



**BUSINESS  
SCHOOL**



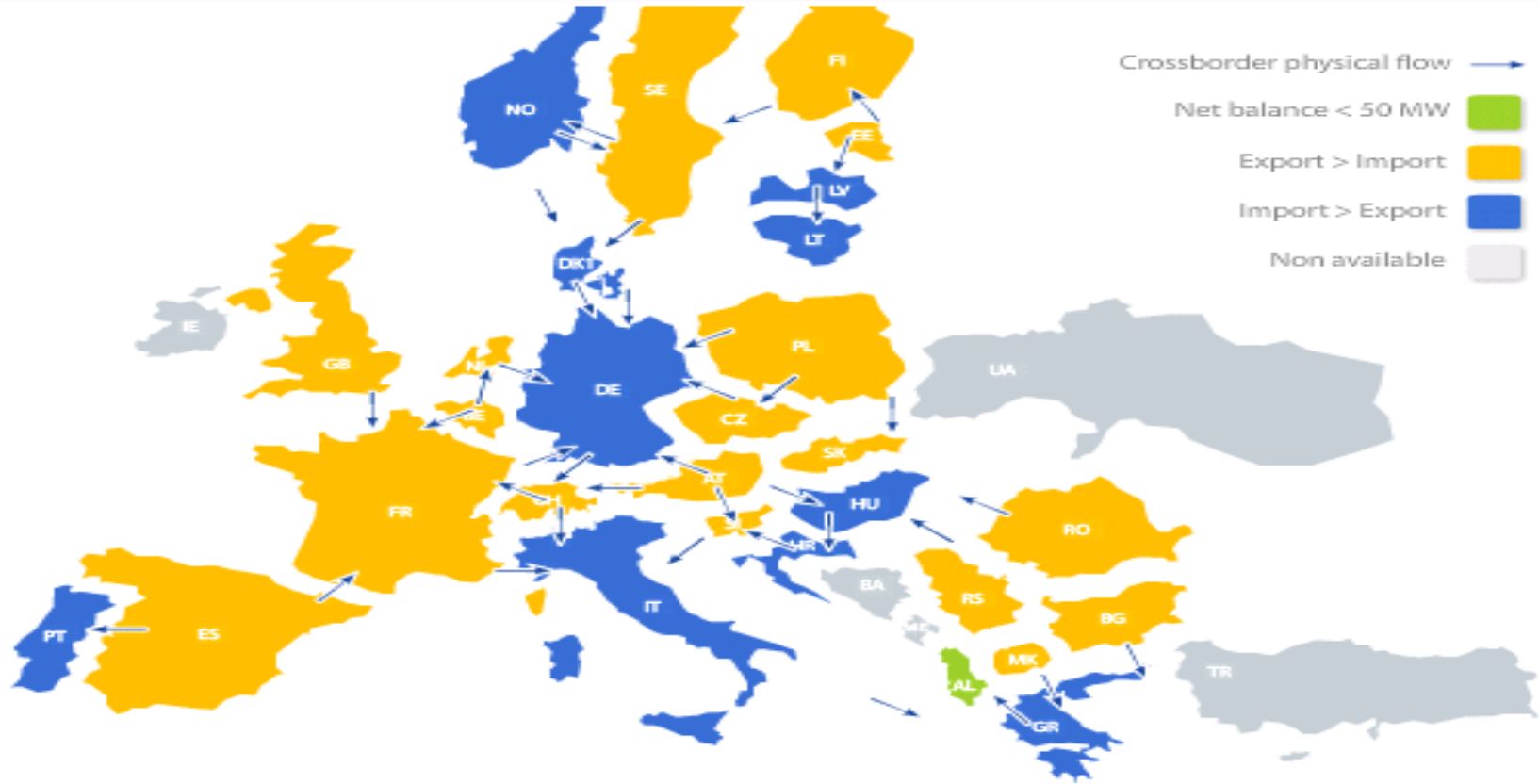
# **IMPACT OF THE REGULATORY FRAMEWORK ON PROJECTS