects

Search for other Energy projects

Title	Project period	Energy theme	Country/Countries	Funding
Diagnostic Evaluation of the Main Gas Pipeline on the Russian Federation to Improve Capacity and Reduce Losses and Evaluation of the compression Stations in Trunk Pipelines	30/11/1993 - 30/11/1996	Gas	Russian Federation	EU Regional
Interstate Oil and Gas Pipeline Management (96.01)	19/12/1994 - 31/12/1997	Oil, Gas	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan	EU Regional
Feasibility study for the oil and gas pipelines through the Caspian Sea (96.01)	27/10/1994 - 27/10/1997	Oil, Gas	Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan	
Institutional Issues and Strengthening of Regional Cooperation (96.07)	01/11/1994 - 31/10/1997	Oil, Gas, Convergence of Energy Markets	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine	
INOGATE Support Group (96.08)	30/11/1997 - 31/01/1999	Oil, Gas, Energy Security, Investment Attraction	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan	EU Regional
Rehabilitation of Crude Oil and Oil Products Transportation Networks (96.02)	01/01/1998 - 30/11/1999	Oil	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan	
Rehabilitation, Modernisation and Rationalisation of Existing Gas Transmission Networks - Audit of Existing Infrastructure	30/01/1998 - 30/11/1999	Gas	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan,	

How much ?

Which Sector ?

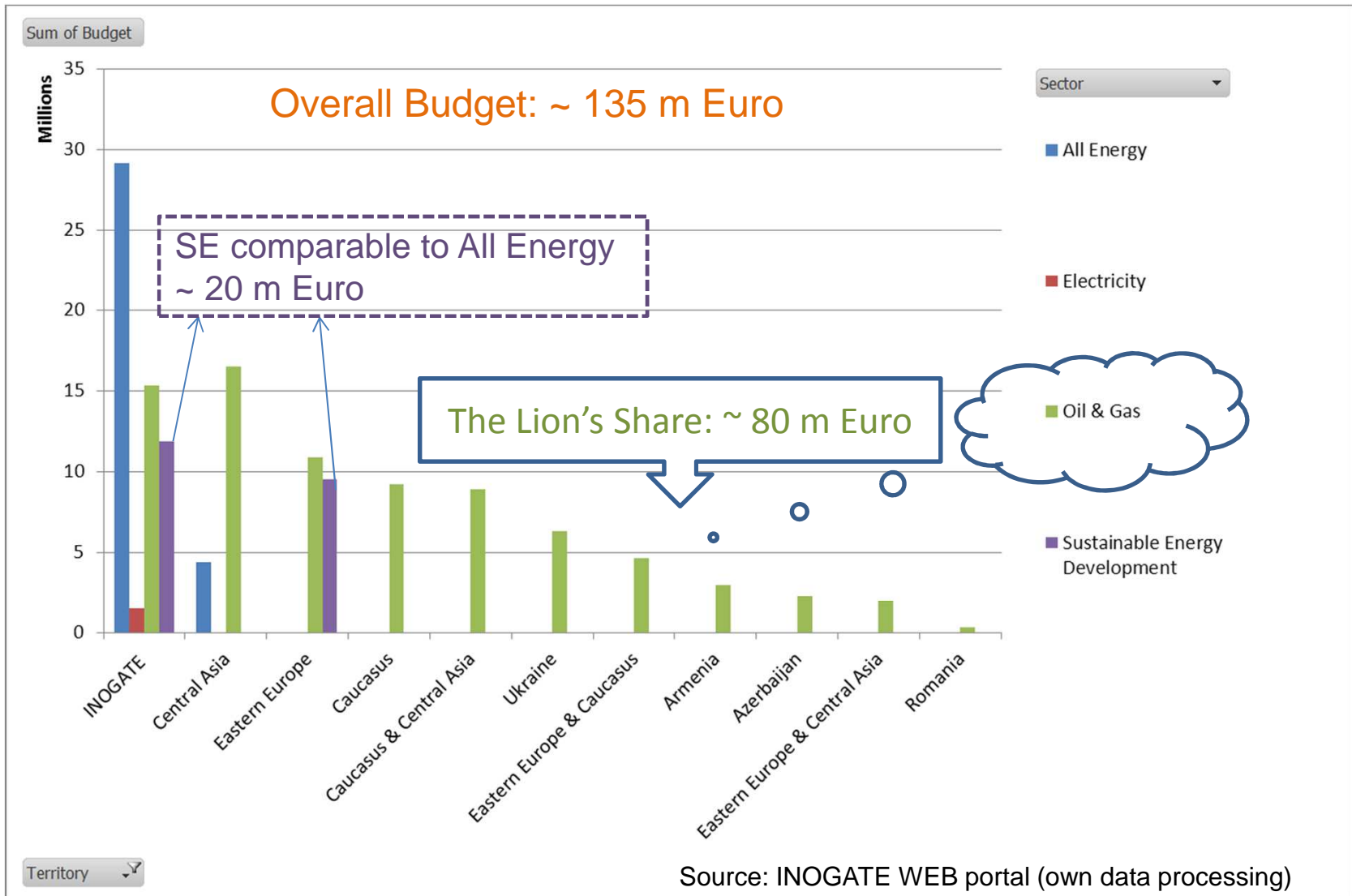
What type of TA ?

Which Region/ Country ?



