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*****I**

REPORT

on the proposal for a regulation of the European Parliament and of the Council
on guidelines for trans-European energy infrastructure and repealing Decision
No 1364/2006/EC
(COM(2011)0658 – C7-0371/2011 – 2011/0300(COD))

Committee on Industry, Research and Energy

Rapporteur: António Fernando Correia De Campos

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (COM(2011)0658 – C7-0371/2011 – 2011/0300(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0658),
- having regard to Article 294(2) and Article 172 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0371/2011),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- having regard to the reasoned opinion submitted, within the framework of Protocol No 2 on the application of the principles of subsidiarity and proportionality, by the United Kingdom House of Commons, asserting that the draft legislative act does not comply with the principle of subsidiarity,
- having regard to the opinion of the Court of Justice of 1 February 2012¹,
- having regard to the opinion of the European Central Bank of 1 February 2012²,
- having regard to the opinion of the Committee of the Regions of 1 February 2012³,
- having regard to Rules 55 of its Rules of Procedure,
- having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on the Internal Market and Consumer Protection, the Committee on Transport and Tourism and the Committee on Regional Development (A7-0036/2013),

1. Adopts its position at first reading hereinafter set out;
2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;

¹ OJ C 0000, 0.0.2012, p. 0.

² OJ C 0000, 0.0.2012, p. 0.

³ OJ C 277, 13.9.2012, p. 138.

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

AMENDMENTS BY PARLIAMENT*

to the Commission proposal

**REGULATION (EU) No .../ 2013
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

of ...

on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol **■**.

¹ OJ C 143, 22.5.2012, p. 125.

² OJ C 277, 13.9.2012, p. 143.

³ Position of the European Parliament of ...(not yet published in the Official Journal) and decision of the Council of

- (1) On 26 March 2010, the European Council agreed to the Commission's proposal to launch a new strategy 'Europe 2020'. One of the priorities of the Europe 2020 strategy is sustainable growth to be achieved by promoting a more resource-efficient, **more sustainable** and more competitive economy. That strategy put energy infrastructures at the forefront as part of the flagship initiative 'Resource efficient Europe', by underlining the need to urgently upgrade Europe's networks, interconnecting them at the continental level, in particular to integrate renewable energy sources.
- (1a) ***The target agreed in the conclusions of the March 2002 Barcelona European Council for Member States to have a level of interconnection equivalent to at least to 10% of their installed production capacity has not yet been achieved.***
- (2) ***The*** communication from the Commission entitled "Energy infrastructure priorities for 2020 and beyond – A Blueprint for an integrated European energy network", followed by the Transport, Telecommunications and Energy Council conclusions of 28 February 2011 and the European Parliament resolution of **5 July** 2011, called for a new energy infrastructure policy to optimise network development at European level for the period up to 2020 and beyond, in order to allow the Union to meet its core energy policy objectives of competitiveness, sustainability and security of supply.

- (3) The European Council of 4 February 2011 underlined the need to modernise and expand Europe's energy infrastructure and to interconnect networks across borders, in order to make solidarity between Member States operational, to provide for alternative supply or transit routes and sources of energy and develop renewable energy sources in competition with traditional sources. It insisted that no Member State should remain isolated from the European gas and electricity networks after 2015 or see its energy security jeopardised by lack of the appropriate connections.
- (4) Decision No 1364/2006/EC of the European Parliament and of the Council of 6 September 2006¹ lays down guidelines for trans-European energy networks (TEN-E). *Those* Guidelines have as objectives to support the completion of the Union internal energy market while encouraging the rational production, transportation, distribution and use of energy resources, to reduce the isolation of less-favoured and island regions, to secure and diversify the Union's energy supplies, ***sources and routes, including*** through co-operation with third countries, and to contribute to sustainable development and protection of the environment.

¹ OJ L 262, 22.9.2006, p. 1.

- (5) Evaluation of the current TEN-E framework has clearly shown that this framework, while making a positive contribution to selected projects by giving them political visibility, lacks vision, focus, and flexibility to fill identified infrastructure gaps. ***The Union should therefore step up its efforts to meet future challenges in this field, and due attention should be paid to identifying potential future gaps in energy demand and supply.***
- (6) Accelerating the refurbishment of existing ***energy infrastructure*** and ***the*** deployment of new energy infrastructure is vital to achieve the Union's energy and climate policy objectives, consisting ***of*** completing the internal market in energy, guaranteeing security of supply, ***in particular*** for gas and oil, reducing greenhouse gas emissions by 20 % (30% if the conditions are right), increasing the share of renewable energy in ***■*** final energy consumption to 20 %¹ and achieving a 20 % increase in energy efficiency by 2020 ***whereby energy efficiency gains may contribute to reducing the need for construction of new infrastructures.*** At the same time, the Union has to prepare its infrastructure for further decarbonisation of its energy system in the longer term towards 2050. ***This Regulation should therefore also be able to accommodate possible future Union energy and climate policy objectives.***

¹ Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources (OJ L 140, 5.6.2009, p. 16).

- (7) Despite ***the fact that Directive*** 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity¹ and ***Directive*** 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas² ***provide for an*** internal market in energy, ***the market*** remains fragmented due to insufficient interconnections between national energy networks ***and to the suboptimal utilisation of existing energy infrastructure***. ***However***, Union-wide integrated networks ***and deployment of smart grids*** are vital for ensuring a competitive and ***properly*** functioning integrated market, ***for achieving an optimal utilisation of energy infrastructure, for increased energy efficiency and integration of distributed renewable energy sources and*** for promoting growth, employment and sustainable development.
- (8) The Union's energy infrastructure should be upgraded in order to prevent ***technical failure*** and ***to*** increase its resilience ***against such failure, against*** natural or man-made disasters, adverse effects of climate change and threats to its security, ***in particular as regards*** European critical infrastructures as set out in Council Directive 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection³.

¹ OJ L 211, 14.8.2009, p. 55.

² OJ L 211, 14.8.2009, p. 94.

³ OJ L 345, 23.12.2008, p. 75.

- (8a) *Transporting oil through land pipelines rather than over water can make an important contribution to lowering the environmental risk associated with the transportation of oil.*
- (9) The importance of smart grids in achieving the Union's energy policy objectives has been acknowledged in *the* communication from the Commission *of 12 April 2011* entitled "Smart grids: from innovation to deployment"
- (9a) *Energy storage facilities and reception, storage and regasification or decompression facilities for liquefied natural gas (LNG) and compressed natural gas (CNG) have an increasingly important role to play in the European energy infrastructure. The expansion of such energy infrastructure facilities forms an important component of a well-functioning network infrastructure.*
- (10) *The* communication from the Commission *of 7 September 2011* entitled "The EU Energy Policy: Engaging with Partners beyond Our Borders" underlined the need for the Union to include the promotion of energy infrastructure development in its external relations with a view to supporting ■ socio-economic development beyond the Union borders. The Union should facilitate infrastructure projects linking the Union's energy networks with third-country networks, in particular in neighbouring countries and in countries ■ with which the Union has established specific energy cooperation.

(10a) To ensure voltage and frequency stability, particular attention should be focused on the stability of the European electricity network under the changing conditions caused by the growing inflow of variable renewable energy.

- (11) The investment needs up to 2020 in electricity and gas transmission infrastructures of European relevance have been estimated at about EUR 200 billion. The significant increase in investment volumes compared to past trends and the urgency of implementing the energy infrastructure priorities requires a new approach in the way energy infrastructures, and ***in particular*** those of a cross-border nature, are regulated and financed.
- (12) The Commission Staff Working Paper ***for*** the Transport, Telecommunications and Energy Council of 10 June 2011 entitled "Energy infrastructure investment needs and financing requirements" stressed that approximately half of the total investments needed for the decade up to 2020 are at risk of not being delivered at all or not in time due to obstacles related to ***the*** granting ***of permits***, regulation and financing.

