



European Union Agency for the Cooperation
of Energy Regulators



Report on cross- border cost allocation decisions

2014-2024

22 July 2025

Report in PowerPoint format



The report provides a **factual overview of all cross-border cost allocation (CBCA)** decisions for electricity, gas and hydrogen Projects of Common Interest (PCIs') and Projects of Mutual Interest (PMIs') between 2014 and 2024.

Specifically, the report addresses:

- CBCA Statistics
- Methodological aspects (e.g. use of scenarios and benefit calculations)
- Outcomes of CBCA decisions
- Funding via Connecting Europe Facility (CEF)



See the **data annex**, including a list of all individual CBCA decisions and summary statistics.

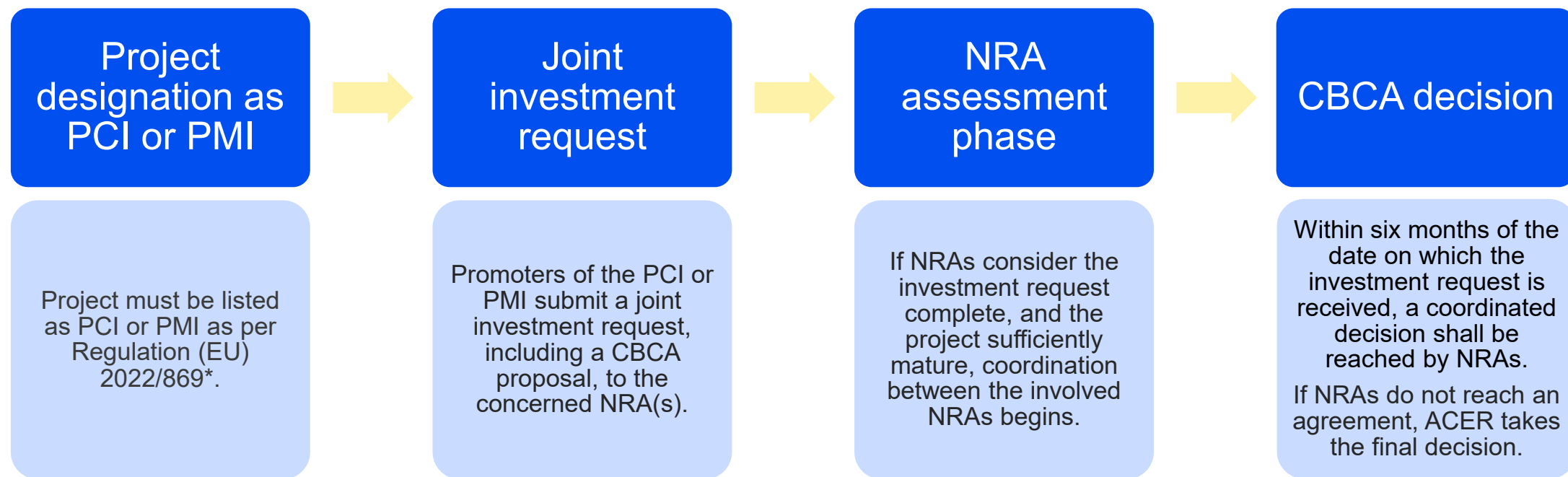
Explore the **cross-border cost allocation section** of the ACER website for additional information.



Cross-border cost allocation (CBCA) is a mechanism established to share the efficient investment costs of PCIs and PMIs between countries that are significantly impacted by the project.

CBCA may facilitate the implementation of projects in case of asymmetries in terms of distribution of benefits and costs among those countries hosting the project and those countries benefitting from its implementation.

Furthermore, CBCA decisions are a requirement for Connecting Europe Facility (CEF) funding for works.



See [ACER's recommendation](#) on good practices for the treatment of investment requests for PCIs, including CBCA requests, providing guidance for project promoters and NRAs.

*And previously Regulation (EU) 347/2013.