INO GATE & Investment Promotion (1)

Thematic and Regional Priorities

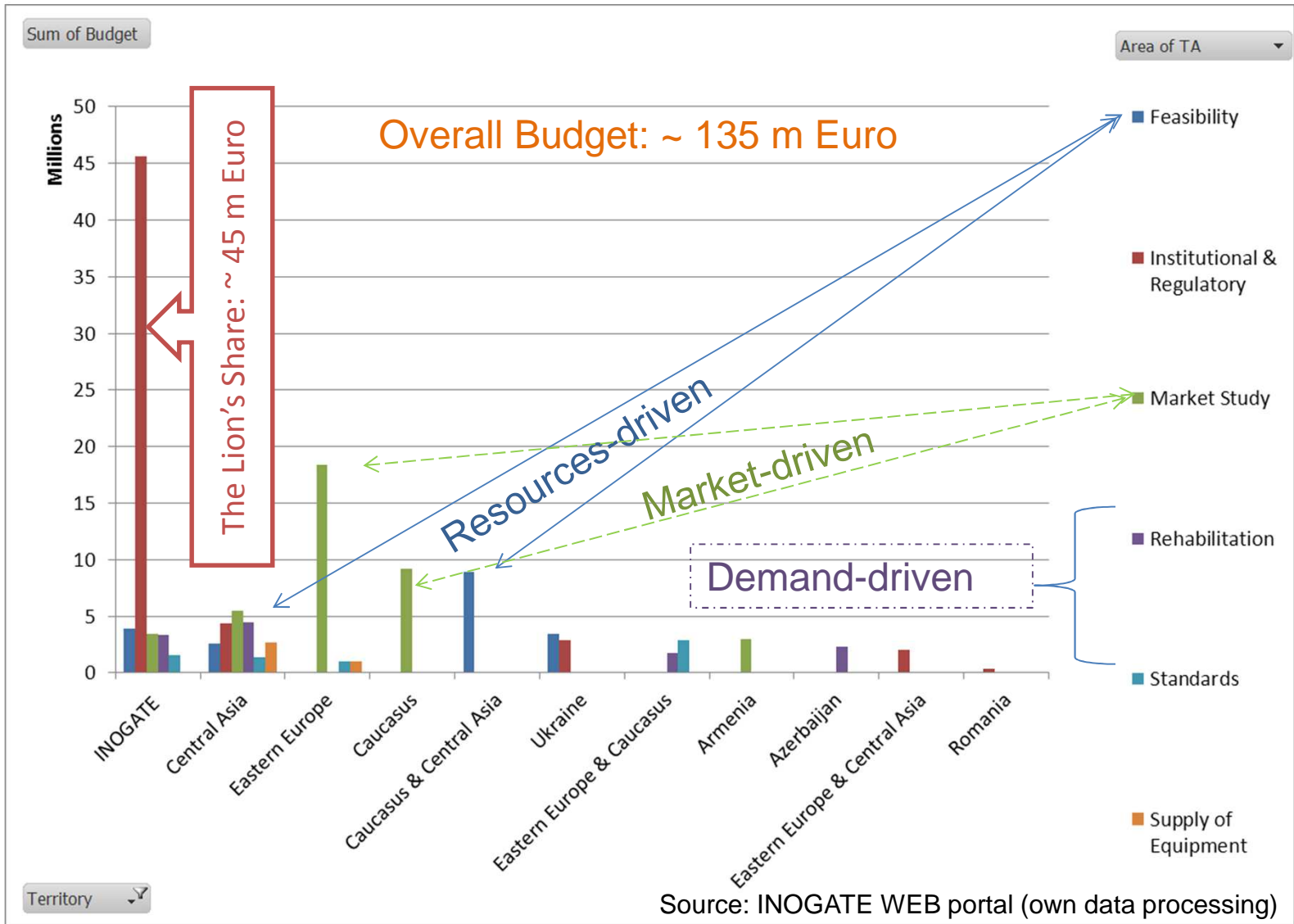


Source: INOGATE WEB portal (own data processing)



INOGATE & Investment Promotion (2)

