

With or without us?

Three cases manifesting gaps in designation of
EU high priority energy projects

Case Studies

Justice and Environment 2014

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EU high priority energy projects*

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About the authors and the study

Justice and Environment (J&E) is a network of environmental law organizations from 10 EU countries helping people to defend their environment. In summer 2014, three member organizations of J&E – Ökobüro (Austria), Frank Bold Society (Czech Republic) and Estonian Environmental Law Centre - each assessed one environmentally and socially controversial energy project in their country. Their assessment was based on a standardized questionnaire. The assessment firstly looked at a compliance of the projects with the criteria for PCI selection; secondly at identifying the grounds for controversy; thirdly it looked at transparency and public participation at the national as well as EU level PCI designation process.

What are PCIs?

PCI stands for „*project of common interest*“. In the field of energy infrastructure, this term is used for projects (e.g. electricity grids, gas terminals and pipelines, storage facilities) deemed critical for improving and developing the energy infrastructure within the EU. According to the [EU Regulation No 347/2013](#) (EU TEN-E Regulation), such projects should have a cross-border impact and be a part of one of the 12 priority infrastructure „corridors“ or „areas“ of European Union.

Projects identified as PCIs are listed in a European Commission delegated Regulation which amends the above mentioned EU TEN-E Regulation and are supposed to be updated every two years. The Union-wide list is based on regional lists drawn up by 12 regional groups. The first EU-wide list was adopted on 14 October 2013.

Why do PCIs matter?

Once a project is defined as PCI it receives preferential treatment in two ways:

- Speedy decision-making process: In permit granting procedures these projects are presumed to be necessary and of high public interest from an energy policy perspective. Member states should take measures, including legislative measures, to accelerate permit-granting procedures of such projects. The formal procedure of permit issuance should not exceed 18 months in any case.
- Financial support: PCIs are eligible for funding from a special EU-fund, the „*Connecting Europe Facility*“ (CEF)¹. CEF was established to accelerate investment in the field of trans-European networks and to leverage funding from both the public and the private sectors (REGULATION (EU) No 1316/2013 – CEF-Regulation² Recital (2)). The first call for proposals of CEF was open till August 2014, allocating €647 million to PCIs³. Between the years 2014 and 2020 CEF will provide financial assistance for PCIs in amount of € 5.85 billion – next call will be opened in the run of 2015. Projects which are at financial risk are also eligible for subsidies from national governments.⁴

1 Projects of common interest in the fields of electricity, gas and carbon dioxide should be eligible to receive Union financial assistance for studies and, under certain conditions, for works in the form of grants or in the form of innovative financial instruments (recital 48 REGULATION (EU) No 1316/2013 – CEF-Regulation).

2 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:348:0129:0171:EN:PDF>

3 http://europa.eu/rapid/press-release_IP-14-1204_en.htm

4 In 2014 the European Commission adopted the “Guidelines on State aid for environmental protection and energy 2014-2020”. Beneath others the Guidelines include new provisions on aid to energy infrastructure and

What does this imply?

As PCIs are deemed to be of public interest and therefore additional public funding is made available to them, the EU-wide PCI list should be drawn up with great care and diligence. The public has a right to know where its money goes and what profit/damage they can expect from their taxes. Energy security and an efficient energy market are important goals nevertheless these goals should not be achieved at the cost of environmental destruction and mismanagement of public funds.

A plural stakeholder dialogue and effective public participation are great tools to avoid these problems. Participation of local communities and environmental NGOs would, among other benefits, help to ensure that only projects fulfilling all criteria listed in the EU TEN-E Regulation are added to the list. It would also help to ensure that environmentally harmful projects are excluded from the list from the very beginning.

Main findings of the case assessments

To support the request for more public participation in the PCI designation process, J&E has carried out three case-studies on different types of PCIs: a hydro-pump storage facility in Austria, a high-voltage power line in the Czech Republic and an LNG terminal in Estonia. Although projects themselves were different, some features were common:

- All of the projects are opposed by the public in national-level decision-making (permit granting, spatial planning) due to their significantly negative impacts on the environment;
- Controversies concerning these projects are publicly known, hence they should have been known also to regional group members whose task is to assess every single project and to draft the regional PCI list;
- Despite this, environmental NGOs or other opponents of the projects have not been consulted in drawing up the regional lists. Members of the public have learned that those projects are considered as „PCI candidates“ only after the Union-wide list was published for consultations by the European Commission;
- Failures in the field of public participation were not a mere formality, but they have led to promotion of projects that do not fulfil the fundamental PCI criteria:
 - Contribution of all three projects to the energy policy goals (increasing competitiveness, sustainability and security of supply) of the EU is questionable, at best.
 - Planned LNG terminal in Paldiski (Estonia) is the only project that meets at least some of general criteria for PCIs (necessity for the priority corridor, benefits exceed costs, cross-border impact). However, this project is listed as one of the „alternative“ projects, meaning that the same positive effects could be achieved by similar terminals in less controversial locations.

generation capacity to strengthen the internal energy market and ensure security of supply. The guidelines open the possibility of state aid to energy PCIs. "State aid may be considered an appropriate instrument to partially or wholly finance that infrastructure."

- In both the Austrian as well as Czech cases, the project was not only considered as harmful to the environment, but also to the local communities;
- In both, the Austrian, the Czech and the Estonian cases, alternatives were not considered in an open and transparent way.

Conclusions and recommendations

J&E recognizes the importance of developing and interconnecting energy grids in order to ensure successful implementation of the European energy policy. However, based on the current case studies, we might conclude that:

- The regional groups in charge of drafting the initial PCI lists have failed to consult with members of the public, including publicly known opponents (even local authorities) to certain projects, when they put together the first PCI list;
- On the EU level, public participation did not compensate for the mistakes made by the regional groups. Partly this may be attributed to the fact that national stakeholders did not – for whatever reason - participate at this stage;
- Public participation in drafting the PCI list is crucial. The lack thereof can lead (and has led) to unjustified preferential treatment and allocation of public funds to harmful projects;

In order to avoid these problems in the future, J&E recommends to:

- Ensure effective public participation on regional group level; the European Commission as the final decision-maker should take the initiative if regional groups fail to do so;
- Provide members of the public with meaningful opportunities to participate in consultations on regional as well as on EU level, before the adoption of the final list. We urge the European Commission to pay attention to providing appropriate time-frames as well as giving proper consideration to submitted comments;
- Include only projects that fulfil necessary criteria without reasonable doubt into the Union-wide PCI list.