- (13) This Regulation lays down rules for the timely development and interoperability of trans-European energy networks in order to achieve the Treaty's energy policy objectives to ensure the functioning of the internal energy market and security of supply in the Union, to promote energy efficiency and energy saving and the development of new and renewable forms of energy, and to promote the interconnection of energy networks. By pursuing these objectives, this Regulation contributes to smart, sustainable and inclusive growth and brings benefits to the entire Union in terms of competitiveness and economic, social and territorial cohesion.

(13a) It is essential for the development of trans-European networks and their effective interoperability to ensure operational coordination between electricity transmission system operators (TSOs). In order to ensure uniform conditions for the implementation of the relevant provisions of Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity¹ in this respect, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers². The examination procedure should be used for the adoption of the guidelines on the implementation of operational coordination between electricity TSOs at Union level, given that those guidelines will apply generally to all TSOs.

¹ ***OJ L 211, 14.8.2009, p. 15.***

² ***OJ L 55, 28.2.2011, p. 13.***

- (13b) *The Agency for the Cooperation of Energy Regulators (the "Agency") established by Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009¹ is allocated important additional tasks under this Regulation and should be given the right to levy fees for some of these additional tasks.*
- (14) *Following close consultations with all Member States and stakeholders, the Commission has identified 12 strategic trans-European energy infrastructure priorities, the implementation of which by 2020 is essential for the achievement of the Union's energy and climate policy objectives. These priorities cover different geographic regions or thematic areas in the field of electricity transmission and storage, gas transmission, storage and liquefied or compressed natural gas infrastructure, carbon dioxide transport and oil infrastructure.*
- (15) Projects of common interest should **comply with** common, transparent and objective criteria in view of their contribution to the energy policy objectives. For electricity and gas, **in order to be eligible for inclusion in the second and subsequent Union lists**, projects should be part of the latest available ten-year network development plan. This plan should notably take account of the conclusions of the European Council of 4 February 2011 with regard to the need to integrate peripheral energy markets.

¹ OJ L 211, 14.8.2009, p. 1.

- (16) ■ Regional groups should be established for the purpose of proposing *and reviewing* projects of common interest, *leading to the establishment of regional lists of projects of common interest*. In order to ensure broad consensus, these regional groups should ensure close cooperation between Member States, national regulatory authorities, project promoters and relevant stakeholders. The cooperation should rely as much as possible on existing regional cooperation structures of national regulatory authorities and TSOs and other structures established by the Member States and the Commission. *In the context of this cooperation, national regulatory authorities should, when necessary, advise the regional groups, inter alia on the feasibility of the regulatory aspects of proposed projects and on the feasibility of the proposed timetable for regulatory approval.*

- (17) ***In order to ensure that the Union list of projects of common interest ("Union list") is limited to projects which contribute the most to the implementation of the strategic energy infrastructure priority corridors and areas, the power to adopt and review the Union list should be delegated to the Commission in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU), while respecting the right of the Member States to approve projects of common interest related to their territory. According to analysis carried out in the [] impact assessment accompanying the proposal, the number of such projects is estimated at some 100 in the field of electricity and 50 in the field of gas. Taking into account this estimate, and the need to ensure the focus of this Regulation, the total number of projects of common interest should remain manageable, and therefore should not significantly exceed 220. The Commission, when preparing and drawing up delegated acts, should ensure the simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.***

- (17a) A new Union list should be established every two years. Projects of common interest that are completed or that no longer fulfil the relevant criteria and requirements as set out in this Regulation should not appear on the next Union list. For that reason, existing projects of common interest that are to be included in the next Union list should be subject to the same selection process for the establishment of regional lists and for the establishment of the Union list as proposed projects; however, care should be taken to minimise the resulting administrative burden as much as possible, for example by using to the extent possible information submitted previously, and by taking account of the annual reports of the project promoters.*
- (18) Projects of common interest should be implemented as quickly as possible and should be closely monitored and evaluated, while keeping the administrative burden for **project** promoters to a minimum. The Commission should nominate European coordinators for projects facing particular difficulties.

(19) Authorisation procedures should **neither** lead to administrative burdens which are disproportionate to the size or complexity of a project, nor create barriers to the development of the trans-European networks and market access. The **conclusions of the** European Council of 19 February 2009 highlighted the need to identify and remove barriers to investment, including by means of streamlining of planning and consultation procedures. Those conclusions were reinforced by the **conclusions of the** European Council of 4 February 2011 which again underlined the importance **of streamlining** and **improving** authorisation procedures while respecting national competences.

(19a) The planning and implementation of Union projects of common interest in the areas of energy, transport and telecommunication infrastructure should be coordinated to generate synergies whenever to do so makes sense from an overall economic, technical, environmental or spatial planning point of view and with due regard to the relevant safety aspects. Thus when the various European networks are being planned, preference could be given to integrating transport, communication and energy networks in order to ensure that as little land as possible is taken up, whilst ensuring, where possible, that existing or disused routes are reused, in order to reduce to a minimum any negative social, economic, environmental and financial impact.

- (20) Projects of common interest should be given "priority status" at national level to ensure rapid administrative treatment. Projects of common interest ***should*** be considered by competent authorities as being in ***the*** public interest. Authorisation should be given to projects which have an adverse impact on the environment, for reasons of overriding public interest, when all the conditions ■ under ***Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora***¹ and ***Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy***² are met.
- (21) The establishment of a ■ competent authority ***or authorities*** integrating or coordinating all permit granting procedures ("one-stop shop") should reduce complexity, increase efficiency and transparency and help enhance cooperation among Member States. ***Upon its designation, the competent authority should be operational as soon as possible.***
- (22) Despite the existence of established standards for the participation of the public in environmental decision-making procedures, additional measures are needed to ensure ***the*** highest possible standards of transparency and public participation for all relevant issues in the permit granting process for projects of common interest.

¹ ***OJ L 206, 22.7.1992, p. 7.***

² ***OJ L 327, 22.12.2000, p. 1.***

- (23) The correct and coordinated implementation of ***Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment¹***; of ***Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment²***, where applicable, and of the Convention on access to information, public participation in decision-making and access to justice in environmental matters, signed in Aarhus on 25 June 1998 ³ ('the "Aarhus Convention"'), and of the Espoo Convention on environmental impact assessment in a transboundary context (the "Espoo Convention") should ensure the harmonisation of the main principles for the assessment of environmental effects, including in a cross-border context. Member States should coordinate their assessments for projects of common interest, and provide for joint assessments, where possible. ***Member States should be encouraged to exchange best practice and administrative capacity-building for permit granting procedures.***

¹ ***OJ L 26, 28.1.2012, p. 1***

² ***OJ L 197, 21.7.2001, p. 30***

³ Approved on behalf of the European Community by Council Decision 2005/370/EC of 17 February 2005 (OJ 2005 L 124, 17.5.2005 p. 1).

- (24) ***It is important to streamline and improve authorisation procedures. That should be done while respecting - to the extent possible with due regard to the principle of subsidiarity - national competences and procedures for the construction of new infrastructure.*** Given the urgency ***of developing*** energy infrastructures, the simplification of permit granting procedures should be accompanied by a clear time-limit for the decision to be taken by the respective ■ authorities regarding the construction of the project. That time limit should stimulate a more efficient definition and handling of procedures, and should under no circumstances compromise ■ the high standards for the protection of the environment and public participation. ***With regard to the maximum time limits established by this Regulation, Member States could nevertheless strive to further shorten them if feasible. The competent authorities should ensure compliance with the time limits, and Member States should endeavour to ensure that appeals challenging the substantive or procedural legality of a comprehensive decision are handled in the most efficient way possible.***

- (24a) Where Member States consider it appropriate, they may include in the comprehensive decision decisions taken in the context of: negotiations with individual landowners to granting access to, ownership of, or a right to occupy property; spatial planning which determines the general land use of a defined region, includes other developments such as highways, railways, buildings and nature protection areas, and is not undertaken for the specific purpose of the planned project; granting of operational permits. In the context of the permit granting procedures, a project of common interest could include related infrastructure to the extent that it is essential for the construction or functioning of the project.*
- (25) This Regulation, in particular the provisions on permit granting, public participation and **the** implementation of projects of common interest, should apply without prejudice to international and Union law, including provisions to protect the environment and human health, and provisions adopted under the Common Fisheries and Maritime Policy.