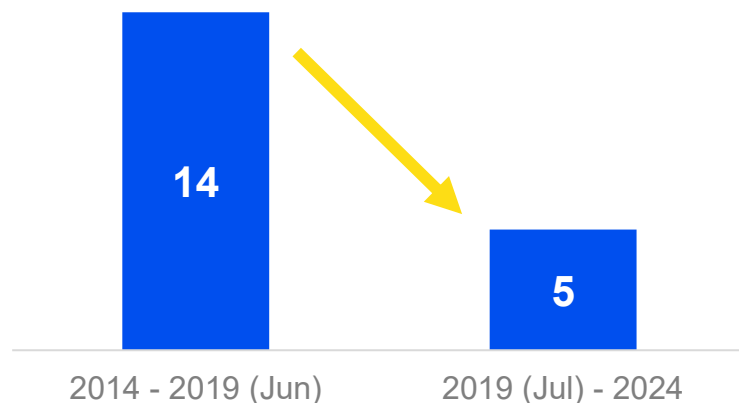
- The number of new CBCA decisions for electricity and gas PCIs/PMIs decreased, while hydrogen projects have not received any CBCA decision yet.
- Only a limited number of CBCA decisions include a transfer of costs across borders.
- Most investment requests for gas PCIs/PMIs use national scenarios for the project-specific cost-benefit analysis (CBA), whereas electricity PCIs/PMIs more frequently use ENTSOs' TYNDP scenarios.
- Becoming eligible for funding through Connecting Europe Facility (CEF) grants is a key incentive for initiating an investment request.

CBCA statistics

Declining number of CBCA decisions for electricity PCIs/PMIs

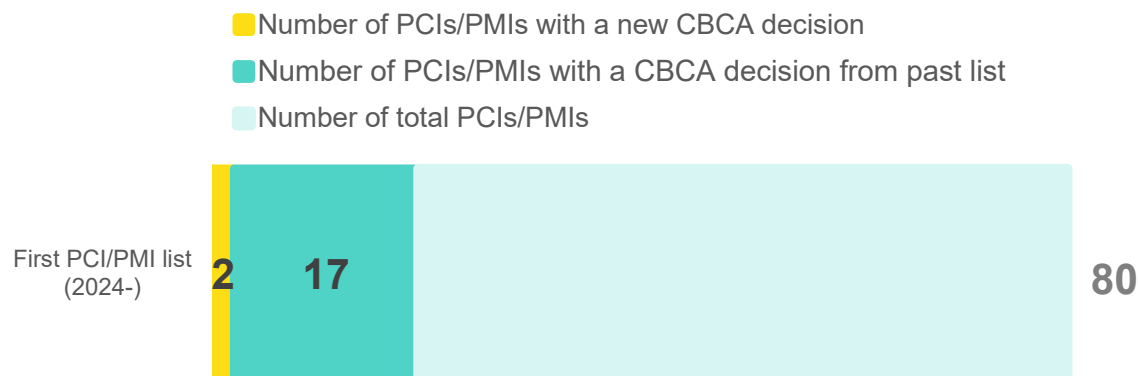
The number of CBCA decisions for electricity PCIs/PMIs decreased over time

Number of CBCA decisions for electricity PCIs/PMIs per period



The small number of new CBCA decisions in recent years results in a limited number of projects in the latest PCI/PMI list that received to date a CBCA decision (either new or from previous lists). The proportion of PCIs/PMIs covered by a CBCA decision is similar to that of previous PCI lists.*

Number of electricity PCIs/PMIs with a CBCA decision in the first PCI/PMI list that entered into force in spring 2024



A single CBCA decision can cover multiple PCIs/PMIs. For instance, two past CBCA decisions for the Baltic States Synchronisation with Continental Europe cluster alone account for 11 of the 17 PCIs/PMIs that received a CBCA decision as part of a past PCI list.