J&E has communicated the above recommendations to relevant decision-makers, especially to the European Commission. Their attitude has been forthcoming and the layout of the second PCI designation process, which started in September 2014 and will be concluded in autumn 2015 provides space for involvement of stakeholders other than project promoters, particularly NGOs. It is too early in the process to assess, whether the changes will allow for a real and effective participation, or have been mere formalities. J&E follows the process and participates in drafting the second EU-wide PCI list.

Justice & Environment, 18th November 2014

Austria: Hydro-pump storage facility

The project is located in the Kaunertal valley, one of a series of parallel valleys opening to the north from the major massifs in the Austrian Alps.

There is already one huge storage existing in this sensitive ecosystem – a reservoir of 139 Mio. m³ active storage capacity and size 2.6 km². The existing water storage will be extended by an additional upper reservoir (with a dam 120 m high and 450 m wide, built in Platzer Valley) which is meant to function as electricity storage and a new down-stream power station shall be built which is meant to increase the production capacity (=sole electricity production).

The extension of the Kaunertal Hydro Pump Storage falls under heavy criticism by the civil society and environmental NGOs. The planned project would damage both the Venter and the Gurgler rivers – which are river sanctuaries nominated by the Ministry of Environment. Additionally the project would compromise a Natura 2000 site (the "Ötztal Alps") by the construction of 25 km of tunnels to divert rivers from their natural channel. In the project area, the completely undeveloped mountain valley of "Platzertal", an important wildlife sanctuary and refuge zone for alpine species would be completely destroyed.

The benefits of the project are at the very least doubtful. One part of it, namely the capacity increase for power production, does not even qualify as PCI under the TEN-E Regulation. Further, according to our information the water management rights for this particular project have already been awarded to a different hydro plant operator. An estimated cost of 1,2 billion Euros makes this project one of the largest and most expensive power plant projects currently developed in Europe, however its economic competitiveness remains uncertain. Lastly, no additional production capacities are needed and the necessity of additional storage is highly controversial.

Effective public consultation and cooperation with citizens, NGOs and affected groups was de facto non-existent. The project applicant mainly used one-way communication via their website and media. Public opposition is strong and covers environmental NGOs, the civil society and even the municipality of Sölden.

Czech Republic: High voltage power line

The planned overhead line is connecting 2 existing 400 kV substations of Kočín and Mírovka. It is designed to connect the nuclear power plant Temelín into the domestic transmission network. The power line will affect fifty municipalities, dramatically change face of the landscape and – located in close proximity to inhabited areas – increase health risks for local citizens. It is to be located very closely to, or directly in, number of protected areas (CHKO Blaník, PP Černická obora, PP Turovecký les, PP Polánka a PP Čeřínek and several others) and there are two Natura 2000 protected areas in the close proximity of the project corridor (EVL CZ03104421 Borkovická blata, CZ0613321 Jankovský potok). The impact on protected areas was not sufficiently assessed, and no adequate compensation measures were proposed.

The benefits of the project are doubtful. Despite the cost of about 450 mil. EUR the project does not contribute to the energetic competitiveness of the EU. There is no evidence that the project will

allow the integration of energy generation from renewable sources. Rather, the investor highlights that the project will only allow the integration of a new nuclear energy source into the domestic transmission network. The project does not even qualify as PCI under the TEN-E regulation as it does not meet the criteria set in Article 4 paragraph 1 of the regulation.

There is a big opposition against the project, which is perceived as highly controversial by the public. However the public was allowed to express opinion only in domestic processes – during the EIA and land use revision. During the EIA procedure more than fifteen local authorities and seventy individuals expressed strict disapproval with the project. Additionally five petitions against the project were organized.

At the EU level the Commission carried out a public consultation, but only limited information about the project was available. At the regional level, no public standing related to PCI designation was organised.

Estonia: LNG terminal

The planned terminal would consist of onshore storage tanks with a capacity of up to 320 000 CM, accompanying buildings and facilities and harbour suitable for the LNG tankers with the size of up to 165.000 CM LNG.

The project is located in the municipality of Paldiski by the Finnish Gulf. The area is important for sea birds and is included in the Natura 2000 network as a part of the Pakri Special Protection Area (SPA). The terminal and its use would compromise the protection of long-tailed ducks (*Clangula hyemalis*), a species whose numbers have rapidly declined in the Baltic Sea area but are still numerous on the Pakri SPA. It would harm the only habitat of black guillemots (*Cephus grylle*) in Estonia. Valuable ecosystems on the land area would be also damaged and the project would visually ruin the Baltic klint – a steep seaside cliff submitted to UNESCO as a candidate site of World Natural Heritage.

The project is unique among PCIs as it is only one of alternative terminals in the region that would bring benefits aimed at by PCI rules. Parallel to it, large LNG terminals are also planned in Riga (Latvia), Tallinn (Estonia) and Inkoo (Finland). Any one of the four, which are listed as alternatives to the Paldiski terminal in the current PCI list, would be sufficient to improve security of supply in the region. This means that the realisation of this project is not unavoidable for the protection of common public interests. Nonetheless, the developer has (successfully) used the fact that the project is included in the PCI Union list to push the project forward and counter any and all opposition to it.

Environmental NGOs have extensively criticised the project, challenging decisions related to the terminal at national courts. Public participation in the planning of the terminal has been seriously limited. The main problem is that alternative locations outside the Paldiski municipality, which covers only about 100 km², were not considered in the planning procedure. Therefore it was by no means guaranteed that the location chosen was the most suitable one. The Strategic Environmental Impact Assessment (SEA) has been formally carried out however its quality has also been challenged by the environmental NGOs.

Austria: Hydro-pump storage facility in the Tyrolean Ötztal Alps

1. Name

Ausbau Kraftwerk Kaunertal⁵ - Kaunertal Extension Project (No. 2.18. in the list)

2. Location

Priority Corridor: NSI West Electricity

The project is situated in the south of Landeck⁶ in the Tyrolean Ötztal Alps. Kaunertal is one of the series of parallel valleys opening to the north from one of the major massifs in the Austrian Alps.⁷

3. Description

The existing Kaunertal project was built between the years 1961 and 1964 and is one of Austria's major storages for water. The Gepatsch storage (*Gepatschspeicher*) is located at 1,660 m above sea-level in Kaunertal. The reservoir has 139 Mio. m³ active storage capacity and 2.6 km² surface area at full supply level and is fed largely by glacial and melt water;

With the Kaunertal Extension project:

- the storage shall be extended (=electricity storage) by building an additional upper-reservoir in the Platzer Valley (*Platzertal*) and the required technical infrastructure (pump-turbines) to enable pump-storage operation between these two water storages.⁸ On the other hand
- the production capacity of the plant shall be increased (=electricity production) by building a new downstream-power station at Prutz.