- (25a) The costs for the development, construction, operation and maintenance of projects of common interest should in general be fully borne by the users of the infrastructure. Projects of common interest should be eligible for cross-border cost allocation when an assessment of market demand or of the expected effects on the tariffs have indicated that costs cannot be expected to be recovered by the tariffs paid by the infrastructure users.*
- (26) The *basis for the discussion on the appropriate allocation of costs should be the* analysis of the costs and benefits of an infrastructure project on the basis of a harmonised methodology for energy-system-wide analysis, in the framework of the ten-year network development plans prepared by the European Networks of Transmission System Operators *under* Regulation (EC) No 714/2009 and Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks¹, and reviewed by the Agency. *That analysis could take into consideration indicators and corresponding reference values for the comparison of unit investment costs.*

¹ OJ L 211, 14.8.2009, p. 36.

- (27) In an increasingly integrated internal energy market, clear and transparent rules for cost allocation across borders are necessary in order to accelerate investment in cross-border infrastructure. The European Council of 4 February 2011 recalled the importance *of promoting* a regulatory framework attractive to investment in networks, with tariffs set at levels consistent with financing needs and the appropriate cost allocation for cross-border investments, while enhancing competition and competitiveness and taking account of the impact on consumers. *When deciding on cross-border cost allocation, national regulatory authorities should ensure that its impact on national tariffs does not represent a disproportionate burden for consumers. In addition, the national regulatory authorities should avoid the risks of double support for projects by taking into account actual or estimated charges and revenues. Those charges and revenues should be taken into account only insofar as they are designed to cover the costs concerned and as much as possible related to the projects. When an investment request takes into account benefits beyond the borders of the Member States concerned, the national regulatory authorities should consult the TSOs concerned on the project-specific cost-benefit analysis.*

(28) The existing internal energy market law requires that tariffs for access to gas and electricity networks ■ provide appropriate incentives for investment. When applying the internal energy market law, national regulatory authorities should ensure ***a stable and predictable regulatory framework with*** incentives for projects of common interest, including long-term incentives, ***that*** are commensurate with the level of specific risk of the project. This applies ***in particular*** to innovative transmission technologies ***for electricity allowing*** for large scale integration of renewable energy, of distributed energy resources or of demand response in interconnected networks, and to gas transmission infrastructure offering advanced capacity or additional flexibility to the market to allow for short-term trading or back-up supply in case of supply disruptions.

(28a) This Regulation applies only to the granting of permits for, public participation in, and the regulatory treatment of projects of common interest within the meaning set out herein. Member States may nevertheless apply, by virtue of their national law, the same or similar rules to other projects which do not have the status of projects of common interest within the scope of this Regulation. As regards the regulatory incentives, Member States may apply, by virtue of their national law, the same or similar rules to projects of common interest falling under the category of electricity storage.

(28b) Member States that currently do not provide for a legal status of the highest national significance possible that is attributable to energy infrastructure projects in the context of permit granting procedures should consider introducing such a status, in particular by evaluating if this would lead to a quicker permit granting procedure.

(29) The European Energy Programme for Recovery (EEPR), established by Regulation (EU) No 663/2009 of the European Parliament and of the Council of 13 July 2009¹ has demonstrated the added value of leveraging private funding through significant Union financial assistance to allow ***the*** implementation of projects of European significance. The European Council of 4 February 2011 recognised that some energy infrastructure projects may require limited public finance to leverage private funding. In the light of the economic and financial crisis and budgetary constraints, targeted support, through grants and financial instruments, should be developed under the next multiannual financial framework, which will attract new investors into the energy infrastructure priority corridors and areas, while keeping the budgetary contribution of the Union to a minimum. ***The relevant measures should draw on the experience gained during the pilot phase following the introduction of project bonds to finance infrastructure projects.***

¹ OJ L 200, 31.7.2009, p. 31.

- (30) Projects of common interest in the fields of electricity, gas and carbon dioxide should be eligible to receive Union financial assistance for studies and, under certain conditions, for works ***as soon as such funding becomes available*** under the relevant Regulation on a Connecting Europe Facility **I** in the form of grants or in the form of innovative financial instruments. This will ensure ***that*** tailor-made support can be provided to those projects of common interest which are not viable under the existing regulatory framework and market conditions. ***It is important to avoid any distortion of competition, in particular between projects contributing to the achievement of the same Union priority corridor.*** Such financial assistance should ensure the necessary synergies with ***the*** Structural Funds, ***which*** will finance smart energy distribution networks of local or regional importance. ***A three-step logic applies to investments for projects of common interest. First, the market should have the priority to invest. Second, if investments are not made by the market, regulatory solutions should be explored, if necessary the relevant regulatory framework should be adjusted, and the correct application of the relevant regulatory framework should be ensured. Third, where the first two steps are not sufficient to deliver the necessary investments in projects of common interest, Union financial assistance could be granted if the project of common interest fulfils the applicable eligibility criteria.***

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(32) Since the objective of this Regulation, namely the development and interoperability of trans-European energy networks and connection to such networks, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on **■** European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

(32a) Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 should be amended accordingly.

(32b) Decision No 1364/2006/EC should therefore be repealed,

HAVE ADOPTED THIS REGULATION:

CHAPTER I GENERAL PROVISIONS

Article 1 Subject matter and scope

1. This Regulation lays down guidelines for the timely development and interoperability of priority corridors and areas of trans-European energy infrastructure set out in Annex I (*"energy infrastructure priority corridors and areas"*).
2. In particular, this Regulation:
 - (a) *addresses the identification of* projects of common interest necessary to implement **■** priority corridors and areas and falling under the energy infrastructure categories in electricity, gas, oil, and carbon dioxide set out in Annex II (*"energy infrastructure categories"*);

- (b) facilitates the timely implementation of projects of common interest by *streamlining, coordinating more closely, and* accelerating permit granting and *by* enhancing public participation;
- (c) provides rules *and guidance* for *the* cross-border allocation of costs and risk-related incentives for projects of common interest;
- (d) determines *the* conditions for eligibility of projects of common interest for Union financial assistance **■** .

Article 2 Definitions

For the purpose of this Regulation, in addition to the definitions provided for in Directives 2009/28/EC, 2009/72/EC and 2009/73/EC, Regulations (EC) No 713/2009, (EC) No 714/2009, and (EC) No 715/2009, the following definitions shall apply:

- (1) 'energy infrastructure' means any physical equipment *or facility falling under the energy infrastructure categories* which is located within the Union or linking the Union and one or more third countries;
- (2) 'comprehensive decision' means the decision *or set of decisions* taken by a *Member State* authority *or authorities not including courts or tribunals, that determines whether or not a project promoter is to be granted* authorisation to build the energy infrastructure *to realise* a project without prejudice to any *decision* taken in the context of *an* administrative appeal *procedure*;
- (3) 'project' means one or several lines, pipelines, facilities, equipments *or* installations *falling under the energy infrastructure categories* ;
- (4) 'project of common interest' means a project necessary to implement the energy infrastructure priority corridors and areas set out in Annex I *and which is part of the Union list of projects of common interest referred to in Article 3*;

(4a) 'energy infrastructure bottleneck' means limitation of physical flows in an energy system due to insufficient transmission capacity, which includes inter alia the absence of infrastructure;

(5) 'project promoter' means:

- (a) a transmission system operator, distribution system operator or other operator or investor developing a project of common interest; or
- (b) where there are several **TSOs**, distribution system operators, other operators, investors, or any group thereof, the entity with legal personality under the applicable national law, which has been designated by contractual arrangement between them and which has the capacity to undertake legal obligations and assume financial liability on behalf of the parties to the contractual arrangement;

