

Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)

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This Commission report reviews, for each part of the European Energy Programme for Recovery (EEPR), the progress made in implementing the projects and the European Energy Efficiency Fund (EEEF). Following the previous report, adopted in 2018, it covers the implementation of projects between 31 August 2016 and 31 December 2018, as well as payments made during this period.

The report concludes that the EEPR has delivered good results. It has played a key role in providing financial support for major infrastructure of common interest for the integration of gas and electricity markets and the enhancement of security of supply.

Overall implementation of projects

By the end of December 2018, 43 out of 59 projects (6 more than in 2017) had been completed, with payments to beneficiaries totalling EUR 2 514 424 758 (after deduction of recovery orders amounting to EUR 196 099 270.83). As regards gas and electricity infrastructure, most of the projects have been completed and two projects are ongoing.

To date, 38 out of 44 infrastructure projects (three more than in 2017) have been completed, two are ongoing and four have been terminated:

- in the electricity sector, all 12 projects have been completed (two more than in 2017);
- in the gas interconnection sector, 13 of the 18 projects (one more than in 2017) have been completed, two projects are progressing according to the new schedule and three others have been terminated;
- in the sector of reverse flow and interconnection projects in Central and Eastern Europe, 13 projects have been completed and the Commission terminated one project in Romania in September 2014.

Since the last report on the implementation of the EEPR, the following projects have made progress:

- the Interconnector Greece-Bulgaria, a key route to bringing gas from the trans-Adriatic pipeline northwards as well as Greek LNG;
- the implementation of a natural gas terminal in Cyprus which will contribute to the diversification of Cyprus' energy mix and help to end the island's energy isolation.

To date, these two ongoing projects are expected to be completed by the end of 2021 and 2022 respectively.

The strict control exercised by the European Commission in the implementation and monitoring of the projects has contributed to increase the efficiency of the instrument.

Offshore Wind Energy Projects

This part of the EEPR consisted of nine projects receiving support totalling EUR 565 million. Four of the nine projects were completed, while two others were prematurely terminated. EUR 341 639 214 (after deduction of recovery orders) was paid to the projects. The three remaining projects are ongoing.

With regard to the Aberdeen offshore wind farm, the eleven wind turbines with the world's largest capacity went into operation on 1 July 2018 at the Vattenfall company's 'Aberdeen Bay' offshore wind farm.

Offshore wind projects have proved more complex than expected, but developers and constructors have been able to find solutions to bring them to a successful conclusion, sometimes by extending the duration of contracts. Over the ten years of the programme, the EEPR has contributed to the acquisition of technological knowledge and the development of offshore wind turbine interconnection technologies.

Carbon Capture and Storage (CCS)

This part of the EEPR included six projects and EUR 1 billion to support the demonstration of the full carbon capture, transport and storage process. EUR 387 211 547 (after deduction of recovery orders for a total amount of EUR 48 660 666.85) was paid to these projects.

Although financial support from the EEPR is not sufficient to provide incentives for companies to carry out CCS demonstration projects on a commercial scale, the Commission considers CCS to be important for decarbonation (the only reliable technology for long-term storage of carbon dioxide), for the EU in general and for carbon and energy intensive industries in particular.

European Energy Efficiency Fund (EEEF)

In December 2010, EUR 146.3 million from the European Energy Programme for Recovery (EEPR) was allocated to a financial facility for sustainable energy projects. An EU contribution of EUR 125 million was paid to the European Energy Efficiency Fund (EEEF).

The fund, which was established in July 2011 with a total volume of EUR 265 million, is supported by a grant facility for technical assistance with a budget of EUR 20 million and EUR 1.3 million for awareness raising activities.

The EEEF has invested in several energy efficiency projects and shall continue to expand its project portfolio, offering financing solutions and generating profits for its shareholders. The EEEF also serves as a model for innovative financial instruments investing in cost-effective and mature sustainable energy projects that can attract private capital while demonstrating the business case behind these investments and creating a credible track record.