For the extension four rivers shall be redirected into the existing storage - *Gepatschspeicher* - via a tunnel system of about 25 km length. The rivers affected are partly situated in the Natura 2000 site "*Ötztaler Alpen*" - i.e. the Venter Ache and the Gurgler Ache. A huge new storage with a dam 120 m high and 450 m wide will be built in Platzertal A total of three valleys - the Kaunertal, the Ötztal and the Platzertal will be affected by this project.

5 http://ec.europa.eu/energy/infrastructure/pci/doc/annexes/pci_annex_2_18_en.pdf

6 See map: http://www.fluessevollerleben.at/fileadmin/user_upload/Downloads/Apa_Grafik.JPG

7 Hydropower Sustainability Assessment Protokoll (HSAP) – Assessment Kaunertal Extension project, p.7f.

8 The method stores energy in the form of gravitational potential energy of water, pumped from a lower elevation reservoir to a higher elevation. Low-cost off-peak electric power is used to run the pumps. During periods of high electrical demand, the stored water is released through turbines to produce electric power.

The extension of the Kaunertal plant shall provide additional electricity production of about **621,5 GWh**. With an investment volume of **1,2 billion Euros** the project is one of the largest and most expensive power plant projects currently developed in Europe.⁹ The Kaunertal Extension project would be integrated into TIWAG's electric system for use in Tyrol and for export (mainly to Germany).

Project promoter is the Tyrolean Hydropower AG (TIWAG). The company is an energy business entirely owned by the Land of Tyrol, with about 1,300 employees. It owns and operates nine large (above 10 MW) and approximately 40 small hydropower plants and generated 3,599 GWh in 2012, to which the existing Kaunertal project contributed with 661 GWh. Total sales of the TIWAG group in 2012 were €1,457 million.¹⁰

4. Implementation Status of Project

- The Kaunertal Extension project is currently in the **permitting phase**. It has to undergo an **Environmental Impact Assessment (EIA)** procedure according to Art 3 in conjunction with Annex I Z 30f Austrian EIA Act.
- Already in 2009 the project was submitted in order to obtain permission. The **review proceedings of the submitted project documents which are integral part of the promoters' EIA application** are on-going till then – this is due to the fact that the project still shows various deficiencies and shortcomings which have to be assessed and cleared up – the most recent project application and amendments were submitted in November 2012 to the competent authority (Tyrolean Government).
- So far, independent experts detected **various deficiencies** in the project application – doubting its permissibility in the current form. Deficiencies were found in human medicine/environmental health, noise, emissions, air pollution, nature protection and water management as well as in hydraulic engineering.¹¹ The competent authority issued instructions to improve the project in the beginning of 2013: Subsequently the project promoter applied twice for the extension of the respective deadline – which was now extended till the end of June 2015.
- A **competing hydropower project** (Hydropower plant "Gurgler Ache"/small scale/15 MWh) is planned for the same area. Since 2009 an administrative competition procedure is on-going (according to Art 17 Austrian Water Management Act - WRG). Such a procedure is necessary when two project applicants are competing for the same water. Although the hydro power project "Gurgler Ache" has shown that it has a legally justified – and thus binding - right to water use, the Kaunertal project has not been adjusted accordingly so far. Thus the Kaunertal extension project currently seems not to be in line with the Austrian Water Legislation by intervening in a foreign right to water use. The case is with the Highest Administrative Court (since 26.06.2014).
- In Parallel court proceedings are on-going about the question if the Tyrolean Government has to interrupt the EIA permitting procedure for the duration of the competition procedure.

9 Trend; 5/May 2014; 60ff.

10 HSAP – Assessment Kaunertal Extension project , p. 3.

11 German: <http://www.eeb.org/tasks/sites/EEB/assets/File/Kaunertal.pdf>

The negative expert opinion on the promoter's environmental assessment of the project might lead to major adaptations and - if they are not sufficient - to lacking admissibility in the EIA permitting procedure. Further the still on-going competition procedure might most possibly result in the decision that TIWAG cannot realize the Kaunertal Extension Project in its current form - which would lead to the definite breakdown of the extension plans: According to the media reports TIWAG director Mr. Wallnöfer himself stated that without the water from Ötztal (= electricity production part of the project) the expansion of the Kaunertal power plant could not be realized.¹² This comment is to be seen very critical with respect to the project's current PCI status: The status is to be dedicated to energy infrastructure projects (=exclusively power lines and storage) only if the whole project (pumped storage plus additional electricity production) is not viable without the electricity production part, it completely loses its PCI-justification.

5. Is the project eligible for financial assistance?

The project promoter (TIWAG) itself has indicated that one of the possible obstacles for the implementation of the project is the financing.¹³ Subsequently the financial implications coming along with the PCI status shall be assessed in the following part.

Hydro pumped electricity storage projects are not eligible for Union financial assistance in a form **of grants for works** (Art 14/2 TEN-E Regulation). Nevertheless Kaunertal extension project is eligible for Union financial assistance in the form of **grants for studies¹⁴ and financial instruments** (Art 14/1 TEN-E Regulation).

According to the - by EC adopted in 2014 - "Guidelines on State aid for environmental protection and energy 2014-2020", financial support to the realization of the Extension project by the Federal State or the regions would be legalized by now. It is still to be awaited how the Guidelines will be interpreted and applied by the Austrian State to see how/if financial support to this project would be feasible.

Fact is that the PCI Status of an energy infrastructure project opens the way to receive financial support from public sources. This is equally valid for discussed Kaunertal Extension project.

12 Cp. ORF News, 11.01.2014: <http://tirol.orf.at/news/stories/2624801/>

13 http://ec.europa.eu/energy/infrastructure/pci/doc/annexes/pci_annex_2_18_en.pdf

14 "studies: means activities needed to prepare project implementation, such as preparatory, mapping, feasibility, evaluation, testing and validation studies, including in the form of software, and any other technical support measure, including prior action to define and develop a project and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package" (Art 2/6 Connecting Europe Facility Regulation)

6. Contribution to the objectives of the EU Energy Policy and fulfilment of the PCI criteria according to Art 4 TEN-E Regulation

- **Market integration and security of supply**

Pumped storage systems are used for producing electricity needed to balance out the changing supply from less stable sources, such as wind power (balancing energy - *Regelenergie*). In Austria there seems a little need for balancing energy in relation to the existing supply capacities. The supply capacity is a multiple of the annual requirement for (cp. also Art 4/1 c. ii. TEN-E Regulation). It has been claimed, that the project is needed as a part of Europe's "green battery" in the Alps for stabilizing the supply of electricity within the EU. However, this claim cannot be considered as valid, because it was based on out-dated higher presumptions of needed energy storage. Flexibility of power generation and demand is able to manage a 90 % share of renewables in Germany and 80 % in Europe.¹⁵

The new storage facility could accumulate 42 million cubic meters of water for the energy-intensive winter season. This amount of water contains a "potential production" of 84.000 MWh of electricity, which corresponds to only 1.6 % of Tyrol's annual electricity consumption. The project does not contribute to market integration as due to its little capacity¹⁶.

