TeasiMed

TOWARDS AN EFFICIENT, ADEQUATE, SUSTAINABLE AND INTERCONNECTED MEDITERRANEAN POWER SYSTEM

Closing Conference

A project by

Med-TSO

MEDITERRANEAN TRANSMISSION SYSTEM OPERATORS

Co-funded by the European Union

INTEGRATION OF THE MEDITERRANEAN POWER SYSTEMS:

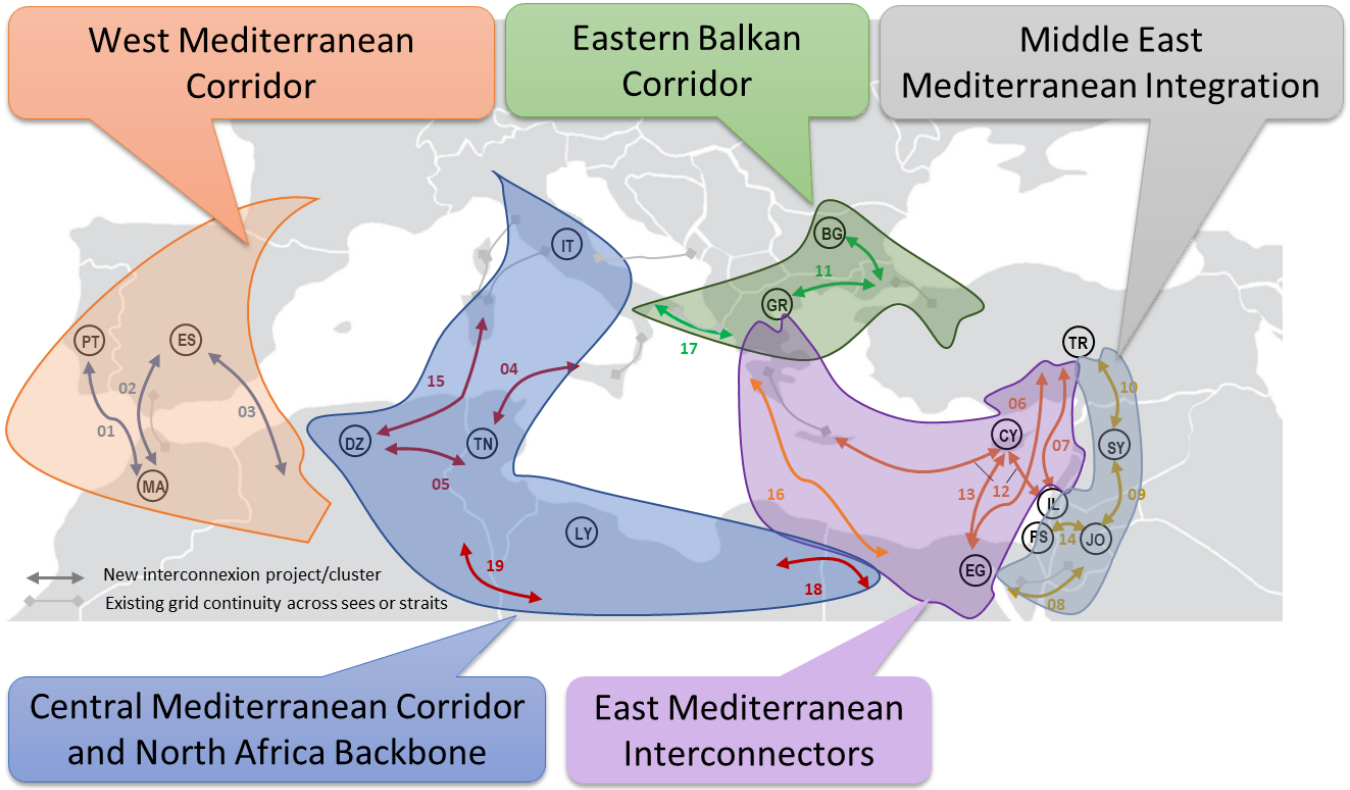
A KEY DRIVER FOR ENERGY TRANSITION

First panel: Leveraging Interconnections for a Sustainable Energy Transition in the Mediterranean

Guido Guida

Mediterranean Master Plan 2022

The Masterplan allows many TSOs to realize long-term energy scenarios and run assessments on the potential benefits of interconnection projects with neighboring countries



Integration of Renewable Energy Sources

Increased System Resilience and Security of Supply

Social & economic growth

A lot of potential reinforcements exist in the Mediterranean Region that have technical and commercial viability but suffer financial and policy/regulatory gaps

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Challenges to regional integration

Technical and regulatory

- Harmonized rules for the development and operation of the interconnected electricity network (for example market-driven approaches for the utilization of existing and new interconnection capacity)
- Frameworks and mechanisms for the efficient and secure integration of Renewable Energy Sources in the energy mix