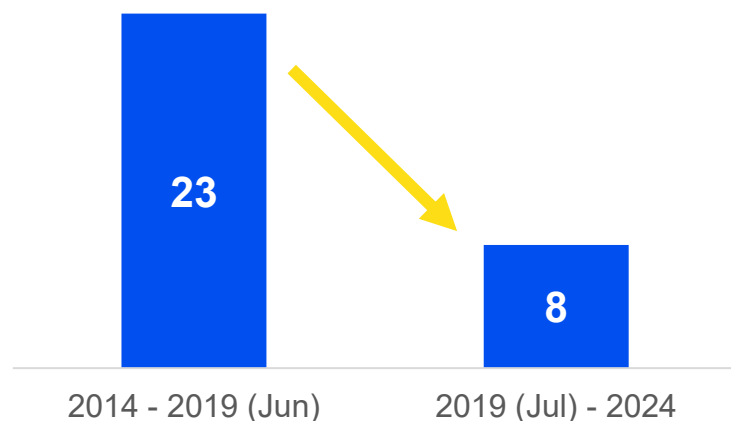
*Both the number of CBCA decisions and the number of individual PCIs/PMIs in each PCI list decreased. Since the fourth PCI list from 2019, the proportion of PCIs/PMIs that received a CBCA decision ranged between 30% and 35% in each list, significantly impacted by the inclusion of two CBCA decisions for the Baltic States Synchronisation with Continental Europe, taken in 2018 and 2020, that include several individual PCIs. In the first three PCI lists, this share was lower.

Declining number of CBCA decisions for gas PCIs/PMIs

The number of CBCA decisions for gas PCIs/PMIs decreased over time. No new CBCA decisions were taken since 2024 due to the phase-out of natural gas under Regulation (EU) 2022/869 and its exclusion from the 2023 first PCI/PMI list.*

Both PCIs included in the 2023 first PCI/PMI list that were granted a derogation** from the phase-out of EU support had already received a CBCA decision as part of a previous PCI list.

Number of CBCA decisions for gas PCIs/PMIs per period



First PCI/PMI list: Number of gas PCIs that received a CBCA decision as part of a past PCI list

2

(out of 2 remaining gas PCIs in the 2023 first PCI/PMI list)

Since both remaining natural gas PCIs in the latest 2023 PCI/PMI list have already received CBCA decisions, no new CBCA decisions for natural gas projects are expected in the future.

*The 2023 first PCI/PMI list entered into force in Spring 2024.

**The derogation was granted under Regulation (EU) 2022/869 for projects located in Cyprus and Malta that secure their interconnection to the trans-European gas network.

No CBCA decisions for hydrogen projects (yet)

The 2023 first PCI/PMI list includes
65 hydrogen PCIs/PMIs.

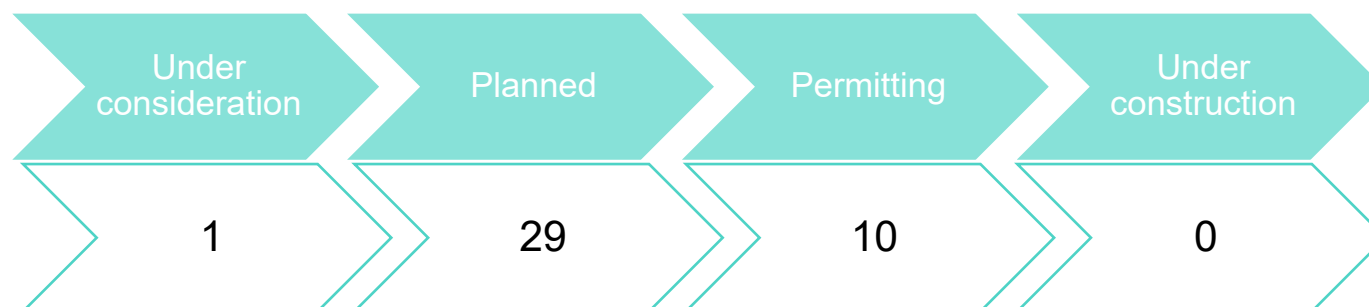
First PCI/PMI list: Number of
hydrogen PCIs/PMIs

65

With the inclusion of hydrogen PCIs/PMIs under Regulation (EU) 2022/869 and the growing maturity of the hydrogen sector, CBCA decisions for hydrogen projects are expected in the future.