- **Sustainability**

In order to meet sustainability criteria, certain conditions need to be met, such as closed circle between upper and lower reservoirs and the protection of high ecological value areas need to be ensured. Pumped storage systems are not producing renewable energy, but are rather energy consumers, where one fourth of the electricity is consumed during the operation. To be sustainable, pumped storage systems have to be operated with energy from 100 % renewable sources. TIWAG is actually running its pumped storage systems with an energy mix containing a large proportion of electricity generated from coal and up to 35% from nuclear energy.

- **Competitiveness (cp. also Art 4/1 b. TEN-E Regulation)**

Currently, storage in the EU energy system is almost exclusively pumped hydro-storage, mainly in mountainous areas (Alps, Pyrenees, Scottish Highlands, Ardennes, and Carpathians). This form of electricity storage does no longer meet the requirements of the European Energy Market –Europe's grids continue integrating day by day and reduce the need of storage units held available. Furthermore, German "Energiewende" erodes pumped hydro-storage's business model: Feed in of photovoltaic power cuts progressively price peaks at noontime, so there are too little hours per year left for pumped hydro plants to run profitable.

15 Fraunhofer IWES, Roadmap Speicher, Speicherbedarf für Erneuerbare Energien – Speicheralternativen – Speicheranreiz – Überwindung rechtlicher Hemmnisse, 2014.

16 Due to efficiency losses the hydroelectricity energy storage also consumes (or loses) energy. Thus the overall energy balance of a hydro pumped storage is to be reduced accordingly: With respect to Kaunertal Extension project this would mean a generation capacity of only 320 Gwh instead of the about 621 Gwh indicated by TIWAG.

This is why the market faces a problem for building new large capacity even under the old generation scheme: economically pumped hydro is less competitive as other options.¹⁷ It is to be expected that (if) the project receives development consent it might be commissioned by the year 2023. At the same time it is to be expected, that new electricity storage methodologies – such as compressed-air Energy storage power plants or power to gas technologies – might be made competitive by 2020 under appropriate conditions.¹⁸

The Kaunertal Extension project is currently one of the hugest and most expensive (€1.2 billion) power plant projects in Europe. According to TIWAG itself the project is not economically viable if it does not contain an increase in electricity production as an addition to the construction of a hydro pumped storage. Electricity production facilities are not eligible for funding, prioritization and accelerated permitting proceedings promoted for by the TEN-E Regulation. But especially this part of Kaunertal Extension project is the most conflict generating one regarding environmental impacts, competition with other planned projects and the justification of its energy political importance (PCI status).

With respect to the foregoing considerations it is difficult to clearly state the Kaunertal Extension projects necessity for the realization of the energy infrastructure corridor NSI West Electricity (cp. Art 4/1 a. TEN-E Regulation):

- The transmission system is well elaborated in this area (Austria/Germany/Switzerland)
- There is no need for additional storage capacities in Austria and Europe (see above.) and thus not for the mentioned priority corridor
- The storage technology goes from hydro pumped storage systems towards more innovative systems in the near future
- The Kaunertal Extension project includes an increase in electricity production – Power generation does not fall within the scope of the TEN-E Regulation, as this is not at all viable for the development of the EU energy infrastructure. In this respect even the PCI eligibility of the respective project has to be doubted
- No need for additional production capacities in Austria: In June 2014 the Austrian energy regulator “E-Control” clarified that the currently installed power plant capacity in Austria is more than adequate. Investments in additional generating capacities would only run up the costs for electricity consumers¹⁹

17 European Commission – DG ENERGY Working Paper: The future role and challenges of Energy Storage: http://ec.europa.eu/energy/infrastructure/doc/energy-storage/2013/energy_storage.pdf .

18 Tretter/Pauritsch: Energiewirtschaftlicher Bedarf regelfähiger Kraftwerke: mit Schwerpunkt auf Pumpspeicherkraftwerke, Wien 2010.

19 See E-Control (Austrian Regulation Authority for Gas and Electricity): http://diepresse.com/home/wirtschaft/energie/3816155/EControl_Osterreich-braucht-nicht-mehr-Kraftwerke

7. Strategic planning and corresponding environmental assessments

Ten Year Network Development Plans (TYNDP) are elaborated for conventional electricity and gas infrastructure (i.e. power lines and pipelines) according to the Electricity Act (*Elektrizitätswirtschafts- und -organisationsgesetz - ElWOG*) and the Gas Act (*Gaswirtschaftsgesetz - GWG*). These Acts do not provide for Strategic Environmental Assessments (SEA) for TYNDPs – although in the Austrian case this is not in line with the SEA Directive²⁰. Nevertheless these laws are not applicable to hydropower facilities and infrastructure (including pump storage).

For planning and permitting of hydro pump storage facilities and hydropower plants the Water Management Act (*Wasserrechtsgesetz – WRG*) is applicable. Real and inclusive strategic planning in the area of hydropower is still missing in Austria. Water Management Framework Plans (WMFP) according to Art 53 WRG are only a compromise: Currently the TIWAG has elaborated the WMFP “*Tiroler Oberland*” for the water management in Tyrol. Naturally this plan indicates that the Kaunertal Extension project is one of the necessary projects in this area.²¹ A SEA was carried out in parallel (in accordance with § 55n WRG). The elaboration process of the WMFP and the accompanying SEA have come up with a lot of procedural deficiencies and various deficiencies with respect to the content of the plan and the SEA²²:

- The plan is elaborated only after the concrete project was submitted for permitting – but it should be the other way round: 1st Strategic Planning 2nd Project permitting.
- Consequently participation is not secured at an early stage: Public participation has to take place at the beginning, when all options are still open and it is possible to contribute effectively, see especially article 6, paragraph 4 Aarhus Convention, Protocol to the Espoo Convention (more detailed than the SEA Directive). There were severe procedural failures in the planning procedure which might lead to formal decision on the legal invalidity of the whole plan.
- No assessment of the impact of plan on the affected NATURA 2000 Sites and insufficient assessment of the impact on nationally protected areas was carried out. This happened although at least 54 protected areas will be affected by the plan.
- Plan contradicts the environmental quality objectives of the Water Framework Directive.
- No assessment of reasonable alternatives carried out in the planning procedure (although this shall be one of the core elements in strategic environmental assessments).
- It is critical that the environmental report was commissioned by the project promoter itself (TIWAG).