Financial

- **MENA region suffers lack of appropriate remuneration schemes** combined with countries' financial weakness: many projects, despite their significant commercial viability, suffer financial gaps.
- Effective regional integration requires boosting long-term & capital-intensive investments in grids with **efficient financing mechanism** for remunerating TSOs. **Regional policies should be put in place** other than for individual countries, as decarbonization does not follow political borders
- At EU level, the Green Deal's external dimension is key for reaching the EU targets and also to achieve the Mediterranean Integration, complementing national assistance programs in promoting the development of projects in the MENA region. At such, specific instruments for boosting investments not only in the EU MS should be developed, filling the gap between policies and concrete actions
- Also International Financial Institutions should play a very positive role in boosting investments through specific instruments, i.e. new criteria and appropriate CBA and CBCA for promoting not only market-driven investments

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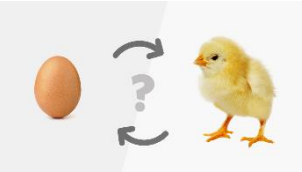
Regulation vs investments: a “chicken & egg” problem?

- Lack of a sound regulatory framework determines lack of investments
- *vice versa*, lack of investments slows down the sense of urgency in developing new infrastructure, postponing the need to define appropriate regulations



How to break the loop?

- **the ELMED interconnector** between Italy and Tunisia, financed by the EC in the frame of the Connecting Europe Facility (CEF) 2022, **may represent a real game changer** for the implementation of an integrated Mediterranean Power System
- **investing in the grids** at first, as they usually require very long times to implementation
- **act as catalyst** for boosting all the other necessary investments and involve other regional actors

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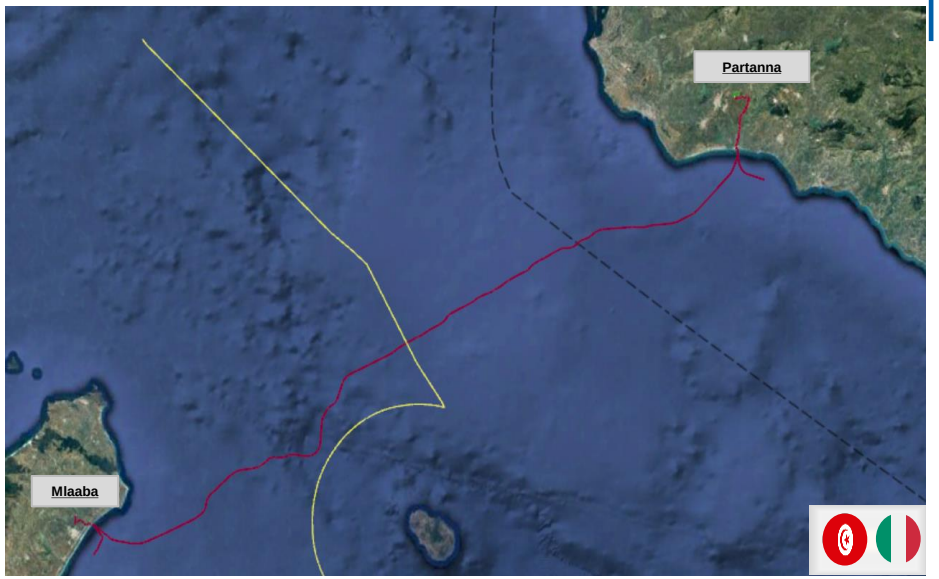
Italy – Tunisia Interconnection (ELMED)

The new HVDC interconnection between Italy and Tunisia will connect the electric station of Partanna (Trapani) with a station on the tunisian peninsula of Capo Bon.

Main characteristics:

- **Nominal Capacity:** 600 MW
- **Technology:** HVDC – VSC
- **Depth:** about 800 m
- **Route:** 200 km (marine) 28 km of (land)
- **Commissioning**: 2028*
- **Planned Capex:** 425 Mln€ (**)
- **National Transmission Network Development Plan:** entered since 2017
- **Authorization:** procedure started in Italy on April 2022 while in Tunisia on August 2022
- **TYNDP:** included in the ENTSO-E's Ten Year Network Development Plan
- **PCI*** List:** inserted in the Fifth PCI list of the EC



CEF Fund

The project will require an **estimated total investment of 850 million euros.**
Of these, **307 million euros will be funded through the European Union's Connecting Europe Facility (CEF) fund**, a fund dedicated to supporting key projects aimed at **enhancing the energy infrastructure within the EU.**

The Elmed project represents a successful example on how to boost the integration of the Mediterranean region

(*) In line with the CEF Call deadline, the completion date of the Work has been updated to June 28
(**) Investment cost on Italian side
(***) Project of Common Interest

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THANK YOU!

TEASIMED Closing Conference
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