



**Sent by E-mail only**

Brussels, 15/10/2020  
INEA/R1/MVa/CC/fg  
ARES (2020) sv 6252661

[REDACTED]  
Melita TransGas Company Ltd.

[REDACTED]  
MALTA

**Subject: Decision on the rejection of proposal 5.19-0012-MTIT-W-M-20 submitted in response to the 2020 CEF Energy call for proposals (CEF-Energy-2020)**

Dear [REDACTED]

I would like to inform you that following the completion of the evaluation process of proposals submitted in response to the above mentioned call for proposals, the European Commission has adopted the Commission Implementing Decision C(2020) 7039 of 15 October 2020<sup>1</sup> on the final selection of the proposals.

I regret to inform you that your proposal was not selected for funding for the following reasons:

*The application is of good overall quality. The proposed Action is mature and represents the next logical step in the implementation of the PCI, but there remain a number of shortcomings. Important activities such as pre-construction would only start in the second half of 2022, some environmental assessments are still pending and there are open issues concerning the necessary steps for a possible upgrade of the project to transport renewable gases.*

*The cross-border dimension is well addressed, as reflected in the CBCA decision by two Member States.*

*The proposal does not sufficiently demonstrate positive externalities. While the proposal claims that the proposed Action would contribute to improving the security of supply and*

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<sup>1</sup> available at:

[https://ec.europa.eu/inea/sites/inea/files/cefpub/c\\_2020\\_7039\\_fl\\_commission\\_implementing\\_decision.pdf](https://ec.europa.eu/inea/sites/inea/files/cefpub/c_2020_7039_fl_commission_implementing_decision.pdf)  
and its annex at: [https://ec.europa.eu/inea/sites/inea/files/cefpub/c\\_2020\\_7039\\_fl\\_annex.pdf](https://ec.europa.eu/inea/sites/inea/files/cefpub/c_2020_7039_fl_annex.pdf)

*solidarity by aiming at a more competitive gas supply in Malta, this is not sufficiently substantiated in the proposal; the expected impact on security of supply beyond Malta appears also marginal. The rationale behind the switch from LNG to pipeline gas should have been explained more in detail, also due to the uncertainty concerning future price developments. The H2 ready design cannot be considered innovative as the technology is available on the market and can therefore not be considered as a positive externality.*

*The need to overcome financial obstacles is well addressed despite a number of shortcomings.*

*The soundness of the implementation plan is overall very good as demonstrated by the coherence between the proposed Action's objectives and the planned resources/activities.*

*The stimulating effect of the CEF financial assistance is well addressed, as the proposed Action would not be implemented without CEF financial assistance. However, the rather limited and uncertain externalities from the Action constitute an important shortcoming.*

*The proposal provides insufficient evidence of the priority and urgency of the proposed Action.*

*A more detailed assessment of alternative options is necessary to address Malta's future energy needs in order to minimise the risk of stranded assets. In view of the European Green Deal objectives, the proposal does not provide sufficient justification to what extent the 100% H2 ready pipeline would actually be used for renewable gases and in turn contribute to the achievement of the long-term decarbonisation objectives.*

*The proposal is not recommended for funding.*

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If you would like to request further clarifications related to the procedural aspects of the evaluation conducted by INEA, you can do so in writing to the following e-mail address:

[INEA-CEF-energy-calls@ec.europa.eu](mailto:INEA-CEF-energy-calls@ec.europa.eu)

If you believe that there was maladministration, you may lodge a complaint to the European Ombudsman within two years of the date when you became aware of the facts on which the complaint is based (see <http://www.ombudsman.europa.eu>).

Should you wish to lodge an action for annulment of the Commission's decision notified by this message, you must do so within two months of this notification. The court responsible for hearing annulment procedures is the General Court of the European Union:

General Court  
Rue du Fort Niedergrünewald  
L-2925 Luxembourg  
Tel.: (+352) 4303 1 Fax: (+352) 4303 2100  
E-mail: [GeneralCourt.Registry@curia.europa.eu](mailto:GeneralCourt.Registry@curia.europa.eu)  
URL: <http://curia.europa.eu>

Any request you may make and any reply from us, or from the Commission, or any complaint for maladministration, will have neither the purpose nor the effect of suspending the time-limit to lodge an action for annulment of the Commission's decision.

I thank you for your interest in the Connecting Europe Facility programme and hope that you will take part in future calls for proposals.

Yours sincerely,