8. What are the reasons for controversy on the project?

The **nature conservation organization World Wide Fund for Nature (WWF) and affiliated environmental organizations** (Greenpeace, Friends of the Earth, Nature Friends, Naturschutzbund, Forum Wissenschaft & Umwelt, citizen’s initiative “*Lebenswertes Kaunertal*”) as

202001/42/EC

²¹ The consultation draft of the WMFP “Tiroler Oberland”:

<https://www.tirol.gv.at/fileadmin/themen/umwelt/wasser/wasserkraft/WWRP%20Tiroler%20Oberland.pdf>

²² In detail see ÖKOBÜRO Study on the legality of TIWAG Water Management Framework Plan. October 2014:

http://www.wwf.at/de/view/files/download/showDownload/?tool=12&feld=download&sprach_connect=2748

well as the Austrian Fishing Association strongly oppose the project²³ from the beginnings. Grounds for their opposition are as follows:

- **In its current form the project contravenes the aims of Water Framework Directive (WFD²⁴) and the Fauna-Flora Habitats Directive (FFH-Directive):**

The rivers affected by the project are listed in the actual National Water Management Plan (NGP 2009)²⁵ with best ecological status according to the WFD. Damming and redirection of these rivers would adversely affect the ecological status of these rivers. This constitutes an infringement of the prevention of deterioration according to Art 4 WFD. Gurgler and Venter Ache (two of the affected rivers) have been nominated to river sanctuaries of Austria in 1998 by the Ministry of Environment and the WWF.

For the realization of the project about 25 km of large tunnel systems (with a diameter up to 6 m) need to be constructed through the Natura 2000 area "Ötztal Alps" and the natural park "Ötztal" this threatens the established nature conservation objective for the mentioned areas.

Furthermore the damming of Platzertal would destroy a previously undeveloped mountain valley, which manifests itself through unique cultural and ecological features. The valley is part of an "alpine wilderness area network " and stated as an important refuge zone for typical alpine species.

- **The most controversial part of the project does not fall under the scope of the TEN-E Regulation**

The storage is the project part which is eligible for the PCI designation process. The extension of the electricity production capacity is not eligible according to the Regulation and should not profit from the benefits of being PCI – meaning finance, faster permitting, higher priority of project on national level etc.

- **The costs do not outweigh the potential benefits of the project**

The municipality of Sölden and the Wasserkraft Sölden eGen GmbH oppose the project on following grounds:

- **The Kaunertal Extension project (the electricity production part) seems to be competing with their planned hydro-power plant which is already in the permitting phase.**

Sports Associations (i.e. the canoe and rafting association) oppose the project because the damming and redirection of the named rivers would have an heavily negative impact on one of the most important canoe and rafting spots in the Alps, which would further negatively affect the outdoor-tourism. Even "Ötztal Tourismus" pointed out that recreational value and nature experience in the Kaunertal area would fall significantly in value if the Kaunertal Extension project (the electricity production part affecting Gurgler and Venter Ache) is build. This shall be seen in consideration that tourism is the basis for life in the valley.

23 http://www.fluessevollerleben.at/fileadmin/user_upload/PDF/positionspapier_kraftwerk-kaunertal.pdf

24 DIRECTIVE 2000/60/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 October 2000 establishing a framework for Community action in the field of water policy.

25 http://www.bmlfuw.gv.at/wasser/wasser-oesterreich/wasserrecht_national/planung/NGP.html

9. Have project opponents been actively involved in the PCI designation process on national or EU level?

According to our knowledge there was no information on PCI process **on national level** – neither the project promoter nor the competent Ministry of Energy, nor regional authorities informed the public and the already for long known stakeholders about the PCI designation process. Further they did not provide for participation/discussion on the proposed projects on a national level (no inclusion). Local authorities and decision makers did not even know about the process.

Also **on EU level** no active approach towards local stakeholders was taken in the run of the designation process 2012/2013. The website where few information was published and selective personal invitations to stakeholder seminars sent out were the only measures taken.

10. Procedures and public consultation on national level

- The conflicts around the projects are public and known by authorities – even on federal level.
- On national level stakeholder engagement was low, one-way communication from TIWAG via Homepage with nature conservation groups and sports associations. Better cooperation with authorities (Land Tyrol) and certain mayors. Directly affected groups and opposing citizens were left out. No compromise sought and found.

Czech Republic: High voltage electricity poweline between Kočín and Mírovka in Czech Republic – electricity carrier for nuclear power station Temelin

1. Name

Internal line between Kočín and Mírovka (No. 3.11.4. in the list)

Electricity power line connecting

2. Location

Czech Republic, southern border of the Czech Republic

Priority corridor: „Electricity EAST“

3. Description

The planned internal power line would connect 2 existing 400 kV substations of Kočín and Mírovka with a double circuit of 120.5 km of overhead line. The cost of this project is estimated at about 450 mil. EUR.

The power line is according to EIA documentation²⁶ closely related to the planned construction of a new nuclear power source in Temelin (already existing nuclear power plant) as strengthening of the transmission system.

The project was initiated and is being carried out by [ČEPS, joint stock company](#), which is the state owned company who is authorised to operate the transmission system (TSO).

The visualisation of the project is to be seen on the investor´s [website](#).

4. Implementation Status of the Project

First, according to the Czech law, development projects have to comply with spatial planning documentation to get the building permission. Actually, it is necessary to comply both with the regional and local land use plans. For special kinds of projects this means that they have to be mentioned in these plans explicitly. At the time being, the project of the overhead line between Kočín and Mírovka is not a part of the regional land use plan of the region Vysočina as this part of the plan [was cancelled by the Supreme Administrative Court](#) in May 2013 on the grounds of the lawsuit filed by the affected municipalities.

²⁶ V406/V407 Kočín- Mírovka, nové vedení 400kV, Oznámení záměru, p. 9 and p. 11 – 12, http://portal.cenia.cz/eiasea/detail/EIA_MZP281

Once the project is embedded in the regional and local land use plans, consequently, it must obtain the approving Environmental Impact Assessment (EIA) statement and two administrative permits – land use permit and building permit (on the grounds of the procedure on the land use permit and the procedure on the building permit).