ACER's PCI/PMI monitoring shows that most of the reviewed hydrogen PCIs/PMIs* are not mature enough to initiate an investment request including a CBCA.

Project implementation status of hydrogen PCIs/PMIs based on ACER's PCI/PMI monitoring 2025



See [ACER's PCI monitoring](#) for more information on all PCIs and PMIs.

*The table only includes hydrogen PCIs/PMIs for which ACER has received data.

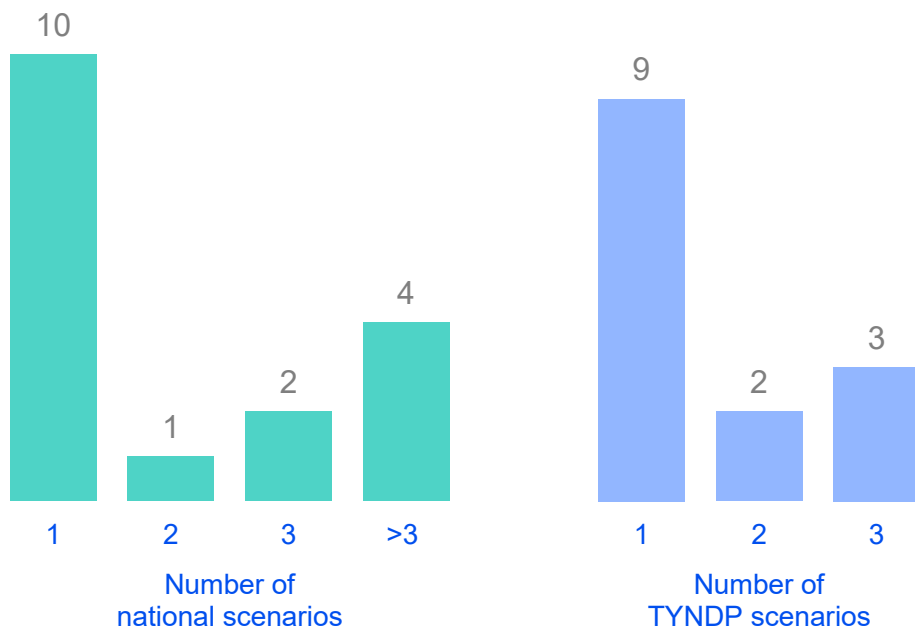
Methodological aspects

Difference in use of scenarios for project-specific CBA

Gas

Most investment requests for gas PCIs/PMIs use national scenarios for the project-specific CBA. More often, one scenario is used.

