Trans-European energy networks: guidelines

2003/0297(COD) - 06/09/2006 - Final act

PURPOSE: to lay down guidelines guidelines for trans-European energy networks and repealing Decision 96/391/EC and Decision 1229/2003/EC.

LEGISLATIVE ACT : Decision 1364/2006/EC of the European Parliament and of the Council laying down guidelines for trans-European energy networks and repealing Decision 96/391/EC and Decision 1229/2003/EC.

CONTENT : Subsequent to the adoption of Decision 1229/2003/ EC, the need has arisen to integrate fully the new Member States and the accession and candidate countries into those guidelines and to adapt further, as appropriate, those guidelines to the new proximity policy of the European Union.

Accordingly, this Decision defines the nature and scope of Community action to establish guidelines for trans-European energy networks. It establishes a series of guidelines covering the objectives, priorities and broad lines of action by the Community in respect of trans-European energy networks. These guidelines identify projects of common interest and priority projects, including those of European interest, among trans- European electricity and gas networks.

It provides that the Community shall promote the interconnection, interoperability and development of trans-European energy networks and access to such networks in accordance with Community law in force, with the aim of:

-encouraging the effective operation and development of the internal market in general and of the internal energy market in particular, so as to reduce the cost of energy to the consumer and contribute to the diversification of energy sources;

-reducing the isolation of the less-favoured and island regions of the Community;

-reinforcing the security of energy supplies, for example by strengthening relations with third countries in the energy sector in the mutual interest of all parties concerned;

-contributing to sustainable development and protection of the environment, *inter alia* by involving renewable energies and reducing the environmental risks associated with the transportation and transmission of energy.

The Decision sets out **priorities for action** for both **electricity and gas networks** and for each separately.

The broad **lines of action** by the Community on trans-European energy networks are the identification of **projects of common interest and priority projects**, including those of **European interest**; and the creation of a **more favourable context for development** of those networks. Projects of common interest must, inter alia, display potential economic viability. The evaluation of economic viability shall be based upon a cost-benefit analysis which takes account of all costs and benefits, including those in the medium and/or long term, in connection with environmental aspects, security of supply and the contribution to economic and social cohesion. Projects of common interest covered by the axes for priority projects set out in Annex I will have priority for the grant of the Community financial aid provided for pursuant to Regulation 2236/95/EC. Amendments to Annex I will be decided upon in accordance with the co-decision procedure.

A number of projects on the axes for priority projects which are of cross-border nature or which have significant impact on cross-border transmission capacity are declared to be of European interest. Those projects are set out in Annex I.

Projects of European interest shall be implemented rapidly. No later than 12 April 2007, Member States shall, using as a basis a draft timetable provided to that effect by the Commission, submit to the Commission an updated and indicative timetable for the completion of those projects including certain prescribed details.

When a project declared to be of European interest encounters significant delays or implementation difficulties, including in situations where third countries are involved, the Commission may designate, after having consulted the European Parliament, a **European coordinator**.

In order to contribute to creating a **more favourable context** for the development of trans-European energy networks and their interoperability, the Community shall take account of Member States' efforts made in line with that objective, and shall attach the greatest importance to and promote as necessary certain measures prescribed in the Decision.

When projects are considered, their effects on competition and on security of supply shall be taken into account. Private financing or financing by the economic operators concerned shall be the main source of financing and shall be encouraged. Any competitive distortion between market operators shall be avoided, in accordance with the provisions of the Treaty.

ENTRY INTO FORCE : 12/10/2006.