Types of Assistance & Regional Priorities



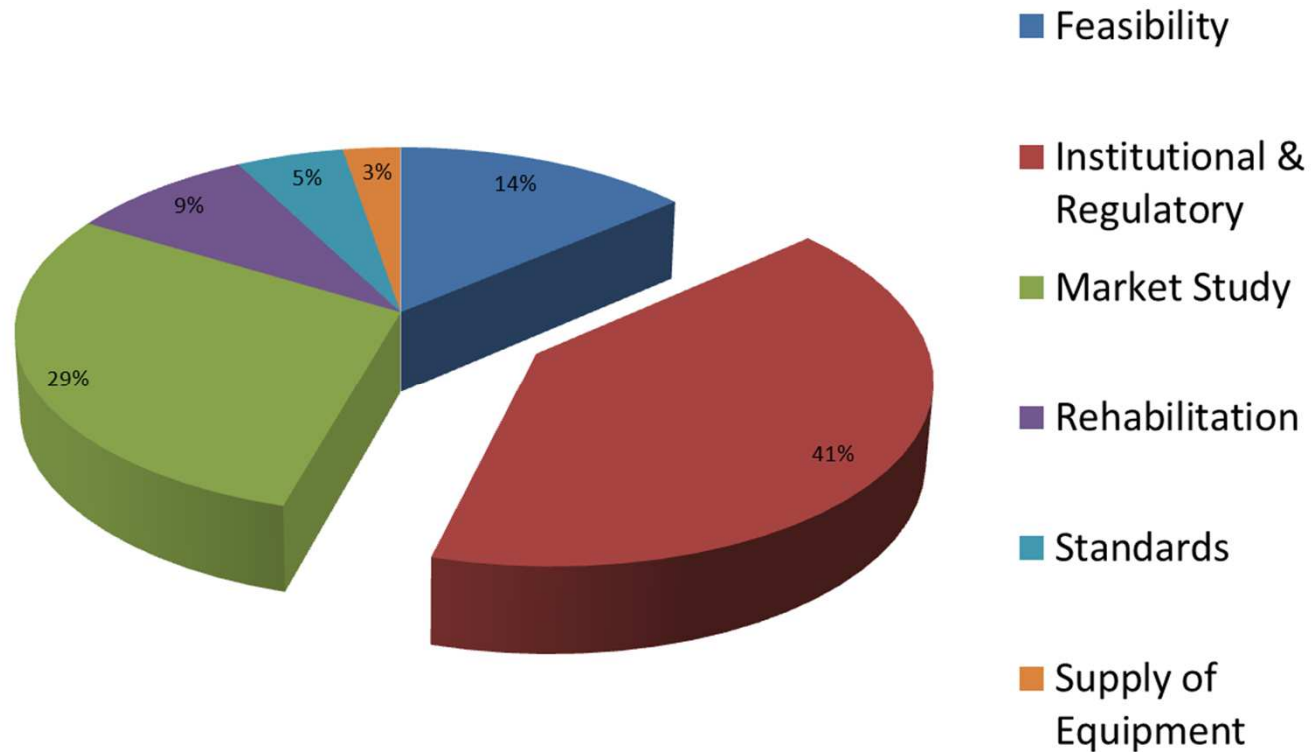
Source: INOGATE WEB portal (own data processing)



INOGATE & Investment Promotion (3)



Overall Period: Types of Assistance



Source: INOGATE WEB portal (own data processing)



INOGATE & Investment Promotion (4)



Key Messages

Predominant
Area of
Assistance:

- **Institutional & Regulatory**

Predominant
sector:

- **Oil & Gas**
- Change of orientation by Baku Initiative (2004) & Astana Declaration (2006)

Predominant
Region/Country:

- **ALL INOGATE**
- Inclined to Regional Approach
- Allowing for a flexibility (subject to specific needs)





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- a. Where ?
- b. Why ?
- c. How ?

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- a. The Need
- b. The Challenges
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3. How ITS might help?

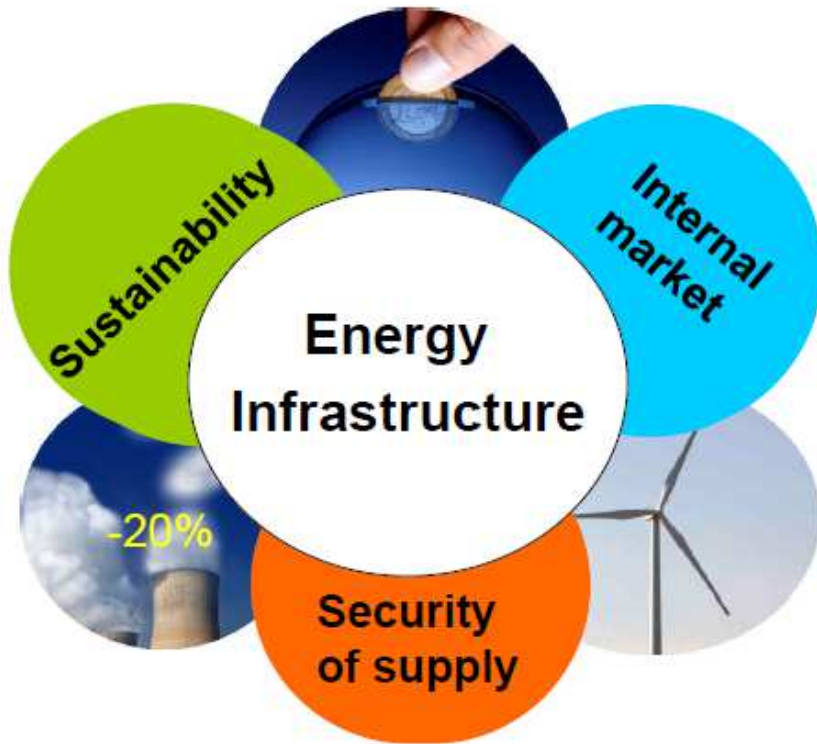
- a. Operation of the Technical Expert Groups
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EU Energy Policy vs INOGATE Areas of Work