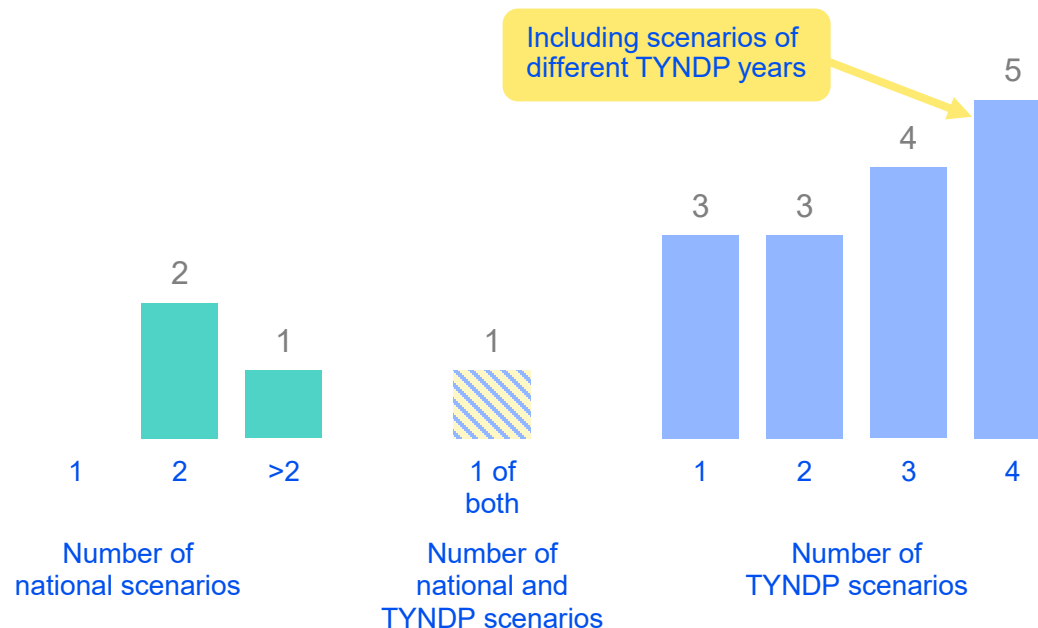
Number and type of scenarios used for project-specific CBAs for gas PCIs/PMIs



Electricity

In contrast, most investment requests for electricity PCIs/PMIs use ENTSOs' TYNDP scenarios. More often, multiple scenarios are used.

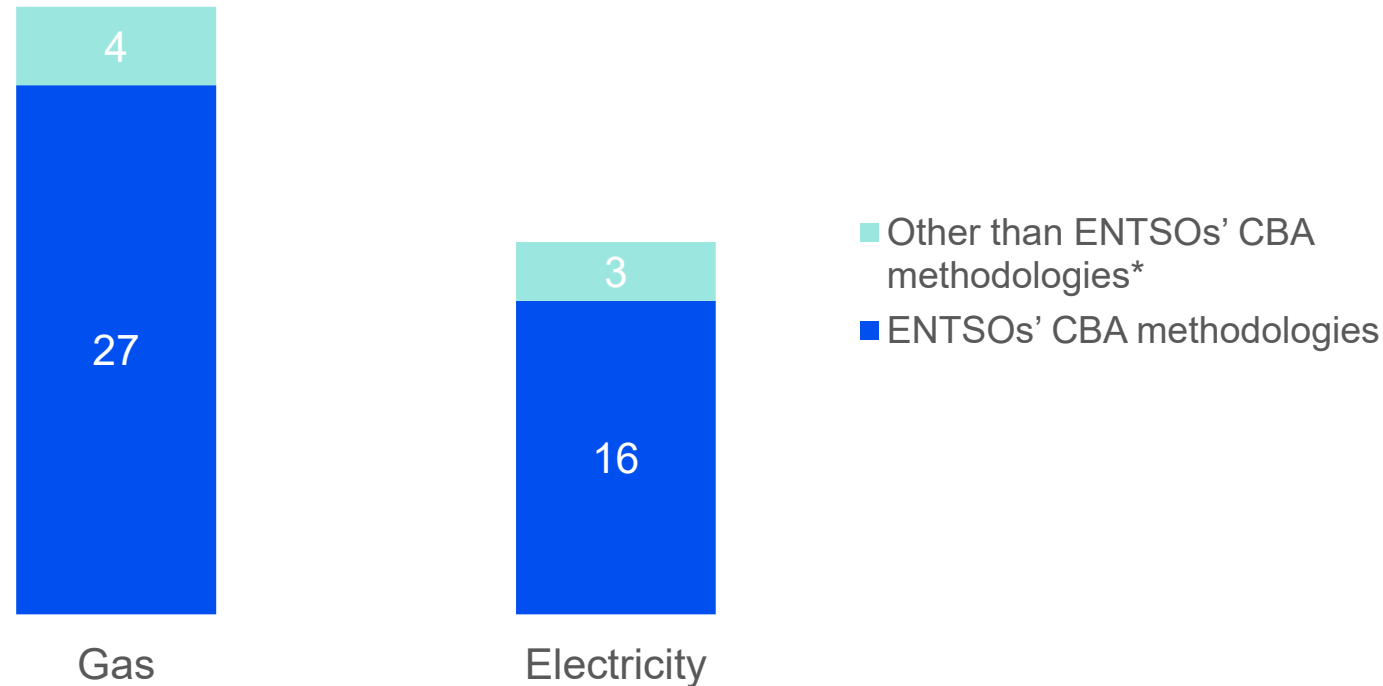
Number and type of scenarios used for project-specific CBAs for electricity PCIs/PMIs