- (5b) *'smart grid' means an electricity network that can cost-efficiently integrate the behaviour and actions of all users connected to it – generators, consumers and those that both generate and consume-, in order to ensure an economically efficient and sustainable power system with low losses and high levels of quality, security of supply and safety;*
- (5c) *'works' means the purchase, supply and deployment of components, systems and services including software, the carrying out of development and construction and installation activities relating to a project, the acceptance of installations and the launching of a project;*
- (5d) *'studies' means activities needed to prepare project implementation, such as preparatory, feasibility, evaluation, testing and validation studies, including software, and any other technical support measure including prior action to define and develop a project and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package;*

- (5e) *'national regulatory authority' means a national regulatory authority designated in accordance with Article 35(1) of Directive 2009/72/EC or Article 39(1) of Directive 2009/73/EC;*
- (5f) *'commissioning' means the process of bringing a project into operation once it has been constructed.*

CHAPTER II PROJECTS OF COMMON INTEREST

Article 3 *Union list* of projects of common interest

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2. *This Regulation establishes twelve Regional **Groups** ("**Groups**") as set out in section 1 of Annex III. The membership of each Group shall be based on each priority corridor and area and their respective geographical coverage as set out in Annex I. **Decision-making powers in the Groups shall be restricted to Member States and the Commission, who shall, for those purposes, be referred to as the decision-making body of the Groups.***

- 2a. *Each Group shall adopt its own rules of procedure, having regard to the provisions set out in Annex III.*
3. *The decision-making body of each Group shall adopt a regional list of proposed projects of common interest drawn up according to the process set out in section 2 of Annex III, according to the contribution of each project to implementing the energy infrastructure priority corridors and areas and according to their fulfilment of the criteria set out in Article 4.*

When a Group draws up its regional list:

- *each individual proposal for a project of common interest shall require the approval of the Member States, to whose territory the project relates; if a Member State decides not to give its approval, it shall present its substantiated reasons for doing so to the Group concerned.*
- *it shall take into account advice from the Commission that is aimed at having a manageable total number of projects of common interest;*

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6a. The Commission shall be empowered to adopt delegated acts in accordance with Article 15b that establish the Union list of projects of common interest ("Union list"), subject to the second paragraph of Article 172 of the Treaty on the Functioning of the European Union (TFEU). The Union list shall take the form of an annex to this Regulation.

In exercising its power, the Commission shall ensure that the Union list is established every two years, on the basis of the regional lists adopted by the decision-making bodies of the Groups as established in Annex III.1(1a), following the procedure set out in paragraph 3 of this Article.

The first Union list shall be adopted by 31 July 2013.

6b. The Commission shall, when adopting the Union list on the basis of the regional lists:

- ensure that only those projects that fulfil the criteria in Article 4 are included;**
- ensure cross-regional consistency, taking into account the opinion of the Agency as referred to in Annex III.2(5f);**

- *take into account any opinions of Member States as referred to in Annex III.2(5c); and*
 - *aim for a manageable total number of projects of common interest on the Union list.*
7. Projects of common interest included on the Union list pursuant to paragraph 6a of this Article shall become an integral part of the relevant regional investment plans under Article 12 of Regulations (EC) No 714/2009 and (EC) No 715/2009 and of the relevant national ten-year network development plans under Article 22 of Directives **2009/72/EC** and **2009/73/EC** and other national infrastructure plans concerned, as appropriate. **Those** projects shall be conferred the highest possible priority within each of those plans.

Article 4
Criteria for projects of common interest

1. Projects of common interest shall meet the following general criteria:
 - (a) the project is necessary for ***at least one of*** the energy infrastructure ■ priority corridors and areas ; ■
 - (b) the ***potential overall benefits of the*** project, ***assessed according to the respective specific criteria in paragraph 2, outweigh its costs, including in the longer term;*** and
 - (c) the project meets any of the following criteria:
 - i) involves at least two Member States ■ by directly crossing the border of ***two*** or more Member States;
 - ii) ***is*** located on the territory of one Member State and ***has*** a significant cross-border impact as set out in Annex IV.1;
 - iii) crosses the border of at least one Member State and an EEA country.***

2. **The** following specific criteria shall apply to projects of common interest falling within specific energy infrastructure categories:
- (a) concerning electricity transmission and storage projects falling under the **energy infrastructure** categories set out in Annex II.1(a) to (d) of, the project shall contribute significantly to at least one of the following specific criteria:
- i) market integration, *inter alia through lifting the isolation of at least one Member State and reducing energy infrastructure bottlenecks*; competition and system flexibility;
 - ii) sustainability, *inter alia through the integration of renewable energy into the grid and the* transmission of renewable generation to major consumption centres and storage sites;
 - iii) *security of supply, inter alia through* interoperability, *appropriate connections* and secure *and reliable* system operation;

- (b) concerning gas projects falling under the ***energy infrastructure*** categories set out in Annex II.2, the project shall contribute significantly to at least one of the following specific criteria:
- i)* market integration, ***inter alia through lifting the isolation of at least one Member State and reducing energy infrastructure bottlenecks;*** interoperability and system flexibility;
 - ii)* security of supply, *inter alia* through ***appropriate connections and*** diversification of supply sources, supplying counterparts and routes;
 - iii)* competition, *inter alia* through diversification of supply sources, supplying counterparts and routes;
 - iv)* sustainability, ***inter alia through reducing emissions, supporting intermittent renewable generation and enhancing deployment of renewable gas;***

- (c) concerning electricity smart grid projects falling under the *energy infrastructure* category set out in Annex II.1(e), the project shall contribute significantly to *all* of the following specific *criteria*:
- i)* integration and involvement of network users with new technical requirements with regard to their electricity supply and demand;
 - ii)* efficiency and interoperability of electricity transmission and distribution in day-to-day network operation;
 - iii)* network security, system control and quality of supply;
 - iv)* optimised planning of future cost-efficient network investments;
 - v)* market functioning and customer services;
 - vi)* involvement of users in the management of their energy usage;

- (d) concerning oil transport projects falling under the ***energy infrastructure*** categories set out in Annex II.3, the project shall contribute significantly to ***all*** of the following ■ specific criteria:
- i)*** security of supply reducing single supply source or route dependency;
 - ii)*** efficient and sustainable use of resources through mitigation of environmental risks;
 - iii)*** interoperability;
- (e) concerning carbon dioxide transport projects falling under the ***energy infrastructure*** categories set out in Annex II.4, the project shall contribute significantly to ***all*** of the following ■ specific criteria:
- i)*** ***the*** avoidance of carbon dioxide emissions ■ while maintaining security of energy supply;
 - ii)*** ***increasing*** the resilience and security of carbon dioxide transport;
 - iii)*** ***the*** efficient use of resources, by enabling the connection of multiple ***carbon dioxide*** sources and storage sites via common infrastructure and minimising environmental burden and risks.

3. Concerning projects falling under the ***energy infrastructure*** categories set out in Annex II.1 to 3, the criteria listed in this Article shall be assessed in accordance with the indicators set out in Annex IV.2 to 5.
4. ***In order to facilitate the assessing of all projects that could be eligible as projects of common interest and that could be included in a regional list, each Group shall assess each project's contribution to the implementation of the same priority corridor or area in a transparent and objective manner. Each Group shall determine its assessment method on the basis of the aggregated contribution to the criteria referred to in paragraph 2; this assessment shall lead to a ranking of projects for internal use of the Group. Neither the regional list nor the Union list shall contain any ranking, nor shall the ranking be used for any subsequent purpose except as described in Annex III.2(5h).***

When assessing projects, each Group shall furthermore give due consideration ■ to:

- (a) the urgency of each proposed project in order to meet the *Union* energy policy targets of market integration, *inter alia through lifting the isolation of at least one Member State* and competition, sustainability and security of supply;
- (b) the number of Member States affected by each project, *whilst ensuring equal opportunities for projects involving peripheral Member States*;
- (ba) *the contribution of each project to territorial cohesion*, and
- (c) complementarity with regard to other proposed projects.