As to the overhead power line between Kočín and Mírovka, it has already been granted the approving EIA statement, issued by the Ministry of Environment in April 2011. However, this “EIA statement” does not have the character of a binding permit. It is an obligatory base for subsequent decisions (land use permit and building permit), which must be reflected (but not necessarily respected) in such decisions.

Neither of the subsequent procedures has been started yet and it is not known when they will be started. At first the regional land use plan should be changed so that the decisions in these procedures could be rendered.

5. Is the project eligible for financial assistance?

As the Kočín – Mírovka power line is considered a project of common interest according to para. 1 (a) of the Annex II.2 of the Regulation No. 347/2013 (an overhead line of more than 220 kV), it is eligible for grants for studies and financial instruments (article 14).

Eligibility for grants for works is unknown, as there is no public information on whether the project fulfils criteria provided on article 14 (2) a) - c) of the Regulation No. 347/2013.

As described below, we argue that the project actually does not meet the general criteria mentioned in Article 4 paragraph 1 of the Regulation No. 347/2013 which should be the overall condition for obtaining the financial support. However, it is highly expectable that for the bodies deciding about granting the financial support this condition will be presumed to be met as the project is on the PCI list and meeting these criteria should have been considered before.

There is no publicly available direct evidence that the investor already applied for the CEF grant, e.g. it is not mentioned on the [Connecting Europe Facility grant \(CEF\)](#) website. Though according to information published in the daily news²⁷ it seemed highly probable that the application was submitted, according to the information provided by the investor ČEPS upon the request it was not submitted. There are no other open funding calls in which the investor could apply.

²⁷ <http://zpravy.e15.cz/byznys/prumysl-a-energetika/ceps-planuje-investice-za-pet-miliard-korun-rocne-1089193>
<http://www.businessinfo.cz/cs/clanky/nastroj-pro-propojeni-evropy-cef-44974.html>

6. Contribution to the objectives of the EU Energy Policy and fulfilment of the PCI criteria according to Art 4 TEN-E Regulation

According to para. 3 of the Regulation No. 347/2013, **competitiveness, sustainability and security of supply** are the core objectives of EU energy policy. The Kočín – Mírovka power line would correspond to these core objectives as follows:

- *competitiveness* – The project does not contribute to the energetic competitiveness of the EU.
- *sustainability* – Nuclear energy transmitted by the power line is environmentally questionable (it is not a fossil fuel, but it might be dangerous), therefore the effect of the project on sustainability of energy sector can be considered from positive to neutral (if nuclear energy provided replaces other fossil fuels) or even negative (if nuclear energy is used as an alternative to renewable energy sources). Moreover, the overhead power line will be routed through the significant part of the region and will negatively affect both the landscape and the environment.
- *security of supply* – According to the investor, the power line will provide secure supply of energy to citizens²⁸, however, the security of the new nuclear source itself - because of which the power line should be constructed - is questionable.

It is highly questionable whether the project fulfils the criteria set out in Art 4, para 1 (a) of the Regulation No. 347/2013 (*necessity for priority corridors*). Based on the justification of the project offered by ČEPS (investor), no evidence exists that the project will allow the integration of energy generation from renewable sources and if therefore could be considered as an inevitable part of the priority corridors (Annex I para 1 (3) of the Regulation). Rather, the investor highlights that the project will only allow the integration of a new nuclear energy source into the domestic transmission network.

For the same reason, it is highly questionable whether the project fulfils requirements of Art 4, para 1 (b) of the Regulation No. 347/2013 (*benefits exceeding costs* of the project). Although there might be some minor positive effects of the project in terms of market integration or sustainability of supply (increase in system flexibility), the main effect will be allowing the realisation of the planned nuclear units in Temelin power plant. This project's costs are estimated to be 450 mil. EUR while the project is highly controversial in terms of protecting the environment and local communities, and, as reported in the EIA documentation, the investor failed to consider cheaper and less harmful alternatives for strengthening the transmission network.

Further, the project does not fulfil the requirements of Art 4, para 1 (c) of the Regulation No. 347/2013 (*cross-border impact*). It does not cross the border of two or more Member States or at least one Member State and a European Economic Area country, and no evidence exists that the project increases the cross border grid transfer capacity at the border of the Czech Republic by at least 500 MW compared to the situation without commissioning of the project.

²⁸ According to the investors statement on his website: "The power line will bring higher stability, security and effectiveness of the transmission system in the Czech Republic." (https://www.ceps.cz/CepsMapaSiti/vedeni/v_kocin-mirovka.pdf). However, it is not supported by any study.

The latter conclusion can be indirectly supported by the fact that current capacity of cross border transmission lines as such in the Czech Republic significantly exceeds the demand²⁹, as well as by the fact that ČEPS did not mark the project as relevant for increasing cross border grid capacity in its ten year development plan.³⁰

The project may meet the specific criteria set by Art 4 para 2 (a) (iii.) – secure supply of energy, which is enough to comply with the whole Art 4 para 2 (however, there is no evidence or study to support this statement). Nevertheless, without meeting the criteria set in Art 4 para 1 the project should not be considered a project of common interest as the general criteria set in Art 4 para 1 must be met by all PCI projects.

7. Strategic planning and corresponding environmental assessments

The project is a part of the national TYNDP³¹, where the purpose and justification of the project is explicitly linked to the planned realisation new nuclear units in Temelin power plant.

The Czech law does not require any participation of public during the process of development of the plan. According to the Art. 58k, para 4 and 7 of the Act No. 458/2000 Coll., Energy Act, the transmission system operator and the Energy Regulatory Authority are only obligated to consult the draft plan with current or future users of the network whose interests might be affected by the plan.

No strategic environmental assessment (SEA) was required for this plan and so the public could not submit any comments and express opinion.

8. What are the reasons for controversy on the project?

The project has been perceived as highly controversial by the public. The power line will be routed through the significant part of the region and it will directly or indirectly affect approximately fifty municipalities. During the EIA procedure more than fifteen local authorities expressed strict disapproval with the project as it was drafted by ČEPS. In addition, five petitions against the project were organized in affected localities, five NGOs (either grassroots initiatives or environmental NGOs monitoring the project) submitted negative opinions on the project, and more than seventy individuals expressed their disagreement with the project within the EIA procedure.

