Basic information

2001/0311(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
Trans-European energy networks: guidelines Repealing Decision No 1254/96/EC 1994/0009(COD) Repealed by 2003/0297(COD) **Subject** 3.60.06 Trans-European energy networks	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, External Trade, Research, Energy	CLEGG Nicholas (ELDR)	27/03/2002

Former committee responsible	Former rapporteur	Appointed
ITRE Industry, External Trade, Research, Energy	BEYSEN Ward (ELDR)	27/03/2002

Former committee for opinion	Former rapporteur for opinion	Appointed
BUDG Budgets	TURCHI Franz (UEN)	19/03/2002
ECON Economic and Monetary Affairs	MOMBAUR Peter Michael (PPE-DE)	15/04/2002
JURI Legal Affairs and Internal Market	The committee decided not to give an opinion.	
RETT Regional Policy, Transport and Tourism	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2518	2003-06-16
Transport, Telecommunications and Energy	2465	2002-11-25
Education, Youth, Culture and Sport	2484	2003-02-06
Industry	2433	2002-06-06

European Commission	

Commission DG	Commissioner
Energy and Transport	

Key events

Date	Event	Reference	Summary
20/12/2001	Legislative proposal published	COM(2001)0775	Summary
11/03/2002	Committee referral announced in Parliament, 1st reading		
06/06/2002	Debate in Council		
01/10/2002	Vote in committee, 1st reading		Summary
01/10/2002	Committee report tabled for plenary, 1st reading	A5-0324/2002	
24/10/2002	Decision by Parliament, 1st reading	T5-0515/2002	Summary
24/10/2002	Debate in Parliament		
06/02/2003	Council position published	15767/2/2002	Summary
13/02/2003	Committee referral announced in Parliament, 2nd reading		
23/04/2003	Vote in committee, 2nd reading		Summary
23/04/2003	Committee recommendation tabled for plenary, 2nd reading	A5-0132/2003	
02/06/2003	Debate in Parliament		
04/06/2003	Decision by Parliament, 2nd reading	T5-0245/2003	Summary
16/06/2003	Act approved by Council, 2nd reading		
26/06/2003	Final act signed		
26/06/2003	End of procedure in Parliament		
15/07/2003	Final act published in Official Journal		

Technical information

Procedure reference	2001/0311(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Repealing Decision No 1254/96/EC 1994/0009(COD) Repealed by 2003/0297(COD)
Legal basis	EC Treaty (after Amsterdam) EC 156
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/16950

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0324/2002	01/10/2002	
Text adopted by Parliament, 1st reading/single reading		T5-0515/2002 OJ C 300 11.12.2003, p. 0443-0565 E	24/10/2002	Summary
Committee recommendation tabled for plenary, 2nd reading		A5-0132/2003	23/04/2003	
Text adopted by Parliament, 2nd reading		T5-0245/2003 OJ C 068 18.03.2004, p. 0149-0275 E	04/06/2003	Summary

Council of the EU

Document type	Reference	Date	Summary
Council statement on its position	05636/2003	28/01/2003	
Council position	15767/2/2002 OJ C 064 18.03.2003, p. 0022-0039 E	06/02/2003	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2001)0775 OJ C 151 25.06.2002, p. 0207 E	20/12/2001	Summary
Commission communication on Council's position	SEC(2003)0164	07/02/2003	Summary
Follow-up document	COM(2006)0443	07/08/2006	Summary
Document attached to the procedure	SEC(2006)1059	07/08/2006	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0035/2002 OJ C 278 14.11.2002, p. 0035	16/05/2002	
EESC	Economic and Social Committee: opinion, report	CES0865/2002 OJ C 241 07.10.2002, p. 0146	17/07/2002	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act
Decision 2003/1229 OJ L 176 15.07.2003, p. 0011-0029 Summary

