Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Programme for Recovery (EEPR)

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The Commission presented a report on the implementation of the European Energy Programme for Recovery (EEPR).

This report sets out, for each part of the EEPR, the progress made in implementing the projects and the EEE F. It follows on from the report which was adopted in 2013, covers the implementation of the projects between October 2013 and 31 August 2014 and the payments made between 1 July 2013 and 31 August 2014.

Energy infrastructure and innovation, the driving forces behind the European Energy Programme for Recovery (EEPR), remain as important now as they were in 2009 when the EEPR was set up.

In its recent Communication on the European Energy Security Strategy, adopted on 28 May 2014, the Commission has reaffirmed the importance of developing critical infrastructure in view of reinforcing our energy security.

Main findings: according to the Commission, the EEPR has delivered **good results**. At the end of 2013, 30 projects out of 61 were already fully technically completed, and a total amount of **EUR 1 499 826 548** has been actually paid to the beneficiaries).

Substantial progress has been made for **electricity and gas infrastructure projects**. A large majority of the projects (40 out of 44) are either completed or progressing.

The EEPR is concretely improving the way the internal market works, by **providing interconnections between Western and Eastern parts of the EU**, and increasing the security of supply of the country and regions concerned.

To date, it is foreseen that the majority of the 13 still on-going projects should be completed during the years 2014 and 2015 whilst only a few projects will run until 2017.

Offshore wind energy (OWE) projects: the EEPR sub-programme consisted of 9 projects giving EUR 565 million of support split between two main types of activities. 3 of these projects have been completed and 1 terminated prematurely. EUR 226 981 500 has been paid to the projects.

Difficulties with obtaining planning consents (Aberdeen Offshore Wind Farm), difficulties are regards the cost of technology components (Kriegers Flak), the introductions of new regulatory elements at national level (for instance, Cobra Cable) and significant difficulties in obtaining the necessary funding for both construction and operation have all contributed to the delays concerning these projects.

Carbon capture and storage (CCS): the **most problematic area is CCS**. As already identified in previous reports, this reflects many different factors, the most important of which is the changed business case for the technology since the start of the EEPR programme. The difficulties for the public authorities

both at government and regulatory level to offer a proper regulatory framework, the lack of public acceptance, as well as difficulties linked to environmental issues and public procurement have all constituted additional challenges for the projects promoters.

The EEPR sub-programme consisted of 6 projects giving EUR 1 billion of support to projects that would aim at demonstrating the full carbon capture, transport and storage process.

As of 30 April 2014: 1 project has finished providing operational pilot plants for capture, transport and storage. 3 projects have been terminated prematurely. 2 projects are ongoing. EUR 374 871 355 have been paid to these projects.

The Commission continues to make every political effort to further the development of the remaining two projects; nevertheless, their success will depend on the efforts of private investors and national governments.

European Energy Efficiency Fund (EEE F): the Fund has been successful: a commercial fund was established that will continue to grow providing financing solutions and generating profits covering administrative expenses, shareholders' dividend and repayment of establishment costs.

In total, the Fund has allocated **EUR 219 million to 13 projects**, mostly in the energy efficiency sector. The full EU contribution to the Fund (EUR 125 million) has thus been successfully allocated to project investments by 31 March 2014 as required by the Regulation.

The important role of the EEPR projects: the report noted that while implementation of the programme has been slower than expected in some areas, this has generally been due to reasons beyond the Commission's direct control.

Nevertheless, notwithstanding these delays, the value of large-scale infrastructure, innovative technologies and innovative EU funding in achieving the EU's security of supply, internal market and climate change objectives remains high.

This has been underlined by the Council and the European Parliament when they increased the EU funds for energy infrastructure and innovation in CEF, Horizon 2020 and the Structural Funds under the new financial framework. The completion of the remaining EEPR projects will complement these programmes, as well as provided valuable experience on which to build as they are being rolled out.