

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

2009/0010(COD) - 05/03/2018 - Follow-up document

The Commission presented a report on the implementation of the European Energy Programme for Recovery (EEPR) and the [European Energy Efficiency Fund](#) (EEEEF).

This report sets out, for each part of the EEPR, the progress made in implementing the projects and the European Energy Efficiency Fund (EEEEF).

It follows the report adopted in 2016. It covers the implementation of the projects between 31 August 2016 and 30 June 2017 and the payments made during that period.

Implementation of projects: the EEPR has delivered good results. The majority of projects (37 out of 59) were completed at the end of June 2017, particularly regarding gas and electricity infrastructures. A total amount of EUR 2 279 701 215 was paid to the beneficiaries. The strict control exercised by the European Commission in project implementation and monitoring has helped to increase the efficiency of the instrument.

Gas and electricity infrastructures: the EEPR infrastructure sub-programme supports 44 projects in three major areas of activities: (i) gas infrastructure and storage projects; (ii) gas reverse flow projects; (iii) electricity infrastructure projects.

To date, **35 out of the 44 infrastructure projects have been completed**, four projects are ongoing and one is in under discussion.

- **In the electricity sector**, 10 out of 12 projects have been completed. The 2 remaining projects are progressing well and are expected to be completed by the end 2017.

- **In the gas sector**, 25 out of 32 projects have been completed; two are progressing according to schedule, one is currently under discussion and four have been terminated.

All of the reverse flow and interconnections projects in Central and Eastern Europe have been completed.

Important progress has been made for electricity and gas infrastructure projects since the last 2016 EEPR implementation report. For instance, the reinforcement of French gas network on the Africa-Spain-France axis is on track.

The EEPR funds have secured the development of the project notably on the Eastern axis by encouraging the beneficiaries to take their investment decision. The Bulgarian – Romanian interconnection has been implemented successfully end 2016.

The Nordbalt 1 project consisted of the construction of the Swedish - Lithuanian electricity transmission systems' interconnection by a High Voltage Direct Current (HVDC) submarine cable with a capacity of 700 MW. The project aims at further removing the Baltic States isolation from the internal energy market. All works have been completed.

To date, it is foreseen that out of the **5 on-going projects, 3 should be completed in 2017, with 1 in 2018 and one under discussion.**

Offshore wind energy (OWE): this EEPR sub-programme consisted of nine projects and gave EUR 565 million of support. Four of nine projects have been completed and 2 terminated prematurely. EUR 255 744 668 has been paid to the projects. The three remaining projects are on-going.

Carbon capture and storage (CCS): this EEPR sub-programme consisted of 6 projects and EUR 1 billion of support to aim at demonstrating the full carbon capture, transport and storage process. One project was finished providing operational pilot plants for capture, transport and storage. Three projects have been terminated prematurely due to the decision of the project promoter not to invest, one project ended without completion and ROAD was the last remaining project.

In November 2016, the Commission and the ROAD project promoters agreed an extension of the grant agreement until 31 December 2019 following progress in discussions on additional sources of funding, restructuring of the project and change to a less costly storage site. However, in June 2017 the project promoters informed the Commission that the joint venture partners Engie and Uniper decided to stop their financial support for the project and later on confirmed that they withdraw the request for the grant agreement. Consequently the grant agreement is in the process of being terminated.

The Commission concluded that although the financial support of EEPR was not sufficient to prompt companies to realise commercial-scale CCS demonstration projects, the Commission still considers CCS important for decarbonisation. Future CCS demonstration efforts in Europe are expected to focus on energy- and carbon intensive industries.