Trans-European energy networks: guidelines

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PURPOSE : to revise the guidelines for trans-European energy networks and to repeal Decisions 96/391 /EC and 1229/2003/EC. PROPOSED ACT : Decision of the European Parliament and of the Council. CONTENT : with enlargement of the European Union approaching the Commission is proposing a revision of existing guidelines for the establishment of trans-European energy networks. Since their adoption in 1996, the TEN-Energy Guidelines have been split into 2 decisions, one taken by the Council and the European Parliament (Decision 1254/96/EC now replaced by Decision 1229/2003/EC) and an other by the Council Decision 96/391/EC). The reasons for such a splitting do not exist anymore, since all the field of TEN is now governed by co-decision, although initially only the identification of the projects of common interest needed to be co-decided. The purpose of this draft Decision is to define the nature and scope of Community actions vis-à-vis trans-European energy networks. Those guidelines, in turn, identify projects of common interest and those which will be given priority in the coming years. Importantly two new elements are introduced into this proposal namely a "Declaration of European Interest" and a "European Co-ordinator". These have been introduced in a bid to speed up the implementation of trans-European energy projects. It is proposed that the Decision shall apply to both electricity and gas networks. The objectives will be to promote the interconnection, interoperability and development of energy networks in an enlarged Europe thereby encouraging a more effective operation of the internal market. Other stated objectives include the development of energy networks in the less-favoured and island regions of the Community and securing energy supplies through strengthening relations with third countries such as Russia. A set of priorities have been identified and will involve measures such as : - opening up trans-frontier bottle-necks; - establishing viable energy network in isolated regions; - modernising networks in line with renewable energy production; - ensuring the inter-operability of electricity networks in the Community, in the acceding countries, the Mediterranean and the the Black Sea basin; - the development of natural gas networks in order to secure consumption needs; - ensuring interoperability of natural gas networks within the Community, and lastly; - the integration of olefin gas networks. Annexes to the Decision outline both the criteria for projects of common interest as well as the priority projects identified by the Commission. In addition Annex IV to the Decision set out a number of projects with a cross-border dimension - in other words they are of particular European interest. Accordingly, when applying for either Cohesions, Structural or tans-European network funding the Member States must give priority to projects of a "European Interest". The parallel proposal amending the TEN financial support Regulation opens up the possibility for priority projects, including their cross-border sections, of Community co-financing at a rate of up to 20% of the cost of projects.Significantly, this Decisions introduces the possibility that the Commission could decide to withdraw support for projects of European interest in the event of long delays and in the absence of adequate implementation of the project. The Decision also suggests the creation of a European co-ordinator who could act on behalf of the Commission on projects of European interest. The mission of the co-ordinator would be to cover a single priority project or a section of a priority project. He/she would be responsible for promoting joint methods for the evaluation of projects, offering financial advice and offering opinions on issues relating to the operation of networks. As well as submitting an annual report he/she would be tasked with opening a dialogue with operators, users and regional/local authorities. The estimated amount of investment required for the period 2007-2013 is around EUR 28 billion (20 billion in the EU; 8 billion in third countries).