29 The data can be found on <http://www.ceps.cz/ENG/Data/Vsechna-data/Pages/Preshranicni-prenosove-kapacity.aspx>

30 See the Plan of transmission network development in the Czech Republic 2013 – 2022, p. 15 – 16, where other projects are identified as projects increasing the EU market integration (E42 Upgrade OHL Hradec - Reporyje, E48 OHL upgrade Tynec – Krasikov, E54 Prosenice Krasikov, E56 Prosenice Kletne, E31 CZ New 400kV OHL Vitkov – Mechlenreuth, E32 400kV substation Vitkov, E33 400kV substation Vernerov, E34 400kV OHL Vernerov – Vitkov, E35 400kV OHL Vitkov – Prestice).

31 Plan of transmission network development in the Czech Republic 2013 – 2022, p. 12 – 13, <http://www.ceps.cz/CZE/Cinnosti/Technicka-infrastruktura/Stranky/Rozvoj-PS.aspx>

The project has been repeatedly criticized for various reasons:

- The infrastructure **is located very close, or directly in, number of protected areas** (CHKO Blaník, PP Černická obora, PP Turovecký les, PP Polánka a PP Čeřínek and several others). The **impact on protected areas was not sufficiently assessed**, and no adequate compensation measures (including amendments of the construction corridor) were proposed.

- There are **two Natura 2000 protected areas in the close proximity of the project corridor** (EVL CZ03104421 Borkovická blata, CZ0613321 Jankovský potok). Although these localities will be very likely directly or indirectly affected by the project (construction works, change in the face of landscape etc.) only a basic and **insufficient screening of potential impacts was conducted** by the investor.

- The project will dramatically change face of the landscape of a large area that has, so far, not been affected by similar kinds of infrastructure buildings. **The impact on landscape was not assessed properly during the EIA procedure** and, as a consequence, no adequate changes in the project design or compensation measures were planned to lower the project's impact on the face of the landscape.

- The area is regarded as highly attractive for tourism, and this status will be severely damaged by presence of the transmission infrastructure.

- The transmission lines will be localized in a **very close proximity to inhabited areas, increasing health risks for local citizens** as well as negatively affecting prices of real estate in these areas.³²

- The investor **did not provide any detailed assessment of the project alternatives** – such as using alternative corridors, as was proposed by several subjects participating in the EIA procedure, utilization of underground cables, or utilization of alternative pylons.³³

9. Have project opponents been actively involved in the PCI designation process on national or EU level?

Only insufficient opportunity for public to comment on the list of potential PCIs was provided at the EU level. The Commission carried out a public consultation on the list of potential PCI projects between June and October 2012. Only limited information was published about the submitted projects allowing only an ineffective review of the list. In many cases it was even difficult to properly identify the submitted projects in order to look for additional information.

According to our findings, neither the Czech authorities nor the project promoters have carried out any stand-alone public consultation process related to PCI designation at the regional level.

32 For instance citizens from the following residential areas protested against the transmission infrastructure being localized in a near proximity of their homes: Dudín – Buková, Herálec, Častonín, Ovčín, Mendlova Ves, Svatý Kříž, Ústí and others.

33 Using of alternative pylons that require relatively smaller land to be treated as protection zone and thus minimizing conflicts with local land owners.

Even according to the Regulation No. 347/2013 itself (Annex III, 1.1) it is assumed that the regional (national) group consists only of delegates of member states, delegates of transmission systems operators and others, but not the public. However, according to Annex III, 1.5 of this Regulation, each group should have consulted the organisations representing relevant stakeholders (or even stakeholders directly, if deemed appropriate) including organisations for environmental protection. This did not happen in this case. Moreover, as the Member States have decision making powers in the regional groups – next to the European Commission – The Czech Republic should have respected its responsibility to at least consult relevant environmental NGOs and/or local communities on national level. Even more so in the case of such an obviously controversial project.

10. Procedures and public consultation on national level

Affected municipalities, NGOs and citizens commented on the project also during the EIA procedure in 2010/2011, during which at least 23 municipalities, 7 environmental NGOs and almost 50 citizens objected the project³⁴.

Therefore, the national authorities could have been aware of the controversy already at the time of drafting of the list of PCIs.

The public concerned and the affected municipalities opposed the project also during the adoption process of the revision of the regional land use plan: both by sending objections and by filing the lawsuit after the adoption. However, this happened in spring 2012 and the Supreme Administrative Court complies with the lawsuit and [cancelled the relevant part of the plan](#) in May 2013. At that time, the projects were already drafted in the PCI list. Regardless the latter, the controversy is long-term and was sufficiently expressed within the EIA procedure which was officially started in 2009.

³⁴ According to the final EIA statement issued by the Ministry of Environment.

Estonia: Paldiski LNG terminal – Gas terminal located in a Natura 2000 site by the bay Lahepera lath

1. Name

Paldiski LNG terminal (No. 8.1.2.2 in the list)

2. Location

Paldiski, Estonia (northwest coast). Priority corridor: Gas Baltic Energy Market Interconnection Plan (BEMIP).

3. Description

Planned terminal would consist of onshore storage tanks with capacity of up to 320 000 CM, accompanying buildings and facilities (e.g. compressor stations, power station) and harbour suitable for the LNG tankers with the size of up to 165.000 CM LNG. The terminal would be part of the Gas Baltic Energy Market Interconnection Plan (BEMIP), which also includes Balticconnector – a bidirectional offshore gas pipeline between Estonia (Baltic) gas pipeline grid and Finnish grid with compressor stations on both ends that would tie together the Finnish and Baltic gas markets. The pipeline is also in the planning phase at the moment.

Paldiski LNG terminal is one of four (competing) alternative LNG terminals in the Finnish-Baltic region, other alternatives are Tallinn (EE), Finngulf (FI) and Riga (LV) terminals. Project developers have issued different statements on whether they are willing to build the terminals also without EU financial support or not. However, only one of the terminals would be needed in practice for the aims of the BEMIP (and selected for funding by EU)

The project was initiated and is being carried out by [Balti Gaas](#), a subsidiary of [Alexela Group](#).

4. Implementation Status of the Project

Different parts of the project are currently in various stages of development. Comprehensive plan establishing the location of the whole terminal complex has been adopted, as has been the detailed plan for the onshore buildings. As for the wharf of the harbour, environmental impact assessment for its environmental (water use) permit is being currently carried out. In addition to environmental permits, building permits are not yet issued to all the buildings and utility works.

5. Is the project eligible for financial assistance?

As the LNG terminal is considered a PCI belonging to the Annex II.2 of the Regulation No. 347/2014, it is eligible for grants for studies and financial instruments.

Eligibility for grants for works is unknown, as there is no public information on whether the project fulfils criteria provided on art 14(2)a)-c) of the Regulation No. 347/2014.