QUIZ: Spot the 4 differences



INOGATE

Energy Markets
Convergence

Energy Security

Sustainable Energy
Development

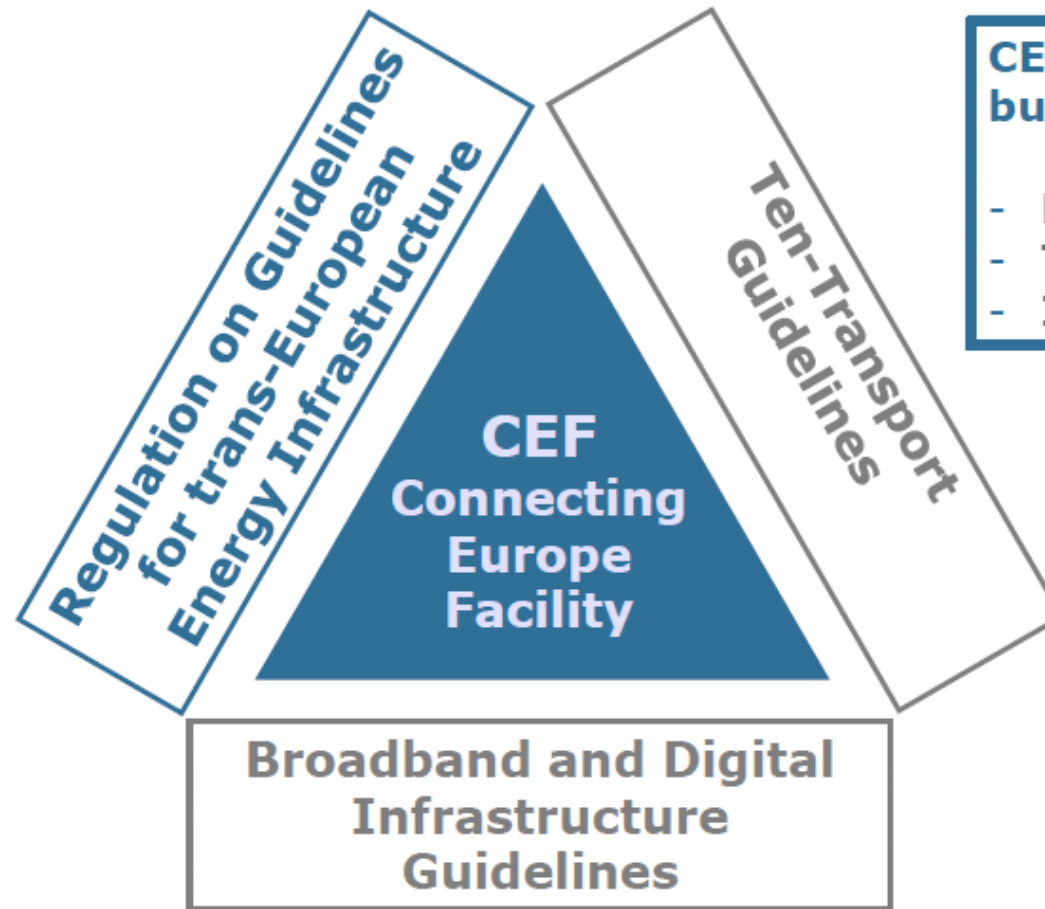
Investment
Attraction



EU Policy on Infrastructure



The Infrastructure Package



CEF proposed budget (EUR)

- Energy: 9bn
- Transport: 30bn
- ICT: 9bn

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EU: New Toolkit of Energy Infrastructure



2011: TEN-E Evaluation & barriers analysis (permits & financing)

Roland Berger
Energy Commission

The structuring and financing of energy infrastructure projects, financing gaps and recommendations regarding the new TEN-E financial instrument
Tender No. 2009/01/001/2010
- FINAL REPORT -
European Commission
Directorate-General for Energy
Brussels, July 21, 2011

Roland Berger
Energy Commission

Permitting procedures for energy infrastructure projects in the EU: evaluation and legal recommendations
Tender No. 2009/01/001/2010
- FINAL REPORT -
European Commission
Directorate-General for Energy
Brussels, July 21, 2011

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Communication Energy Infrastructure for 2020 and beyond (COM/2010/667)



Brussels, 17.11.2010
COM(2010) 667 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Energy infrastructure priorities for 2020 and beyond - A Blueprint for an integrated European energy network

(SEC(2010) 1395 final)
(SEC(2010) 1396 final)
(SEC(2010) 1398 final)

REGULATION (EU) No 347/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

25.4.2013 Official Journal of the European Union L 115/39

REGULATION (EU) No 347/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 April 2013

on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION, (1) The communication from the Commission entitled 'Energy infrastructure priorities for 2020 and beyond — A Blueprint for an integrated European energy network', followed by the Council conclusions of 28 February 2011 and the European Parliament resolution (2), called for a new energy infrastructure policy to optimise network development at European level for the period up to 2020 and beyond, in order to allow the Union to meet its core energy policy objectives of competitiveness, sustainability and security of supply.

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

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the European Economic and Social Committee (3),

Having regard to the opinion of the Committee of the Regions (4),

(2) The European Council of 4 February 2011 underlined the need to modernise and expand Europe's energy infrastructure and to interconnect networks across borders, in order to make solidarity between Member States operational, to provide for alternative supply or transit routes and sources of energy and to develop renewable energy sources in competition with traditional sources. It justified that no Member State should remain isolated from the European gas and electricity networks after 2015 or see its energy security jeopardised by lack of the appropriate connections.

(3) The European Council of 4 February 2011 underlined the need to modernise and expand Europe's energy infrastructure and to interconnect networks across borders, in order to make solidarity between Member States operational, to provide for alternative supply or transit routes and sources of energy and to develop renewable energy sources in competition with traditional sources. It justified that no Member State should remain isolated from the European gas and electricity networks after 2015 or see its energy security jeopardised by lack of the appropriate connections.