OF COMMON INTEREST**

**LEONARDO MEEUS,  
ASSOCIATE PROFESSOR & DIRECTOR VLERICK ENERGY CENTRE**

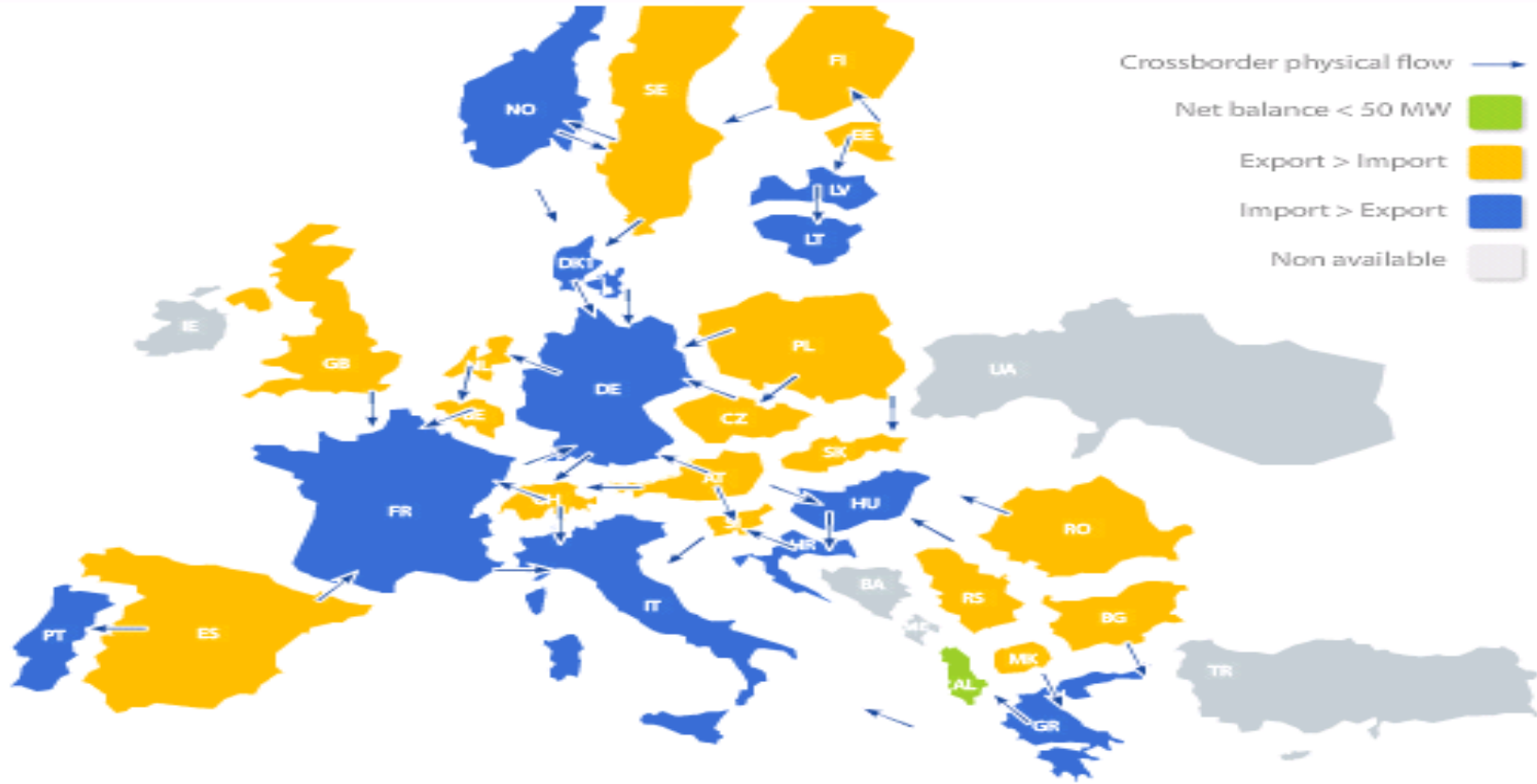
# 1

## INTERNAL ENERGY MARKET

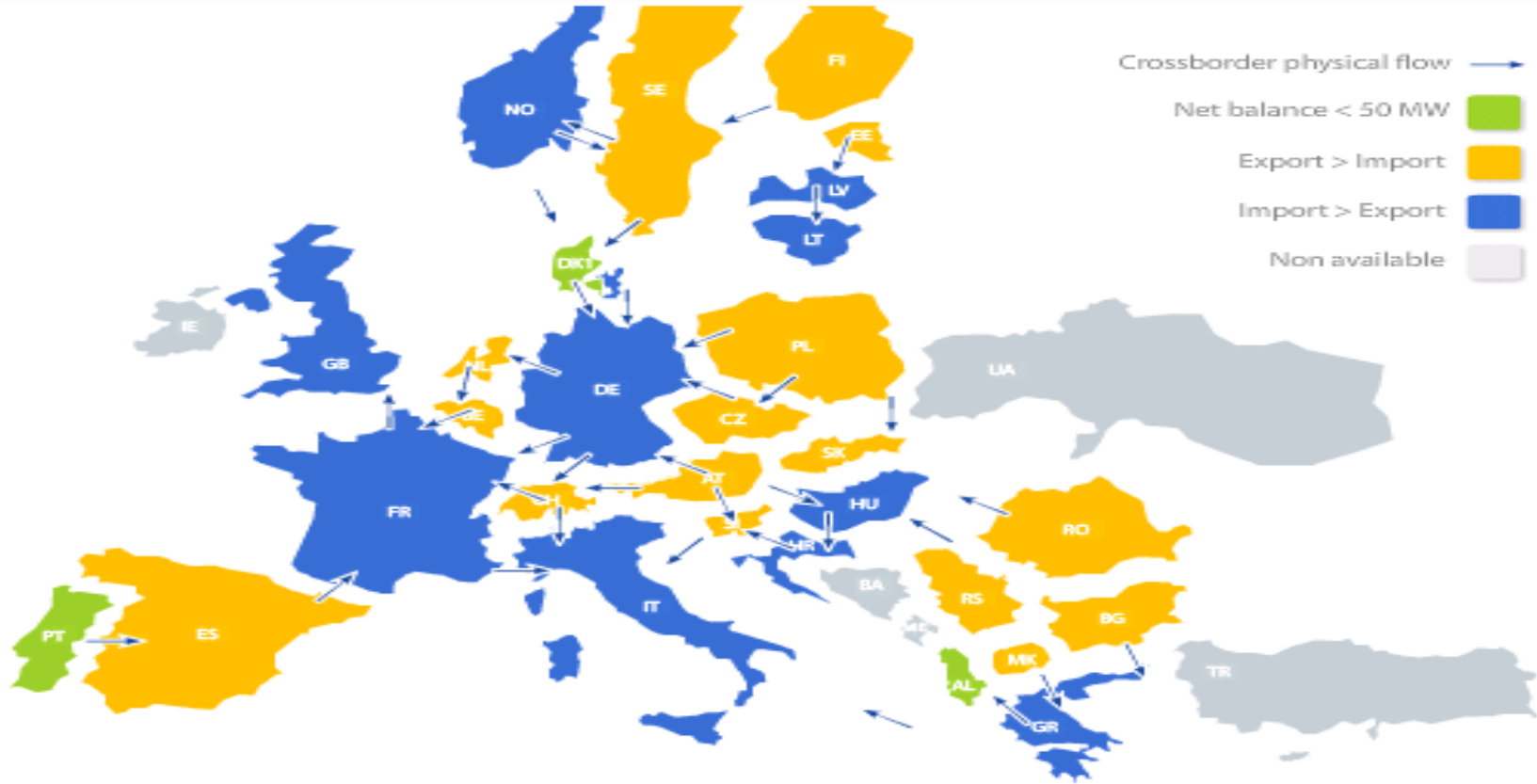
# MARKET IN ACTION