For *smart grids* projects falling under the *energy infrastructure* category set out in Annex II.1(e), *ranking shall be carried out for those projects that affect the same two Member States, and* due consideration shall also be given to the number of users affected by the project, the annual energy consumption and the share of generation from non-dispatchable resources in the area covered by these users.

Article 5
Implementation and monitoring

1. Project promoters shall ***draw up an implementation plan for*** projects of common interest, ■ including a timetable for:
 - a) feasibility and design studies;
 - b) ■ approval ***by the national regulatory authority or by any other authority concerned;***
 - c) construction and commissioning;
 - d) the permit granting schedule referred to in Article 11(2)(b).
- 1a. TSOs, distribution system operators and other operators shall co-operate with each other in order to facilitate the development of*** projects of common interest in their area.

2. The Agency and the Groups *concerned* shall monitor the progress achieved in implementing the projects of common interest *and, if necessary, make recommendations to facilitate the implementation of projects of common interest*. The Groups may request *that* additional information *be* provided in accordance with paragraphs 3, 4 and 5, **■** convene meetings with the relevant parties *and invite the Commission to verify the information provided on site*.
3. By **■** 31 March of each year following the year of inclusion of a project of common interest on the Union list pursuant to *Article 3*, project promoters shall submit an annual report, for each project falling under the categories set out in Annex II.1 and 2, *to the competent authority referred to in Article 9 and either* to the Agency or, for projects falling under the categories set out in Annex II.3 and 4, to the respective Group. That report shall give details of:
 - (a) the progress achieved *in* the development, construction and commissioning of the project, *in particular* with regard to permit granting and consultation procedures;
 - (b) where relevant, delays compared to the implementation plan, *the reasons for such delays* and other difficulties encountered;

(ba) where relevant, a revised plan aiming at overcoming the delays.

4. Within three months of the receipt of the annual reports *referred to in paragraph 3 of this Article*, the Agency shall submit to the Groups a consolidated report for the projects of common interest falling under the categories set out in Annex II.1 and 2, evaluating the progress achieved and *make*, where appropriate, *recommendations on how* to overcome the delays and difficulties encountered. *That consolidated report* shall also *evaluate*, in accordance with the provisions of Article 6(8) and (9) of Regulation (EC) No 713/2009, the consistent implementation of the Union-wide network development plans with regard to the energy infrastructure priority corridors and areas.
5. Each year, the competent authorities referred to in Article 9 shall **■** report to the respective Group on the *progress* and, where relevant, *on* delays in the implementation of projects of common interest located on their respective territory *with regard to the permit granting process, and the reasons for such delays*.

6. If the commissioning of a project of common interest is delayed **■** compared to the implementation plan, *other than for overriding reasons beyond the control of the project promoter:*
- (a) *in so far as measures referred to in Article 22(7) (a), (b) or (c) of Directives 2009/72/EC and 2009/73/EC are applicable according to respective national laws, national regulatory authorities shall ensure that the investment is carried out;*
 - (b) *if the measures of national regulatory authorities according to point (a) are not applicable, the project promoter shall choose a third party to finance or construct all or part of the project. The project promoter shall do so before the delay compared to the date of commissioning in the implementation plan exceeds two years;*
 - (ba) *if a third party is not chosen according to point (b), the Member State or, when the Member State has so provided, the national regulatory authority may, within two months of the expiry of the period referred to in point (b), designate a third party to finance or construct the project which the project promoter shall accept;*

- (c) *if the delay compared to the date of commissioning in the implementation plan exceeds two years and two months, the Commission, subject to the agreement and with the full cooperation of the Member States concerned, may launch a call for proposals open to any **third party capable of becoming a** project promoter to build the project according to an agreed timeline;*
- (ca) *when points (ba) or (c) are applied, the system operator in whose area the investment is located shall provide the implementing operators or investors or third party with all the information needed to realise the investment, shall connect new assets to the transmission network and shall generally make its best efforts to facilitate the implementation of the investment and the secure, reliable and efficient operation and maintenance of the project of common interest.*
7. A project of common interest may be removed from the Union **list** according to the procedure set in **Article 3(6a)** if *its* inclusion in *that* list **was** based on incorrect information which was a determining factor for *that inclusion* , *or* the project does not comply with **Union law**.

- 7a. Projects which are *no longer on* the Union list *shall* lose all rights and obligations *linked to the status of project of common interest* arising from this Regulation .

However, a project which is no longer on the Union list but for which an application file has been accepted for examination by the competent authority shall maintain the rights and obligations arising from Chapter III, except where the project is no longer on the list for the reasons set out in paragraph 7.

- 7b. This Article shall be without prejudice to any Union *financial assistance granted* to any project of common interest prior to its removal from the Union list.

Article 6 European coordinators

1. Where a project of common interest encounters significant implementation difficulties, the Commission may designate, *in agreement with the Member States concerned*, a European coordinator for a period of up to one year renewable twice.

2. The European coordinator shall ■ :
- (a) promote the projects, for which he ■ has been designated European coordinator and the cross-border dialogue between the project promoters and all concerned stakeholders;
 - (b) assist all parties as necessary in consulting concerned stakeholders and obtaining necessary permits for the projects;
 - (ba) if appropriate, advise project promoters on the financing of the project;**
 - (c) ensure that appropriate support and strategic direction by the Member States concerned are provided for the preparation and implementation of the projects;
 - (d) submit every year, **and if appropriate, upon completion of their mandate**, a report to the Commission on the progress of the projects and on any difficulties and obstacles which are likely to significantly delay the commissioning date of the projects. The Commission shall transmit the report to the ■ Groups **concerned** and the European Parliament.

3. The European coordinator shall be chosen on the basis of his ■ experience with regard to the specific tasks assigned to him ■ for the ■ projects *concerned*.
4. The decision designating the European coordinator shall specify the terms of reference, detailing the duration of the mandate, the specific tasks and corresponding deadlines, and the methodology to be followed. The coordination effort shall be proportionate to the complexity and estimated costs of the projects.
5. The Member States concerned shall *fully* cooperate with the European coordinator in his ■ execution of the tasks referred to in *paragraphs* 2 and 4.

CHAPTER III
PERMIT GRANTING AND PUBLIC PARTICIPATION

Article 8

‘Priority status’ of projects of common interest

2. The adoption of the Union **■** list shall establish, *for the purposes of any decisions issued in the permit granting process*, the **■** necessity of these projects *from an energy policy perspective, without prejudice to the exact location, routing or technology of the project*.
3. For the purpose of ensuring efficient administrative processing of the *application*, files related to projects of common interest, project promoters and all authorities concerned shall ensure that the most *rapid* treatment *legally* possible is given to these files **■**.

- 3a. ***Where such status exists in national law***, projects of common interest shall be allocated the status of the highest national significance possible and be treated as such in permit granting procedures - ***and if national law so provides, in spatial planning - including those relating to environmental assessments***, in the manner such treatment is provided for in national law applicable to the corresponding type of energy infrastructure.
- 3b. ***By ...****, the Commission shall issue non-binding guidance to support Member States in defining adequate legislative and non-legislative measures to streamline the environmental assessment procedures and to ensure the coherent application of environmental assessment procedures required under Union law for projects of common interest.
- 3c. ***Member States shall assess, taking due account of the guidance from the Commission referred to in paragraph 3b, which measures to streamline the environmental assessment procedures and to ensure their coherent application are possible, and shall inform the Commission of the result.***

**** OJ: Please insert date- three months after the entry into force of this Regulation.***

- 3d. *By nine months from the date of issue of the guidance referred to in paragraph 3b Member States shall take the practical, non-legislative measures that they have identified under paragraph 3c.*
4. *By 24 months from the date of issue of the guidance referred to in paragraph 3b, Member States shall take the legislative measures that they have identified under paragraph 3c.* These measures shall be without prejudice to obligations resulting from Union law.