EU: New Toolkit of Energy Infrastructure



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Focus

- PCIs
- 12 Regional Groups
- 1 Union List every 2 years

Coordinate

- Regulations (EC) 713, 714, 715/2009
- TYNDPs (incl. PCIs and “universal” CBA)
- ACER: Implementation & Monitoring, guidance to NRAs

Accelerate

- European Coordinators, One-Stop Shops
- Deadlines on permits granting
- Deadlines for cost allocation procedures
- Guidelines for regulated investment procedures

Finance

- The European Energy Programme for Recovery (EEPR) – Regulation 663/2009
- The Connecting Europe Facility CCF (2014-2020)
- Innovative financing (Project Bonds, Risk Capital)



EU Regulatory Perspective:

CEER 2003 paper, "Principles of Regulatory Control and Financial Reward for Infrastructure"

1. Governments/Public Authorities should ensure investments on SoS
2. TSOs manage network efficiently
3. Public Authorities set clear rules and regulation of infrastructure development
4. TSOs publish investment plans
5. TSOs unbundled and TPA enforced
6. Robust regulatory framework for national and Cross-border investments
7. Procedures on licensing new investment are non-discriminatory and efficient
8. Swifter, more expeditious administrative authorisation procedures (particularly interconnection)

EU Regulatory Perspective: ACER's Role



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Opinion/
Approval

Guidance

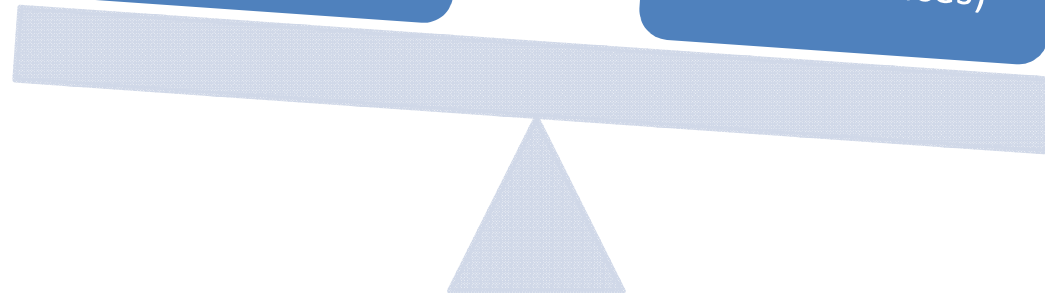
Regional PCI List

Cross-Regional
Consistency

CBA

NRAs: on Cross
Border Impact

NRAs: on Incentives
(Best Practices)



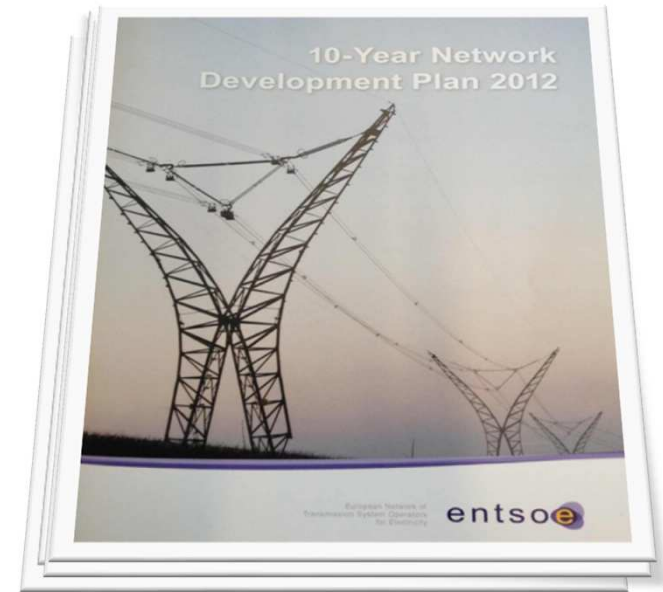


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EU TSO Perspective: ENTSO-E TYNDP

The TYNDP 2012 package



a vision for the
European extra high
voltage grid

- non-binding
- updated every 2 years
- based on common market and network studies
- generation adequacy outlook

a comprehensive
document suite that
includes

- Ten-Year Network Development Plan
- Scenario Outlook and Adequacy Report
- 6 Regional Investment Plans

Consultation: 1 Mar - 26 Apr. Final release: 5 July 2012 @ www.entsoe.eu



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TYNDP 2014 ?

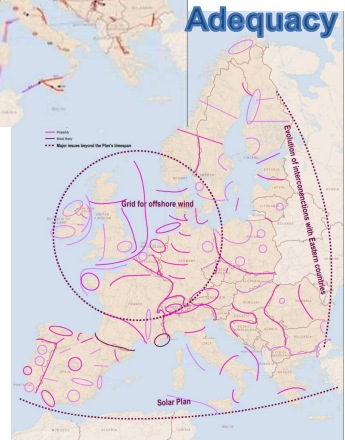
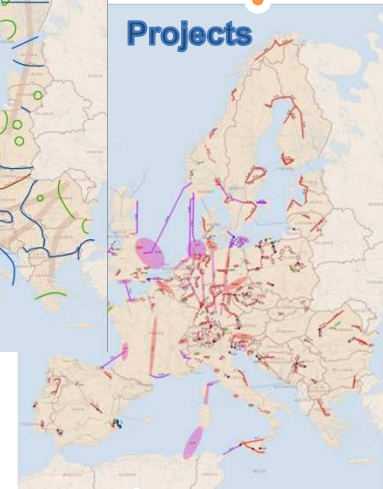
Regulation (EC) 714/2009 – “In order to ensure greater transparency regarding the entire electricity transmission network in the [Union], the ENTSO for Electricity should draw up, publish and regularly update a non-binding [Union]-wide ten-year network development plan”

Transparency

TSO cooperation platform

Stakeholder involvement

Inform EU policy and investment decisions





The Discussion is Open !