Trans-European energy networks: guidelines

2001/0311(COD) - 26/06/2003 - Final act

PURPOSE : to lay down a series of guidelines for Trans-European energy networks. COMMUNITY MEASURE : Decision No 1229/2003/EC of the European Parliament and of the Council laying down a series of guidelines for trans-European energy networks and repealing Decision No 1254/96 /EC. CONTENT : The Council adopted a Decision laying down a series of guidelines for trans-European energy networks following an agreement reached with the European Parliament in second reading under the co-decision procedure. This Decision is aimed at revising Decision 1254/96 in order to introduce new priorities and update the list of projects as well as the procedure for identifying them. The Council and the European Parliament reached an agreement whereby priority projects for trans-European energy networks should have a significant impact on the competitive operation of the internal market and/or should strengthen security of supply in the Community. The amendments adopted also limited the Community financial aid to construction and maintenance projects which are duly justified. The Commission will present a report every other year on the implementation of this Decision. In particular, attention will be given to progress made in the carrying out of priority projects and to the modalities of their financing, especially as regards the contribution of Community funding. ENTRY INTO FORCE : 18/07/2003.

Trans-European energy networks: guidelines

2001/0311(COD) - 24/10/2002 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Edouard BEYSEN (EPP-ED, Belgium) on the trans-European energy networks. (Please refer to the document dated 01/10/02.) Parliament stated in the recitals that, as a general rule, the construction and maintenance of energy infrastructure should be subject to market principles. The creation of a competitive and integrated internal energy market can be achieved much more cost-effectively by revising current competition policy legislation than it can by merely increasing infrastructure capacity, since competition is often hindered not by bottlenecks, but by a lack of contestability in the markets or by oligopolistic concentration. Parliament went on to state that the Commission must submit a report describing the measures which are likely, in the event of an increase in Community subsidy from 10% to 20% to lead to more rapid completion of the relevant priority projects. Finally, Parliament stipulated that evaluation of economic viability must be based upon a cost-benefit analysis which takes into account environmental matters, security of supply and contribution to economic and social cohesion. Such an evaluation is a precondition for projects to be identified as projects of common interest.

Trans-European energy networks: guidelines

2001/0311(COD) - 04/06/2003 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a resolution based on the draft report by Nicholas CLEGG (ELDR, UK) making some amendments to the common position. These are as follows: - Community financial aid for construction and maintenance should remain highly exceptional, and the exceptions should be duly justified; - since the project may have considerable political and economical implications, it is important to find the appropriate balance between legislative oversight and flexibility in determining projects that merit potential Community support. The revision of Annex III by comitology procedure must be limited to modifications of a purely technical nature (for example, modifying a particular part of a specified route) but should not include substantial changes such as entirely new projects nor new country destinations, which would therefore remain subject to the codecision procedure; - priority projects will be compatible with sustainable development and meet the following criteria: they must have a significant impact on the competitive operation of the internal market and/or they must strengthen security of supply in the Community; - the Commission must report every two years rather than every four years.

Trans-European energy networks: guidelines

2001/0311(COD) - 07/08/2006 - Follow-up document

PURPOSE: to report on the implementation of the guidelines for the trans-European energy networks from 2002-2004.

CONTENT: this Report has been prepared by the Commission in accordance with Article 11 of Decision 1229/2003/EC *laying down a series of guidelines for trans-European energy networks.* The Report summarises the level of implementation of the energy guidelines between 2002 and 2004. It is based on information received from transmission system operators and from Member State experts. Details concerning the implementation of electricity and gas connection can be found in Annex to the Report.

The EU’s trans-European Networks policy is based on three cornerstones: i) Articles 154-156 of the TEU; ii) the TEN financial support Regulation and iii) Decision 1229/2003/EC *setting out the guidelines for trans-European energy networks*. The guidelines seek to establish effective operations in the EU’s energy market, reinforce the EU’s security of supply and help protect the environment.

The guidelines, which were first adopted in 1996, and revised in 1997 and 1999, identify the axes for priority projects and projects of common interest. The priority projects take account of the connection need for the efficient operation of the internal market and those which can offer security of supply.

One of the Report’s main findings is that the gas and the electricity networks face different challenges. The Report identifies these problems:

- Existing electrical capacities are insufficient and will not be able to meet an increase in trade. In 2002 the Heads of State agreed to set a new target whereby the level of electricity interconnections should be equivalent to at least 10% of their installed production capacity by 2005.

