

Trans-European energy infrastructure: guidelines

2011/0300(COD) - 12/03/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 539 votes to 85, with 16 abstentions, a legislative resolution on the proposal for a Regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC.

Parliament adopted its position at first reading under the ordinary legislative procedure. The amendments adopted in plenary are the results of a compromise negotiated between the European parliament and the Council. They modify the proposal as follows:

Priority corridors and areas of energy infrastructure: the Regulation establishes **twelve Regional Groups** for the purpose of proposing and reviewing projects of common interest, leading to the establishment of **regional lists of projects of common interest**. Decision-making powers in the Groups shall be restricted to Member States and the Commission.

On the basis of regional lists, the Commission shall be empowered to adopt by delegated acts the **Union list of projects of common interest ("Union list")**, which will take the form of an annex to the Regulation, ensuring: (i) only projects that meet the criteria are included; (ii) cross-regional consistency; (iii) any opinions of Member States are taken into account; and (iv) the total number of projects of common interest on the Union list is manageable.

The first Union list shall be adopted by **30 September 2013**. A new Union list should be established **every two years**. For electricity and gas, in order to be eligible for inclusion in the second and subsequent Union lists, projects should be part of the latest available ten-year network development plan.

Criteria: projects of common interest should comply with common, transparent and objective criteria in view of their contribution to the energy policy objectives of electricity and gas. In particular, projects should:

- be necessary for at least one of the energy infrastructure priority corridors and areas;
- the potential overall benefits of the project outweigh its costs, including in the longer term;
- involve at least two Member States by directly crossing the border of two or more Member States;
- cross the border of at least one Member State and an EEA country.

Electricity transmission and storage projects shall contribute significantly to certain specific criteria, such as: (i) market integration, *inter alia* through lifting the isolation of at least one Member State and reducing energy infrastructure bottlenecks; (ii) sustainability, through the integration of renewable energy into the grid; (iii) security of supply, *inter alia* through interoperability, appropriate connections and secure and reliable system operation.

Gas projects must also contribute by (i) the criterion of the security of supply, *inter alia*, through appropriate connections; (ii) the criterion of sustainability, *inter alia* through reducing emissions, supporting intermittent renewable generation and enhancing deployment of renewable gas.

When assessing projects, each Group shall furthermore give due consideration to ensuring equality of opportunity in regard to **peripheral Member States** as well as the contribution of each project to **territorial cohesion**.

‘Priority status’ of projects of common interest: for the purpose of ensuring efficient administrative processing of the application files related to projects of common interest, project promoters and all authorities concerned shall ensure that the **most rapid treatment legally possible** is given to these files. Where such status exists in national law, projects of common interest shall be allocated the status of the highest national significance possible and be treated as such in permit granting processes.

Implementation and monitoring: project promoters shall draw up an **implementation plan** for projects of common interest, including a timetable. The amended text sets out a series of measures **where the commissioning of a project of common interest is delayed** compared to the implementation plan other than for overriding reasons beyond the control of the project promoter.

Transport system operators (TSOs), distribution system operators and other operators shall co-operate with each other in order to facilitate the development of projects of common interest in their area.

European coordinators: where a project of common interest encounters significant implementation difficulties, the Commission may designate, in agreement with the Member States concerned, a European coordinator for a period of up to one year renewable twice. The European coordinator shall: (i) promote the projects, for which he has been designated European coordinator and the **cross-border dialogue** between the project promoters and all concerned stakeholders; (ii) **assist all parties** as necessary, and, if appropriate, **advise project promoters** on the financing of the project.

Permit granting process (organisation and duration): six months after the entry into force of the Regulation, each Member State shall designate one national competent authority which shall be responsible for facilitating and coordinating the permit granting process for projects of common interest. The comprehensive decision shall be issued according to one of the following schemes:

- **integrated scheme:** the comprehensive decision shall be issued by the competent authority and shall be the sole legally binding decision resulting from the statutory permit granting procedure;
- **coordinated scheme:** the comprehensive decision comprises multiple individual legally binding decisions issued by several authorities concerned, which shall be coordinated by the competent authority;
- **collaborative scheme:** the comprehensive decision shall be coordinated by the competent authority.

The permit granting process shall consist of two procedures: (i) **the pre-application procedure** shall take place within an **indicative period of two years** and shall include the preparation of any environmental reports to be prepared by the project promoters; (ii) **the statutory permit granting procedure**, covering the period from the date of acceptance of the submitted application file until the comprehensive decision is taken, **shall not exceed one year and six months**.

The combined duration of the two shall not exceed a period of **three years and six months** and may be extended by a maximum of **nine months** for both procedures combined.

Transparency: no later than 12 months after the entry into force of the Regulation, the Member State or competent authority shall publish a **manual of procedures** for the permit granting process applicable to projects of common interest. The project promoter shall, within an indicative period of three months of the start of the permit granting process, draw up and submit a **concept for public participation** to the competent authority, following the process outlined in the manual.

Energy system wide cost-benefit analysis: an amendment stipulates that no later than six months after the entry into force of the Regulation, the European Network of Transmission System Operators (ENTSO) for Electricity and the ENTSO for Gas shall publish and submit to the Agency, the Commission and

Member States their respective methodologies, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level for projects of common interest. Those methodologies shall be applied for the preparation of each subsequent ten-year network development plan developed by the ENTSO for Electricity or the ENTSO for Gas.

Prior to submitting their respective methodologies, the ENTSOs shall conduct **an extensive consultation process involving at least the organisations representing all relevant stakeholders**, national regulatory authorities and other national authorities.

Enabling investments with cross-border impacts: the amended text of the Regulation states that the costs for the development, construction, operation and maintenance of projects of common interest should in general be **fully borne by the users of the infrastructure**. Projects of common interest should be eligible for **cross-border cost allocation**. When deciding on cross-border cost allocation, national regulatory authorities should ensure that its impact on national tariffs does not represent a **disproportionate burden for consumers**.

When an investment request takes into account **benefits beyond the borders** of the Member States concerned, the national regulatory authorities should consult the TSOs concerned on the project-specific cost-benefit analysis.

Incentives: by 31 March 2014 each national regulatory authority shall publish its methodology and the criteria used to evaluate investments in electricity and gas infrastructure projects and the higher risks incurred by them.