5. With regard to the environmental impacts addressed in Article 6(4) of Directive 92/43/EEC and Article 4(7) of Directive 2000/60/EC, projects of common interest shall be considered as being of public interest *from an energy policy perspective*, and may be considered as being of "overriding public interest", provided that all the conditions foreseen in these Directives are fulfilled.

Should the opinion of the Commission be required in accordance with Directive 92/43/EEC, the Commission and the competent authority referred to in Article 9 of this Regulation shall ensure that the decision with regard to the "overriding public interest" of a project is taken within the time limit pursuant to Article 11 (1) of this Regulation.

Article 9

Organisation of the permit granting process

1. **By ...***, each Member State shall designate one national competent authority which shall be responsible for facilitating and coordinating the permit granting process for projects of common interest ■ .
 - 1a. ***The responsibility of the competent authority referred to in paragraph 1 and/or the tasks related to it may be delegated to, or carried out by, another authority, per project of common interest or per particular category of projects of common interest, provided that:***
 - (a) ***the competent authority notifies the Commission of that delegation and the information therein is published by either the competent authority or the project promoter on the website referred to in Article 10(7);***

* ***OJ : Please insert date- six months after the entry into force of this Regulation.***

- (b) *only one authority is responsible per project of common interest, is the sole point of contact for the project promoter in the process leading to the comprehensive decision for a given project of common interest, and coordinates the submission of all relevant documents and information.*

The competent authority may retain the responsibility to establish time limits, without prejudice to the time limits set in accordance with Article 11.

2. Without prejudice to relevant requirements under Union and international law, the competent authority shall *take actions to facilitate the issuing of* the comprehensive decision. *The comprehensive decision shall be issued* within the time limit referred to in Article 11(1) *and (1a) and* according to one of the **following** schemes.

- (a) integrated scheme: the comprehensive decision *shall be* issued by the competent authority *and shall be* the sole legally binding decision resulting from the statutory permit granting procedure. Where other authorities are concerned by the project, they may, in accordance with national law, give their opinion as input to the procedure, which shall be taken into account by the competent authority.

- (b) coordinated scheme: the comprehensive decision ***comprises*** multiple individual legally binding decisions issued by ***several authorities concerned, which shall be coordinated by*** the competent authority. The competent authority ***may*** establish ***a working group where all concerned authorities are represented in order to draw up a permit granting schedule in accordance with Article 11(2)(b), and to monitor and coordinate its implementation. The competent authority shall, in consultation with the other authorities concerned, where applicable in accordance with national law, and without prejudice to time limits set in accordance with Article 11, establish on a case-by-case basis a reasonable time limit within which the individual decisions shall be issued.*** The competent authority may take an individual decision on behalf of another national authority concerned, if the decision by that authority is not delivered within the time limit and if the delay cannot be adequately justified; ***or, where provided under the law of a Member State, and to the extent that this is compatible with Union law, the competent authority may consider that another national authority concerned has either given its approval or refusal for the project if the decision by that authority is not delivered within the time limit. Where provided under the law of a Member State, the competent authority may disregard*** an individual decision of another national authority ***concerned*** if it considers that the decision is not sufficiently substantiated with regard to the underlying evidence presented by the ***national*** authority concerned; ***when doing so, the*** competent authority shall ensure that the relevant requirements under international and Union law are respected and ***shall*** duly justify its decision.

(ba) collaborative scheme: the comprehensive decision shall be coordinated by the competent authority. The competent authority shall, in consultation with the other authorities concerned, where applicable in accordance with national law, and without prejudice to time limits set in accordance with Article 11, establish on a case-by-case basis a reasonable time limit within which the individual decisions shall be issued. It shall monitor compliance with the time limits by the authorities concerned.

If an individual decision by an authority concerned is not expected to be delivered within the time limit, that authority shall inform the competent authority without delay and include a justification for the delay. Subsequently, the competent authority shall reset the time limit within which that individual decision shall be issued, whilst still complying with the overall time limits set in accordance with Article 11.

Acknowledging the national specificities in planning and permit granting procedures, Member States may choose among those three schemes to facilitate and coordinate their procedures and shall opt to implement the most effective scheme. When a Member State chooses the collaborative scheme, it shall inform the Commission of its reasons therefor. The Commission shall undertake an evaluation of the effectiveness of the schemes in the report referred to in Article 16.

- 2a. *However, Member States may apply different schemes as set out in paragraph 2 to onshore and offshore projects of common interest.*
3. If a project of common interest requires decisions to be taken in two or more Member States, the respective competent authorities shall take all necessary steps for efficient and effective cooperation and coordination among themselves, including *as regards* the provisions referred to in Article 11(2). Member States shall endeavour to provide for joint procedures, particularly with regard to the assessment of environmental impacts.

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Article 10
Transparency and public participation

1. ***By ...*, the Member State or competent authority shall, where applicable in collaboration with other authorities concerned, publish a manual of procedures for the permit granting process applicable to projects of common interest. The manual shall be updated as necessary and made available to the public. The manual shall at least include the information specified in Annex VI.1. The manual shall not be legally binding, but it may refer to or quote relevant legal provisions.***
2. Without prejudice to any requirements under the Aarhus and Espoo Conventions and relevant Union law, all parties involved in the permit granting process shall follow the principles for public participation set out in of Annex VI.2.

* OJ: Please insert date - **12** months after the entry into force of this Regulation.

3. The project promoter shall, within *an indicative period of* three months of the start of the permit granting process pursuant to Article 11(1)(a), develop and submit a concept for public participation to the competent authority, *following the process outlined in the manual and in line with the guidelines set out in Annex VI*. The competent authority shall request modifications or approve the concept for public participation within *three months; in so doing , the competent authority shall take into consideration any form of public participation and consultation that took place before the start of the permit granting process, to the extent that such public participation and consultation has fulfilled the requirements of this Article*.

Where the project promoter intends to make significant changes to an approved concept, it shall inform the competent authority thereof. In that case the competent authority may request modifications.

4. At least one public consultation shall be carried out by the project promoter, or, where required by national law, by the competent authority, before submission of the ***final and complete*** application file to the competent authority pursuant to Article 11(1)(a). ***This shall be without prejudice to any public consultation to be carried out after submission of the request for development consent according to Article 6(2) of Directive 2011/92/EU*** The public consultation shall inform stakeholders referred to in Annex VI.2(a) about the project at an early stage and ***shall help to*** identify the most suitable location or trajectory and the relevant issues to be addressed in the application file. The minimum requirements of this public consultation are specified in Annex VI.4.

The project promoter shall prepare a report summarising the results of activities related to the participation of the public prior to the submission of the application file, ***including those activities that took place before the start of the permit granting process***. The project promoter shall submit that report together with the application file to the competent authority. ***Due*** account ***shall be taken*** of these results ***in*** the comprehensive decision.

5. For projects crossing the border of two or more Member States, the public consultations pursuant to paragraph 4 in each of the Member States concerned shall take place within a period of no more than two months from the date on which the first public consultation started.
6. For projects likely to have significant adverse cross-border impacts in one or more neighbouring Member States, where Article 7 of Directive **2011/92/EU** and the Espoo Convention are applicable, the relevant information shall be made available to the competent authority of the neighbouring Member States. The competent authority of the neighbouring Member States shall indicate, ***in the notification process where appropriate***, whether it, ***or any other authority concerned***, wishes to participate in the relevant public consultation procedures.

7. The project promoter, or, where national law so provides, the competent authority, shall establish and regularly update a website with relevant information about the project of common interest, which shall be linked to the Commission website and which shall meet the requirements specified in Annex VI.5. Commercially sensitive information shall be kept confidential.