- The EU will, over the next 20-30 years, become increasingly dependent on gas imports. In the future, the Caspian Sea, the Middle East and the Gulf region will become additional important suppliers. The main supply of natural gas is currently sourced from Norway, Russia and North Africa.

As far as implementation of the priority projects is concerned, the Report notes that since 1996 the gas and electricity sectors display differing patterns of implementation. Whilst the security of gas supply has been well managed the lack of both electricity generation capacity and interconnection has led to a serious congestion of specific lines.

This in spite of the fact that cross-border connections can and do have a positive effect. In Belgium, for example, the additional Avelgem to France line has increased the net capacity of electricity by 16%. In Italy, a completed line with Switzerland yields a net transfer capacity of 22%, whilst lines connecting Ernestinovo to Croatia has resulted in a 38% net transfer capacity. These additional lines increase the electricity exchange significantly and Portugal now exceed the 10% interconnection capacity target. Other countries, such as Spain and the United Kingdom, however, are still well below this target.

As far as Community funding is concerned the Report states that between 1995 and 2004 EU funding for the TEN-E budget line totalled EUR 174 million. This size is very modest when compared to the required investment and is spent mostly on co-financing studies. The largest share of funding went on the gas network (68.8%) and the smaller part (37.2%) was spent on the electricity network. The financial support given to financing studies can be crucial in helping to kick-start projects. Further, support for novel technologies such as putting electricity cables underground or the joint use of rail and road tunnels, provides a strong stimulus for the completion of projects.

In its Conclusions, the Report notes that the objective to focus on priority projects is indeed being implemented. To accelerate the implementation of projects, special attention needs to be given to monitoring the progress in detail and to exchange information on cross-border connections regularly. Within the long list of projects of common interest a relatively large number of projects have progressed well – seemingly without much support under TEN-E. A closer look at cross-border connections, particularly along the axes, reveals that in the sub-class the impact of the TEN-E programme was significant. The TEN-E budget, although modest, has contributed significantly to initialising projects in isolated or island regions; funded the potential use of novel technologies and triggered the construction decision for specific projects. At the same time it has become clear that an update of the priority axes as well as project lists is needed in order to increase support for enhanced inter-connectivity between the new Member States and the accession countries.

Trans-European energy networks: guidelines

2001/0311(COD) - 07/02/2003 - Commission communication on Council's position

The Commission considers that the common position is in line with the spirit of the Commission proposal. In general, where the common position departs from the Commission proposal it clarifies and supplements the concepts and approaches set out in the original text; this is particularly true as regards the definition of the priority routes and the projects (definitions contained in Annexes I and III respectively). With regard to the criteria which the projects of common interest must meet (criteria contained in Annex II), in its common position the Council has adopted an intermediate solution between the Commission proposal which provided only for the definition of very general thematic criteria and the European Parliament's request for very precise identification of projects, with no flexibility with regard to updating the detailed definition of the projects of common interest. The Commission is of the opinion that the Council's common position thus resolves the delicate problem of identifying the projects of common interest more precisely but allowing flexibility in the updating of the detailed project descriptions through a committee procedure. The Commission considers this flexibility to be necessary on account of the emergence of new variants of projects already identified or new projects which are in line with the priorities and criteria of the guidelines but which, for practical reasons connected with the length of the co-decision procedure, cannot be added in good time to the list in the guidelines, and cannot therefore benefit from TEN financial support. In addition, the Commission considers this flexibility to be proportionate, since it is a question of essentially technical adjustment to the detailed list of projects. Consequently, the Commission invites the European Parliament to approve this common position.

