

Energy infrastructure: investment projects

2009/0106(CNS) - 16/07/2009 - Legislative proposal

PURPOSE: to revise and further strengthen the system laid down in Council Regulation (EC) No 736/96 on notification to the Commission of investment projects in EU energy infrastructure, while easing the administrative burden.

PROPOSED ACT: Council Regulation.

BACKGROUND: in the context of the new Energy Policy aiming at securing supply, mitigating climate change and ensuring competitiveness, significant investment in energy infrastructure is crucial. Private economic operators have now a more prominent role for investment in infrastructure. Obtaining an overall picture of the development of investment in energy infrastructure in the Community is one feature of such a policy. It should enable the Community to make the necessary comparisons, evaluations or to take relevant measures based on appropriate figures and analysis, in particular concerning the future energy supply – demand balance. The Commission has to monitor closely the situation to anticipate any potential problems and bring sufficient transparency to market participants. However, the Commission needs appropriate data on investment projects.

The current regulatory framework imposing on Member States reporting obligations on energy infrastructure is heterogeneous. Relevant and validated data is not sufficiently available for monitoring developments in a cross – sector perspective at EU level. In addition, Council Regulation (EC) No 736/96 on notification to the Commission of investment projects in EU energy infrastructure in the petroleum, natural gas and electricity sectors is no longer enforced consistently and geared to the most recent evolutions of the energy sector.

In the wake of the [Second Strategic Energy Review](#) adopted in 2008 by the Commission, both the Council of the European Union and the European Parliament agreed with the Commission and insisted on promoting investments and improving transparency as well as of intensifying the works on supply and generation adequacy outlooks and network development plans.

IMPACT ASSESSMENT: the Commission considered four policy options:

- **Option 0:** Status quo - Policy monitoring without a specific reporting mechanism;
- **Option 1:** Repeal of Council Regulation (EC) No 736/96;
- **Option 2:** Policy monitoring with a complementary reporting mechanism;
- **Option 3:** Policy monitoring with a fully-fledged reporting mechanism.

The Commission considers that **Option 2** (policy monitoring with a complementary reporting mechanism) provides the best compromise.

CONTENT: the proposed Regulation establishes a common framework for the notification to the Commission of data and information on investment projects in energy infrastructure in the petroleum, gas, electricity and bio-fuel sectors and related to carbon dioxide produced by these sectors.

Every two years, Member States or the entity they delegate this task to would be required to collect and notify data and information on investment projects concerning production, transport and storage. To minimise the administrative burden, two elements of flexibility and simplification are introduced:

- unless otherwise decided by Member States, undertakings would be under an obligation to provide Member States - or the competent entity - information on their investment projects, including decommissioning projects;
- Member States would be exempted from reporting if they already provide equivalent information to the Commission under EU energy sector-specific legislation. This would also be the case if the bodies in charge of network development plans for gas and electricity collect the relevant data. In this case, they would be requested to notify the relevant data to the Commission, with the appropriate comments of Member States if necessary.

Data and information collected (type of investment, planned capacities and major obstacles, etc.) would provide the major trends for investment in EU energy infrastructure. Provision is made to guarantee that data and information notified to the Commission meet generally accepted standards; that data and information are received, stored and processed with the appropriate IT tools and in full compliance with the legal framework on data protection for individuals; that data and information will be made public except where they are commercially sensitive.

On the basis of the data and information received, the Commission will provide a regular and cross-sector analysis of the structural evolution and perspectives of the EU energy system and any other specific analysis needed. This would allow for an identification of potential future demand and supply gaps and obstacles to investment. With these analyses, the Commission will be in a better position to promote best practice and to establish greater transparency for market participants. To develop common views on these issues, the results of these analyses would be discussed with stakeholders and published.

BUDGETARY IMPLICATIONS: the proposal will have a limited impact on the Community budget, in particular to cover expenditure on information technology and, should the Commission so decide, expenditure on data purchasing of data and reimbursement of experts. No major direct impact is foreseen for the budgets of Member States.