ON A RANDOM MORNING



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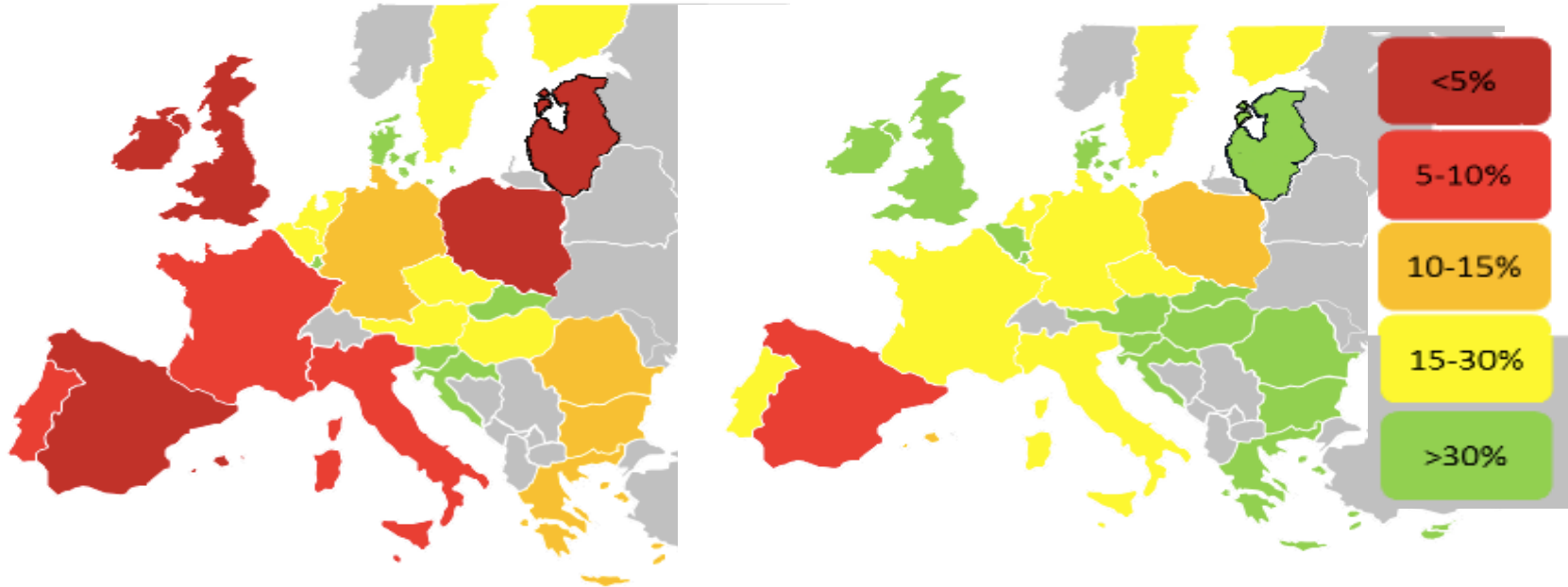