Trans-European energy networks: guidelines

2001/0311(COD) - 06/02/2003 - Council position

The main changes introduced by the Council are as follows: - Priorities : the Council divided priorities on the basis of their relevance to the electricity, or gas network or to both types of network, described clearly the character of projects of common interest and the additional criteria that a project need to fill in order to be eligible for Community financial aid provided under Council Regulation 2236/95; - The Council specified that results of

environmental impact assessments, where requested in accordance with relevant Community legislation, have to be taken into consideration before actually taking a decision on carrying out projects in accordance with Community legislation; - The Council clarified the structure of the Annexes as follows: Annex I contains the Axes for the priority projects; Annex II contains (additional) criteria for projects of common interest. In doing so the Council endeavoured to provide some of the detailed information originally in the Annex III, thus trying to meet the European Parliament request; Annex III contains the projects of common interest, together with a description of their specifications. Of the 24 EP amendments, the Council accepted the following 15 which concern the following points: - underscores the importance of renewable energy sources in this context; - construction and maintenance of energy infrastructure should be subject to market principles; - energy infrastructure should allow the internal energy market to operate efficiently; - reference top the involvement of candidate countries' networks; - underlines that the objective should encourage effective operation of the internal market while also encouraging rational production and use of energy resources; - the aim should facilitate development in isolated regions, thus improving social and economic cohesion; - evaluation aspects, security of supply and contribution to economic and social cohesion; - specify the content of Annex I as priority axes; - modifications to Annex I are to be decided by co-decision; - special attention should be given to transborder projects; - an effort should be made to take effects on competition into account; - extending electricity to include integration of offshore wind energy; - stresses the importance of enhancing the use of renewable energies. Concerning the amendments not integrated into the common position, the Council considered that these were either not in coherence with the Decision, too restrictive or not within the scope of this Decision or were already covered by existing provisions and decided therefore not to integrate them in its common position. On the other hand, the common position does not incorporate the European Parliament amendments proposing: - preferential financial treatment for priority projects; - the requirement for a detailed evaluation of projects as a pre-condition for identifying them in the guidelines; - setting of a deadline for the Commission with regard to theinclusion of the new Member States in the guidelines; - refusal of committee procedure for updating the detailed project descriptions.

Trans-European energy networks: guidelines

2001/0311(COD) - 20/12/2001 - Legislative proposal

PURPOSE : to present a proposal for a decision of the European Parliament and of the Council amending Decision 1254/96/EC laying down a series of guidelines for trans-European energy networks. CONTENT : this proposed revision of the Guidelines for Trans-European Energy Networks (TEN-Energy) is based on an assessment of the operation of the Guidelines currently applying to them (cf. Report on the implementation of the guidelines for Trans-European Energy Networks in the period 1996-2001, please refer to COD/1994/0009 dated 20/12/01). This proposal takes account of the developments that have taken place in the energy market since 1996, and in particular the implementation of the Directives on liberalising the markets for electricity and natural gas, the trend towards increasing dependence on imported energy and the setting of higher targets for the penetration of renewable energy sources. The proposal also takes into consideration the action plan on the northern Dimension adopted by the European Council of Feira in June 2000 and reflects the progress made in the enlargement process and places specific stress on electricity interconnections with candidate countries. Essentially, this proposal is aimed at amending the TEN-Energy Guidelines by identifying a distinct category of priority projects among the projects of common interest. The category will include a restricted number of energy network projects which have very important impact from the point of view of the essential criteria of energy policy, i.e. completing the internal market and reinforcing security of supply. With regard to funding, in order to efficiently support those projects for which increased financial support is key to their completion, the Commission considers that, for priority projects, it will be necessary to provide for the possibility of raising the maximum rate of funding under the TEN Financial Support Regulation from 10% to 20%. The Commission will introduce this amendment in the revision of the TEN Financial Support Regulation which is underway. The proposal also aims to amend the TEN-Energy Guidelines as follows: - rearranging the priorities for TEN-Energy policy in the light of the developments which have taken place since 1996; - defining the projects of common interest more broadly (10 thematic projects instead of the current 90 detailed projects); - incorporating the detailed project definitions into the project specifications already provided for by the Guidelines; - making it clear that project identification does not prejudge the assessment of their environmental impact; - updating the provisions relating to the committee procedure without making any fundamental change; - extending the reporting period for the implementation reports from 2 to 4 years, given the submission of the Annual Report on the TENs which covers the three sectors. The measures in force concerning information and consultation with the public in the framework of Community environmental legislation will be respected.