European Network of
Transmission System Operators
for Electricity

INCENTIVISING EUROPEAN INVESTMENTS IN TRANSMISSION NETWORKS

23.05.2013

PUBLIC POSITION PAPER PREPARED BY
WORKING GROUP ECONOMIC FRAMEWORK



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New ITS - Fact Box

- Project title: INOGATE Technical Secretariat (ITS)
- Budget: € 16.5 million
- Duration: 36 months (02.2012 – 01.2015)
- Partner Countries:
 - **Eastern Europe** - Belarus, Moldova, Ukraine,
 - **Caucasus** - Armenia, Azerbaijan, Georgia
 - **Central Asia** - Kyrgyzstan, Turkmenistan, Kazakhstan, Uzbekistan, Tajikistan
- Four Project Components (A,B,C,D)



New ITS - Project Components

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A - Coordination

- ITS operation
- Communication Strategy
- Investments policy
- Monitoring
- 18%

B – Electricity & Gas

- **Regulation & Markets**
- **Standards**
- **Cross-border trading**
- **Gas streams efficiency**
- **34%**

C- Sustainable Energy

- RES
- EE
- 24%

D – Energy Statistics

- Energy Statistics
- Energy balances
- 24%





Topics of Component B



B1 EU best practices and advice in the field of E & G primary and secondary legislation

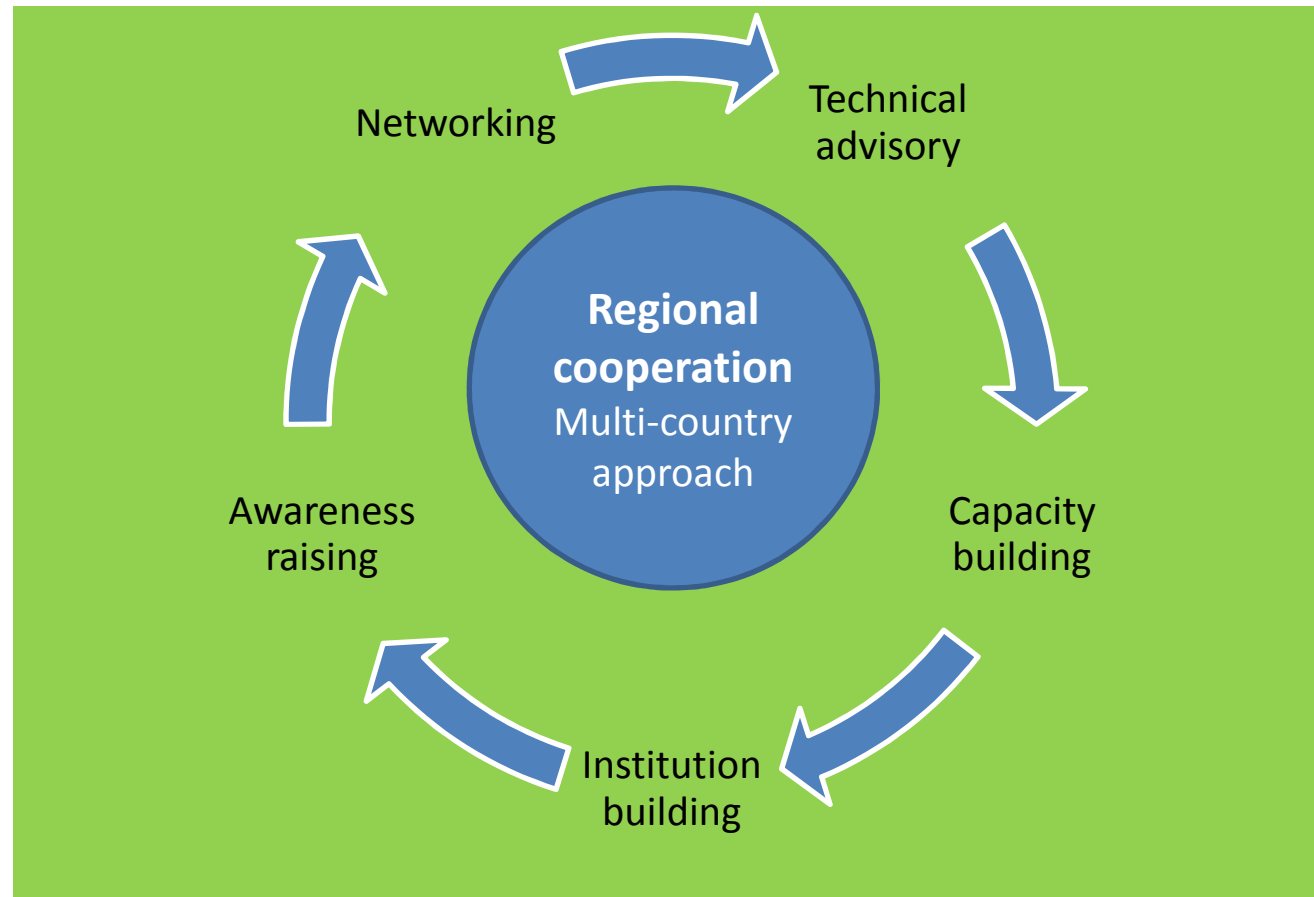
B2 Harmonisation of electricity and gas standards and codes