# MARKET IN ACTION ON A RANDOM MORNING



# BUT, CROSS-BORDER CONSTRAINTS

Source: DG Energy



# 2

**1<sup>ST</sup> ENERGY INFRASTRUCTURE  
PACKAGE (2013)**



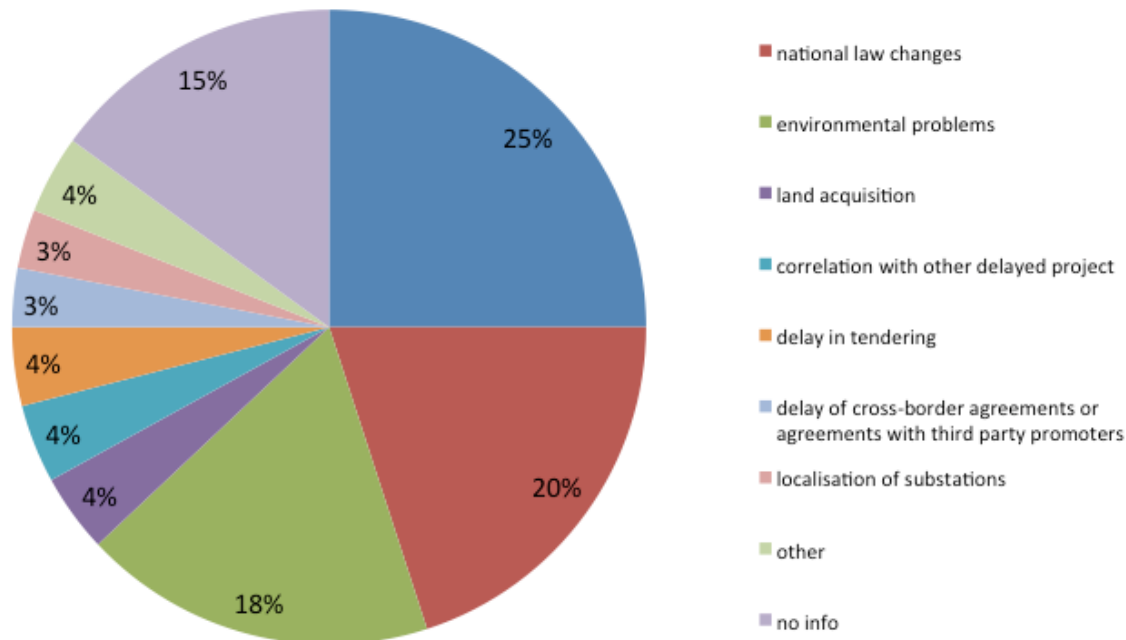
# FROM FEASIBILITY STUDIES....

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# ...TO SPEEDING UP PROJECTS...

Reasons for delay



ACER

Agency for the Cooperation  
of Energy Regulators

OPINION OF THE AGENCY FOR THE COOPERATION OF ENERGY  
REGULATORS No 16/2014

of 30 July 2014

ON THE IMPLEMENTATION OF INVESTMENTS IN ELECTRICITY  
TRANSMISSION NETWORKS

# ...AND SETTING PRIORITIES



**THINK**  
\*\*\*\*\*  
<http://think.eu.eu>

**entsoe**  
Reliable Sustainable Connected

ENTSO-E

**Guideline for Cost Benefit Analysis of  
Grid Development Projects**

December 2012

Project Leader: Nils-Harrik M. von der Fehr  
Research Team Leader: Leonardo Meus  
Research Team: Isabel Azevedo  
Xian He  
Luis Olmos  
Jean-Michel Glechant

Project Advisors: Włodzisław Mielczarski  
François Lévesque



THINK is financially supported by  
the EU's 7<sup>th</sup> Framework programme



# 3

**2<sup>ND</sup> ENERGY INFRASTRUCTURE  
PACKAGE (2020)**

# SHARING THE INVESTMENT COST OF CROSS-BORDER PROJECTS BETWEEN COUNTRIES

## Simplicity principle (before 2013)

- Each pays for the assets on its own territory
- Commitment problems due to asymmetries in costs and benefits

## Beneficiaries pay principle (since 2013)

- Largely voluntary, with ACER enforcement in exceptional cases
- EU money in exceptional cases (mainly solidarity)

## Simplicity principle comeback (2020?)

- Regional or EU funding or tariff component
- Extending national practice to regional or EU level



# OTHER CONSIDERATIONS

## Setting priorities

- Stakeholder involvement could evolve from consultation to commitment
- Investment planning coordination between TSO and DSO level could evolve from ex-post to ex-ante

## Speeding up projects

- Stricter provisions for adequate regulatory investment incentives
- Stricter permit granting procedures and deadlines



**THANK YOU!**

**LEONARDO.MEEUS@VLERICK.COM**