ENTSOs' CBA methodologies are used for benefit calculation

In most cases, ENTSOs' CBA methodologies are used when calculating projects' benefits, both for gas and electricity PCIs/PMIs.

Number of investment requests using ENTSOs' CBA methodologies



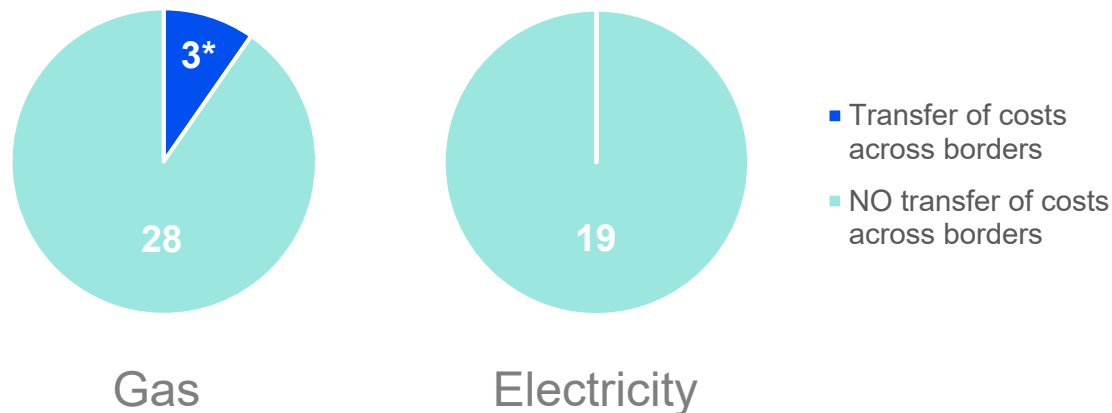
*Among reasons for using a CBA methodologies other than ENTSOs' CBA methodologies: ENTSOs' CBA methodologies were not finalised; ENTSOs refused recalculation of CBA results.

Outcomes of CBCA decisions

Only few CBCA decisions include a transfer of costs

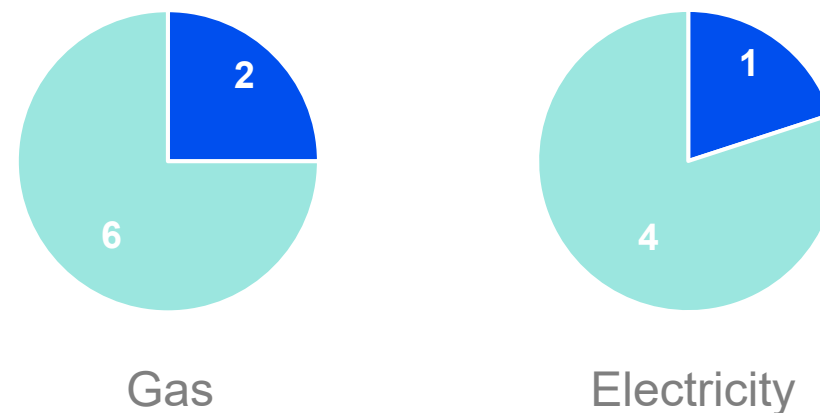
Only three out of all 50 CBCA decisions established a transfer of costs to non-hosting countries.

