Basis (ENER/7769) Meeting with Snam – C4 input

Lines to take

South Hydrogen corridor

CO2 networks PCIs

- In terms of carbon dioxide infrastructure, there has been a remarkable increase in the number of projects included in the thematic priority area of cross-border CO2 networks under the first PCI/PMI List, in line with our goals to create a market for carbon dioxide capture and storage.
- While CO2 projects included in previous PCI Lists were mostly located in the North Sea basin, we are happy to see new cross-border CCS initiatives are also ongoing in the Mediterranean.
region, such as the Callisto CSS project between France and Italy, which aims at developing multi-modal hubs for CO2 transport in these two Members States, storing such CO2 emissions offshore in the Adriatic Sea.

Background information

**TEN-E**

- The adoption of the 1\st\ PCI/PMI list at the end of November concludes a major milestone in the implementation of the revised trans-European energy networks policy;
- The TEN-E Regulation has been revised to ensure that those projects necessary for our energy and climate goals are being selected whilst giving the right investments signals to respond to Europe’s multi-faceted energy challenge;
- Without the timely construction of energy infrastructure, we cannot achieve our climate and energy targets and succeed in the energy transition;
- The list we adopted contains 166 electricity and offshore projects, smart electricity grids, hydrogen and electrolyser, smart gas grids as well as CO2 projects;
- The hydrogen and electrolyser projects are an important new addition to the Union list. Hydrogen will play a key role in decarbonising sectors, where other alternatives may not be feasible or be very expensive;
- After having carefully weighted the extent of hydrogen infrastructure needed considering today’s market, regulatory and network uncertainties, we have selected 65 projects with the highest EU added value;
- The selected hydrogen infrastructure PCIs will enable export or transit flows of renewable hydrogen to neighbouring Member States allowing their major industries to decarbonise and stay in the EU;
- The PCI/PMI list also confirmed the hydrogen corridors presented in the REPowerEU plan of last year. More precisely, we note the Iberian, Mediterranean, Ukrainian, North Seas and Baltic corridors;
- Following scrutiny by Council and Parliament, the list is expected to enter into force in April 2024 provided there is no rejection by any of the institutions;
- Projects selected would hence become eligible to apply for financial support under CEF as of the 2024 call; CEF applications should demonstrate the lack of commercial viability of the project in question, as well as an analysis of the benefits of the projects which cannot be remunerated by the market, in line with the TEN-E regulation governing PCIs and PMIs’ eligibility rules for funding under CEF.
- For the first time we have identified projects of mutual interest with third countries; The new category of projects of mutual interest has been introduced in the revised TEN-E to acknowledge the potential role of infrastructure projects with third countries to contribute to the energy and climate policy objectives of the Union;

**Southern Hydrogen Corridor**

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CO2 Networks PCIs promoted by SNAM

The first PCI/PMI List includes 14 CO2 network projects (12 PCIs and 2 PMIs), which means a significant increase compared to the fifth PCI List (6 CO2 PCIs in total).

One of the new PCIs, CALLISTO CCS, aims at developing crossborder transport and storage CO2 infrastructure in FR (Fos-Marseille) and IT (Ravenna), providing access to CCS capabilities to the Mediterranean and enabling France and Italy to decarbonize a wide range of industrial processes in a cost and time effective manner.

In December 2022, Snam signed an agreement with Eni to launch this CCS project in Italy, whose phase 1 will involve the capture of CO2 in a plant from Eni in Ravenna and its injection into a depleted gas field in the Adriatic Sea. With the development of phase 2, the geological storage capacity in Italy will be also open to industrial emitters in France.

The total amount of CO2 collected by this project and injected in the related geological storage is developing in two main phases:

- Callisto Phase 1 (2027-2032): 3.6 Mtpa
- Callisto Phase 2 (2033-2050): 6.4 Mtpa

In general, Snam is looking forward to reposition their expertise (on gas) to CO2 transport and storage. For this reason, around 120 million euros of investments in our 2022-2026 strategic plan are destined for CCS.