Project promoters shall also publish relevant information by other appropriate information means to which the public has open access.

Article 11

Duration and implementation of the permit granting process

1. The ■ permit granting process shall consist of two procedures ■ :

- (a) The pre-application procedure, covering the period between the start of the permit granting process and the acceptance of the submitted application file by the competent authority, shall ***take place within an indicative period of*** two years.

This procedure shall include the preparation of any environmental reports to be prepared by the project promoters.

For the purpose of establishing the start of the permit granting process, the project promoters shall notify the project to the competent authority of the Member States concerned in written form, and shall include a reasonably detailed outline of the project. No later than ***three months*** following the receipt of the notification, the competent authority shall, ***including on behalf of other authorities concerned, acknowledge*** or, if it considers the project as not mature enough to enter the permit granting process, ***reject*** the notification in written form. In the event of a ***rejection***, the competent authority shall justify its decision, ***including on behalf of other authorities concerned***. The date of signature of the ***acknowledgement*** of the notification by the competent authority shall serve as the start of the permit granting process. Where two or more Member States are concerned, the date of the acceptance of the last notification by the competent authority concerned shall serve as the date of the start of the permit granting process.

- (b) The statutory permit granting procedure, covering the period from the *date of* acceptance of the submitted application file until the **■** comprehensive decision *is taken*, shall not exceed one year *and six months*. Member States may set an earlier date for the time-limit if considered appropriate.
- 1a. The combined duration of the two procedures referred to in paragraph 1 shall not exceed a period of three years and six months. However, where the competent authority considers that one or both of the two procedures of the permit granting process will not be completed before the time limits as set out in paragraph 1, it may decide, before their expiry and on a case by case basis, to extend one or both of the time limits by a maximum of nine months for both procedures combined.*

In that case, the competent authority shall inform the Group concerned and present to the Group concerned the measures taken or to be taken to conclude the permit granting process with in the shortest possible time. The Group may request the competent authority to report regularly on progress achieved in this regard.

- 1b. In Member States where the determination of a route or location undertaken solely for the specific purpose of a planned project, including the planning of specific grid corridors, cannot be included in the process leading to the comprehensive decision, the corresponding decision shall be taken within a separate period of six months, starting on the date of submission of the final and complete application documents by the promoter.**

In that case, the extension period referred to in paragraph 1a shall be reduced to six months, including for the procedure referred to in this paragraph.

- 2. The pre-application procedure shall comprise the following steps:**

- (a) upon the acknowledgement of the notification** pursuant to paragraph 1(a), the competent authority shall identify, in close cooperation with the other authorities concerned, **and where appropriate on the basis of a proposal by the project promoter**, the scope of material and level of detail of information to be submitted by the project promoter, as part of the application file, to apply for the comprehensive decision. The checklist referred to in Annex VI.1(e) shall serve as a basis for this identification. ■

- (b) *the competent authority shall draw up, in close cooperation with the project promoter and other authorities concerned and taking into account the results of the activities carried out under paragraph 2, a detailed schedule for the permit granting process in line with the provisions set out in Annex VI.(1a).*

For projects crossing the border between two or more Member States, the competent authorities of the Member States concerned shall *prepare a joint schedule, in which they endeavour to* align their timetables **I**.

- (c) *upon receipt of the draft application file, the competent authority shall, if necessary, and including on behalf of other authorities concerned, make further requests regarding missing information to be submitted by the project promoter, which may only address subjects identified under point (a). Within three months of the submission of the missing information, the competent authority shall accept for examination the application in written form. Requests for additional information may only be made if they are justified by new circumstances.*

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4. The project promoter shall ensure the completeness and adequate quality of the application file and seek the competent authority's opinion on this as early as possible during the pre-application procedure. The project promoter shall cooperate **fully** with the competent authority to meet deadlines and comply with the detailed schedule as defined in paragraph 2(b).

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7. The time limits laid down in this Article shall be without prejudice to obligations arising from international and Union law, ***and without prejudice to administrative appeal procedures and judicial remedies before a court or tribunal.***

CHAPTER IV REGULATORY TREATMENT

Article 12 Energy system wide cost-benefit analysis

1. ***By ...****, the European Network of Transmission System Operators (ENTSO) for Electricity and the ENTSO for Gas shall ***publish and*** submit to the Agency, **■** the Commission ***and Member States*** their respective ***methodologies***, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level for projects of common interest falling under the categories set out in Annex II.1(a) to (d) and Annex II.2. ***Those methodologies shall be applied for the preparation of each subsequent ten-year network development plan developed by the ENTSO for Electricity or the ENTSO for Gas pursuant to Article 8 of Regulation (EC) No 714/2009 and Article 8 of Regulation (EC) No 715/2009.*** The ***methodologies*** shall be elaborated in line with the principles laid down in Annex V ***and be consistent with the rules and indicators set out in Annex IV.***

* ***OJ: Please insert date- six months after the entry into force of this Regulation.***

Prior to submitting their respective methodologies, the ENTSOs shall conduct an extensive consultation process involving at least the organisations representing all relevant stakeholders - and, if deemed appropriate, the stakeholders themselves -, national regulatory authorities and other national authorities.

2. Within three months of the day of receipt of the ***methodologies***, the Agency **■** shall provide an opinion to the Commission ***and Member States*** on the ***methodologies and publish it***.
3. Within three months of the receipt of the opinion of the Agency, the Commission shall, ***and Member States may***, deliver an opinion on the ***methodologies***. ***The opinions shall be submitted to the ENTSO for Electricity or the ENTSO for Gas.***
4. Within three months of the day of receipt of the ***last*** opinion ***received under paragraph 3***, the ENTSO for Electricity and the ENTSO for Gas shall adapt their ***methodologies taking due account of the Commission's opinion, the Agency's opinion and the opinions of Member States received***, and submit it to the Commission for approval.

5. Within two weeks of the approval by the Commission, the ENTSO for Electricity and the ENTSO for Gas shall publish ***their respective methodologies*** on their websites. They shall transmit the corresponding input data sets as defined in Annex V.1 and other relevant network, load flow and market data in a sufficiently accurate form according to national law and relevant confidentiality agreements to the Commission and the Agency, upon request. The data shall be valid at the date of the request. The Commission and the Agency shall ensure the confidential treatment of the data received, by themselves and by any party carrying out analytical work for them on the basis of those data.
6. The methodologies shall be updated and improved regularly by following the procedure laid down in paragraphs 1 to 5. The Agency, ***on its own initiative or upon a duly reasoned request by national regulatory authorities or stakeholders, and*** after formally consulting the organisations representing all relevant stakeholders and the Commission, may request such updates and improvements with due justification and timescales. ***The Agency shall publish the requests by national regulatory authorities or stakeholders and all relevant non commercially sensitive documents leading to a request from the Agency for an update or improvement.***

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- 7a. *By ...^{*}, national regulatory authorities cooperating in the framework of the Agency shall establish and make publicly available a set of indicators and corresponding reference values for the comparison of unit investment costs for comparable projects of the infrastructure categories included in Annex II.1 and 2. Those reference values may be used by the ENTSO for Electricity and the ENTSO for Gas for the cost-benefit analyses carried out for subsequent ten-year network development plans.*
8. By 31 December 2016, the ENTSO for Electricity and the ENTSO for Gas shall jointly submit to the Commission and the Agency **a consistent and interlinked** electricity and gas market and network model including both electricity and gas transmission **infrastructure as well as storage and LNG facilities**, covering the energy infrastructure priority corridors and areas and elaborated in line with the principles laid down in Annex V. After approval of this model by the Commission according to the procedure set out in paragraphs 2 to 4, it shall be included in the methodologies.