Number of CBCA decisions and their transfer of costs to non-hosting countries



Only three out of 13 CBCA decisions for interconnectors without offshore sections established transfer of costs among hosting countries.

Number of CBCA decisions for interconnectors without offshore sections and their transfer of costs among hosting countries



13 out of the 50 CBCA decisions concern interconnectors without offshore sections.

For offshore interconnectors or interconnectors with offshore sections, costs can be allocated based on a 50% split. Six out of ten CBCA decisions for such interconnectors deviate from the 50% cost share and the principle that each country pays the section of the project on its territory. In these cases, costs are generally allocated based on the distribution of benefits across countries.

Note: In one instance where no costs were transferred, some national CBAs showed a net negative impact on a hosting country.

*All three CBCA decisions were taken in 2014, including 1 CBCA decision taken by ACER. CBCA decision on PCI 8.2.4 was updated in 2018 and no longer requires payments of costs from non-hosting countries.

Only a limited amount of cost was transferred

Less than 1% of the total CAPEX* of all projects was transferred to non-hosting countries.

Share of CAPEX transferred to non-hosting countries relative to the total CAPEX of projects included in the 50 CBCA decisions

0.4%

(€0.12 billion out of €28.9 billion)

Around 4% of the total CAPEX from the 13 interconnectors without offshore sections was transferred across borders.

Share of CAPEX transferred among hosting countries of interconnectors without offshore sections, relative to the total CAPEX of those 13 interconnectors

3.7%

(€0.18 billion out of €4.9 billion)

Where costs were shared across borders, the transferred share was below 20%.

Average amount of costs allocated per project involving cross-border payments

<20%

Transfer of costs across borders is applied to a limited extent, based on the rationale that all participating countries already demonstrate a positive net benefit, reducing the need of cost sharing.

*Note: The CAPEX numbers refer to the discounted CAPEX and can only be approximate as these are provided based on various discounting methods and/or for different reference years.

Some CBCA decisions received a revision

- One third of all CBCA decisions include an (ex-ante) mechanism for ex-post adjustment in case of deviations from the previous assumptions - more commonly included in CBCA decisions for electricity PCIs.
- A total of 7 CBCA decisions received updates/revisions (3 in electricity, 4 in gas).
- Revisions are most commonly due to significant changes in expected costs, but also as a result from shifts in the implementation timeline, extensions of the project's economically useful asset life, or changes in (expected) grant fundings.

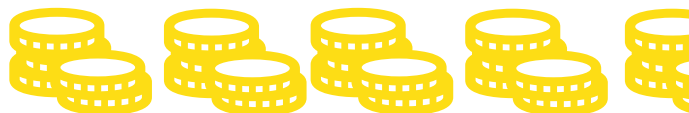
Funding via Connecting Europe Facility (CEF)

Connecting Europe Facility (CEF) grants as major incentive

The project promoter(s) of all 50 investment requests expressed an intention to apply for CEF funding for works

Electricity

- For 18/19 CBCA decisions, the PCIs/PMIs received CEF funding for works
- €4.5 billion in CEF funding received out of a total investment cost of €14.3 billion*



Gas

- For 19/31 CBCA decisions, the PCIs/PMIs received CEF funding for works
- €1.4 billion in CEF funding received out of a total investment cost of €14.6 billion*



For most investment requests, the main objective appears to be gaining access to CEF grants for works. It would be beneficial that CBCA decisions play a more prominent role besides enabling eligibility for CEF grants.

The contents of this document do not necessarily reflect the position or opinion of the Agency.



European Union Agency for the Cooperation
of Energy Regulators

✉ info@acer.europa.eu
🖱 acer.europa.eu

🦋 [@eu-acer.bsky.social](https://bsky.app/profile/eu-acer.bsky.social)
🌐 [linkedin.com/company/eu-acer](https://www.linkedin.com/company/eu-acer)