B3 Support to a framework improving energy cross border trade and cooperation

B4 Sustainable and efficient energy transit infrastructures



Types of assistance provided





The new Technical Experts Groups (TEGs)

Purpose

- TEGs will support the CC / WGMs in the overall steering of the INOGATE Programme to maximize benefits in the PCs
- Strengthen ownership and results of the project activities
- TEGs as a contact point





Technical Experts Groups (TEG) in PCs

TEG 1: Energy Markets & Infrastructure

Team 1: Energy Policy

Team 2: Tariffs & Regulation

Team 3: Licensing, Markets and Monitoring

Team 4: Cross-border trade Electricity

Team 5: Cross-border trade Gas

Team 6: Gas infrastructure

TEG 2: Standardisation (Electricity & Gas)

Team 1: Standardisation policy, Technical regulations

Team 2: Gas standards

Team 3: Electricity standards

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Breaking News: Tariff Study



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Tariffs not always:
Cost reflective
Set under transparent procedures

Joint IEA-ITS Energy Policy Review Questionnaire

How networks are regulated in the PCs ?

Coming up: CBT Study (assessment)



Infrastructure

- The allocation of resources and whether they should be better off optimised at a regional rather than a national level.
- The adequacy of infrastructure in carrying our energy cross border exchange and the possible network bottlenecks as identified in previous studies and analyses

Price/ Demand

- The price differences existing at the moment across counties the degree that they allow for cross border exchanges
- Demand evolution in the region

Regulation/ Markets

- The obstacles to trade referring particular to legal/regulatory, technical, market and/or other barriers hindering cross border cooperation
- Gap analysis on the part of PCs TSOs in terms of fulfilling their task in relation to a liberalized market and increased cross border market-based cooperation

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Coming up: CBT-E Study (outputs)

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Prioritisation

of the
aforementioned
obstacles and the
proposal of remedial
actions in a timely
and coordinated
fashion

A "Process"

which will be set up
and be self-sustained
in order to gradually
work on the
alleviation of the
identified barriers

A Roadmap

comprising important
milestones the PCs
should achieve on a
collaborative basis
(through their
participation to the
"collaboration
platform")