6. Contribution to the objectives of the EU Energy Policy and fulfilment of the PCI criteria according to Art 4 TEN-E Regulation

According to recital 3 of the Regulation No. 347/2014 lists **competitiveness, sustainability and security of supply** as the core objectives of EU energy policy. Paldiski LNG terminal would correspond to these core objectives as follows:

- *competitiveness* – the effect of the terminal to increasing the competitiveness of EU and its MS in Baltic region depends on the prices of LNG and its alternatives (mainly, natural gas from Russia). Therefore it is hard to assess whether the terminal would increase the competitiveness of EU and to what extent in the long term. At the moment, however, LNG is generally more expensive than the conventional transport of natural gas provided by pipelines.
- *sustainability* – LNG is a fossil fuel. Therefore even if the effect of the project on sustainability of energy sector can be considered to be positive in short term (if it replaces other, more polluting fossil fuels, e.g. oil shale), it has negative effects on sustainability in the long run, due to replacement costs later on. The project may also have a negative impact in short term, if LNG replaces or substitutes renewable energy sources.
- *security of supply* – an LNG terminal would increase security of supply in the Finnish-Baltic region, as it would provide an alternative to natural gas supplied by Russia via pipelines. At the moment, Finland and Baltic states get 100% of natural gas used from Russia. Therefore the effect would be positive in this respect. However, it should be noted that after completion of Balticconnector pipeline the LNG storage facilities as well as the harbour for receiving LNG tankers could be located at any of the four countries concerned (Finland, Estonia, Latvia or Lithuania).

All of four alternative LNG terminals included in the list of PCIs (Inkoo, Paldiski, Tallinn, Riga) meet most of the criteria set out in Art 4 of the TEN-E regulation, namely:

1. an LNG terminal would be necessary for the priority corridor Gas Baltic Energy Market Interconnection Plan (BEMIP) (art 4(1)a))
2. it would have significant cross-border impact (art 4(1)c))
3. it would contribute to market integration, security of supply and competition (art 4(1)b)-4(2)b)(i)-(iii).

Contribution to sustainability (art 4(2)b)(iv)) however is questionable and depends directly on what sources of energy would be replaced by LNG. If supply of LNG would replace demand for energy from renewable sources, the contribution can be negative.

7. Strategic planning and corresponding environmental assessments

The project is included in the last TYNDP Gas (2013-2022).

SEA for the Paldiski LNG terminal project was only carried out at the stage of comprehensive plan by which its location within the municipality of Paldiski was sought. Three different locations within the Paldiski municipality (covering 101,8 sq km) were considered. Alternatives on a larger scale were not publicly discussed. An analysis with a comparison of locations of Paldiski, Muuga (EE) and Inkoo (FI) was commissioned by the project promoter. The analysis was later made available publicly but no public consultation on it was ever carried out. Same applies to the other alternative LNG terminal planned in Estonia (Muuga) – alternatives outside a specific municipality were not publicly discussed or considered.

The general public did not form a strong opinion on the Paldiski LNG terminal during the drafting of the comprehensive plan or SEA. Environmental NGOs (Estonian Fund for Nature and Estonian Ornithologist Society), however, voiced strong concerns about and opposition to the planned terminal (see below for more specifics). As the opposition was not taken into account, the NGOs launched a lawsuit for the annulment of the decision after the comprehensive plan was adopted. After the adoption of detailed plan on onshore facilities, the latter was also challenged by the NGOs, asking the annulment of the decision due to its illegality.

Under the Estonian law, standing of environmental NGOs when challenging the environmental decisions of public authorities (including spatial planning decisions and approval of SEA reports) is presumed. In spatial planning matters, an *actio popularis* may also be brought, meaning anyone can challenge the legality of the decisions. Both procedural as well as substantial legality may be challenged in the courts. As the main remedy, courts can annul the decision taken by the administrative bodies.

8. What are the reasons for controversy on the project?

Project is opposed by two large environmental NGOs in Estonia – Estonian Fund for Nature and Estonian Ornithological Society due to its impacts on the environment.

The planned terminal would be located by the bay Lahepera laht, which belongs to the Natura 2000 network as part of Pakri Special Protection Area. The area is occupied by large numbers of long-tailed ducks (*Clangula hyemalis*), a species that has seen a serious decline in population in the Baltic Sea area. Close to the planned terminal, on the same peninsula, is the only habitat of black guillemots (*Cephus grylle*) in Estonia. Protection of both species as well as other bird species is the conservation objective of the Natura 2000 site. Although the appropriate assessment ordered by the project developer claimed that there would be no significant impacts on the protected species, the NGOs found the assessment to be inadequate. The NGOs held that data used for projecting impacts was either out of date or missing, and projections themselves were flawed and did not correspond to available scientific knowledge in several respects. Therefore, scientifically founded doubts remained as to the absence of adverse effects on the protected species and the comprehensive plan should not have been adopted.

In addition to possible effects to protected birds, the terminal as such was planned on to a plot of land that was valuable for its biodiversity. Rare plants, butterflies and other valuable species are found on the site. Although the area was used by Soviet military and therefore some parts of the landscape had been damaged, its remoteness and lack of use in last decades has enabled for biodiversity to flourish.

Lastly, the large complex (large storage units, power and heat cogeneration plant, compressors etc.) are planned on top of a unique landscape element – Baltic klint, which is in essence a steep seaside cliff that runs along the northern coast of Estonia. The klint is protected as a landscape element nationally and has been submitted to UNESCO as a candidate to the list of natural heritage. NGOs found that a large manmade structure such as the LNG terminal would irreversibly ruin the valuable natural appearance of the cliff.

9. Have project opponents been actively involved in the PCI designation process on national or EU level?

According to Estonian Fund for Nature and Ornithological Society, they were not involved in the PCI designation process by national authorities or regional groups drafting the PCI list.

Both organizations were first notified of the list and its objects via EU-level networks (EEB, CEEweb and Birdlife International), with whom the EU Commission consulted on the draft Union-wide list after it was compiled by the Commission. Both organizations provided their input to the networks at that stage.

10. Procedures and public consultation on national level

Environmental NGOs voiced their concerns about the project in the course of SEA to the comprehensive plan for the LNG terminal, first official letter to the Environmental Board overseeing the SEA was sent on 3 September 2010.

Therefore, environmental public authorities were aware of the controversy already at the time of drafting of the list of PCIs. Whether the controversy was also known by the members of the regional PCI group is unfortunately unknown. If not, a lack of communication between different authorities and network operators in Estonia should be considered the main reason.

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