A monitoring mechanism

that would control
and communicate the
achievement of a
particular milestone

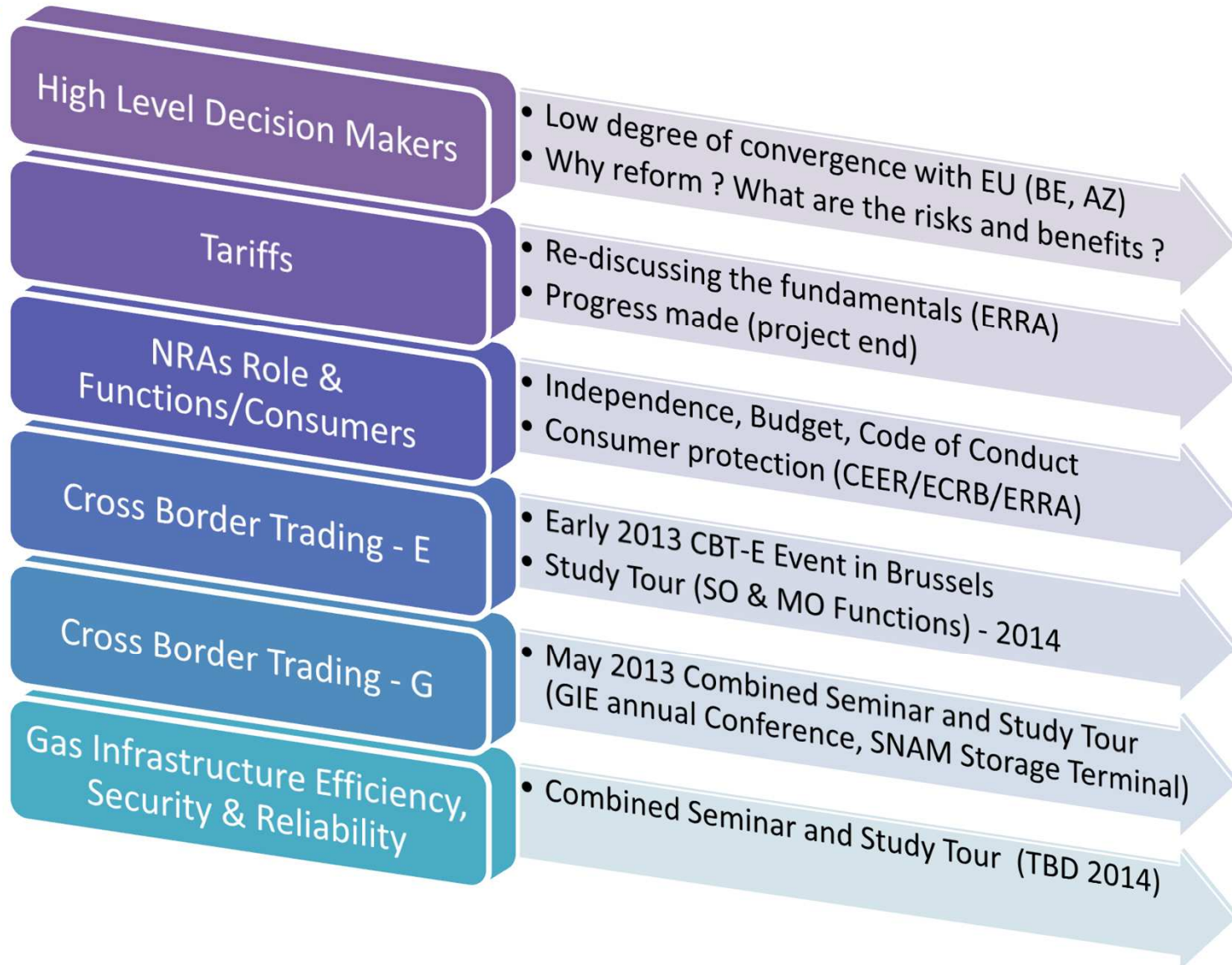


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Relevant Capacity Building Activities (Part of the E&G Component)



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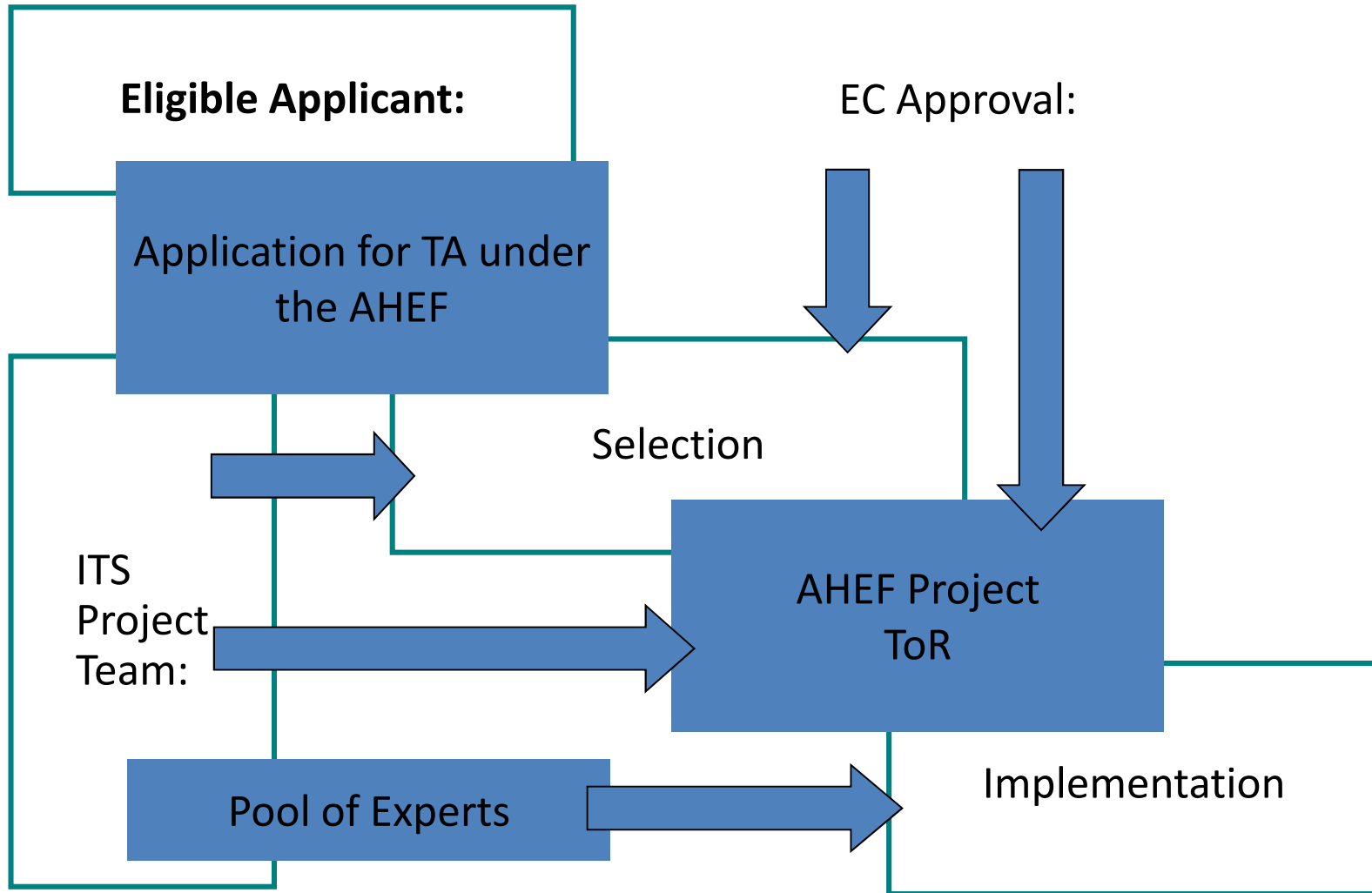




Ad-Hoc Expert Facility: How AHEF works ?



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Info & Networking: INOGATE Web Portal

www.inogate.org

INOGATE information:

- ✓ News on activities
- ✓ Reports & Studies
- ✓ Training Materials
- ✓ Publications
- ✓ Event materials

Regional energy information:

- ✓ Regional Energy News
- ✓ Country profiles and information
- ✓ Energy links

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Thank You !



www.inogate.org

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