^{*} ***OJ: Please insert date -two years after the entry into force of this Regulation.***

Article 13
Enabling investments with cross-border impacts

1. The *efficiently incurred* investment costs, *which excludes maintenance costs*, related to a project of common interest falling under the categories set out in Annex II.1(a), (b) and (d) and Annex II.2 shall be borne by the *relevant* transmission system operators *or the project promoters of the transmission infrastructure* of the Member States to which the project provides a net positive impact, and, *to the extent not covered by congestion rents or other charges*, be paid for by network users through tariffs for network access *in that or those Member States*.
- 1b. *For a project of common interest falling under the categories set out in Annex II.1(a), (b) and (d) and Annex II.2, the provisions of paragraph 1 shall apply only if at least one project promoter requests the relevant national authorities to apply this Article for all or parts of the costs of the project. In addition, for a project of common interest falling under the categories set out in Annex II.2, the provisions of paragraph 1 shall apply only where an assessment of market demand has already been carried out and indicated that the efficiently incurred investment costs cannot be expected to be covered by the tariffs.*

Where a project has several promoters, the relevant national regulatory authorities shall without delay request all promoters to submit the investment request jointly according to paragraph 4.

4. *For a project of common interest to which the provisions of paragraph 1 are applied, the **project** promoters ■ shall keep all concerned national regulatory authorities regularly informed, **at least once per year, and until the project is commissioned**, of the progress of that project and the identification of costs and impacts associated with it.*

As soon as *such* a project ■ has reached sufficient maturity, the project *promoters, after having consulted the TSOs from those Member States to which the project provides a significant net positive impact*, shall submit an investment request. *That investment request shall include a request for a cross-border cost allocation and shall be submitted to all the national regulatory authorities concerned*, accompanied by the following:

- (a) a ***project-specific*** cost-benefit analysis ***consistent with*** the methodology elaborated pursuant to Article 12 ***and taking into account benefits beyond the borders of the Member State concerned***; and
 - (b) a business plan evaluating the financial viability of the project, including the chosen financing solution, and, for ***a project*** of common interest falling under the category referred to in point 2 of ***Annex II***, the results of market testing;
- (ba) if the project promoters agree, a substantiated proposal for a cross-border cost allocation.***

If a project is promoted by several operators or investors, they shall submit their investment request jointly.

For projects included in the first Union list, project promoters shall submit their investment request by 30 September 2013.

A copy of each investment request shall be transmitted for information without delay by the national regulatory authorities to the Agency on receipt.

The national regulatory authorities and the Agency shall preserve the confidentiality of commercially sensitive information.

5. Within six months of the date on which the last investment request was received by the national regulatory authorities concerned, the national regulatory authorities shall, after consulting of the project promoters concerned, take *coordinated decisions* on the allocation of investment costs to be borne by each system operator for the project, as well as their inclusion in ■ tariffs. The national regulatory authorities may decide to allocate only part of the costs, or *may decide* to allocate costs among a package of several projects of common interest.

When allocating the costs, the national regulatory authorities shall take into account actual or estimated:

- ***congestion rents or other charges;***
- ***revenues stemming from the inter-transmission system operator compensation mechanism established under Article 13 of Regulation (EC) No 714/2009.***

In deciding to allocate costs across borders, the economic, social and environmental costs and benefits of the projects in the Member States concerned and the possible need for financial support shall be taken into account.

In deciding to allocate costs across borders, the relevant national regulatory authorities, in consultation with the TSOs concerned, shall seek a mutual agreement based on, but not limited to, the information specified in paragraph 4(a) and (b).

If a project of common interest mitigates negative externalities, such as loop flows, and that project of common interest is implemented in the Member State at the origin of the negative externality, such mitigation shall not be regarded as a cross-border benefit and shall therefore not constitute a basis for allocating costs to the transmission operator of the Member States affected by those negative externalities.

- 5a. National regulatory authorities shall, *based on the cross-border cost allocation as referred to in paragraph 5 of this Article*, take into account actual costs incurred by a transmission system operator or other project promoter as a result of the investments **■** when fixing or approving tariffs in accordance with Article 37(1)(a) of Directive 2009/72/EC and Article 41(1)(a) of Directive 2009/73/EC, insofar as these costs correspond to those of an efficient and structurally comparable operator.

The *cost allocation* decision shall be notified, without delay, by the national regulatory authorities to the Agency, together with all the relevant information with respect to the decision. In particular, the information shall contain detailed reasons on the basis of which costs were allocated among Member States, such as the following:

- (a) an evaluation of the identified impacts, including concerning network tariffs, on each of the concerned Member States;
- (b) an evaluation of the business plan referred to in paragraph 4(b);
- (c) regional or Union-wide positive externalities, which the project would generate;
- (d) the result of the consultation of the project promoters concerned.

The *cost* allocation decision shall be published.

6. Where the national regulatory authorities concerned have not reached an agreement on the investment request within six months of the date on which the request was received by the last of the national regulatory authorities concerned, they shall inform the Agency without delay.

In this case or upon a joint request from the national regulatory authorities concerned, the decision on the investment request including cross-border cost allocation referred to in paragraph 4 as well as the way the cost of the investments are reflected in the tariffs shall be taken by the Agency within three months of the date of referral to the Agency.

Before taking such a decision, the Agency shall consult the national regulatory authorities concerned and the project promoters. The three-month period referred to in the second subparagraph may be extended by an additional period of two months where further information is sought by the Agency. That additional period shall begin on the day following receipt of the complete information.

The *cost* allocation decision shall be published. ***Articles 19 and 20 of Regulation (EC) No 713/2009 shall be applicable.***

7. A copy of all ***cost allocation*** decisions, together with all the relevant information with respect to each decision, shall be notified, without delay, by the Agency to the Commission. That information may be submitted in aggregate form. The Commission shall preserve the confidentiality of commercially sensitive information.
8. This cost allocation decision shall not affect the right of ***TSOs*** to apply and national regulatory authorities to approve charges for access to networks in accordance with Article 32 of Directive 2009/72/EC and of Directive 2009/73/EC, Article 14 of Regulation (EC) No 714/2009, and Article 13 of Regulation (EC) No 715/2009.

8a. *The provisions of this Article shall not apply to projects of common interest having received:*

- *an exemption from Articles 32, 33, 34 and Article 41(6), (8) and (10) of Directive 2009/73/EC pursuant to Article 36 of Directive 2009/73/EC, or***
- *an exemption from Article 16(6) of Regulation (EC) No 714/2009 or an exemption from Articles 32 and 37(6) and (10) of Directive 2009/72/EC pursuant to Article 17 of Regulation (EC) No 714/2009, or***
- *an exemption under Article 22 of Directive 2003/55/EC¹, or***
- *an exemption under Article 7 of Regulation (EC) No 1228/2003².***

¹ ***Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas (OJ L 176, 15.7.2003, p. 57).***

² ***Regulation (EC) No 1228/2003 of the European Parliament and of the Council of 26 June 2003 on conditions for access to the network for cross-border exchanges in electricity (OJ L 176, 15.7.2003, p. 1).***

Article 14
Incentives

1. Where a project promoter incurs higher risks for the development, construction, operation or maintenance of a project of common interest falling under the categories set out in Annex II.1(a), (b) and (d) and Annex II.2, compared to the risks normally incurred by a comparable infrastructure project, **Member States and** national regulatory authorities shall ensure that appropriate incentives are granted to that project **in accordance with** Article 37(8) of Directive 2009/72/EC, Article 41(8) of Directive 2009/73/EC, Article 14 of Regulation (EC) No 714/2009, and Article 13 of Regulation (EC) No 715/2009.

The first subparagraph shall not apply where the project of common interest has received:

- ***an exemption from Articles 32, 33, 34 and Article 41(6), (8) and (10) of Directive 2009/73/EC pursuant to Article 36 of Directive 2009/73/EC, or***

- *an exemption from Article 16(6) of Regulation (EC) No 714/2009 or an exemption from Articles 32 and 37(6) and (10) of Directive 2009/72/EC pursuant to Article 17 of Regulation (EC) No 714/2009, or*
 - *an exemption under Article 22 of Directive 2003/55/EC, or*
 - *an exemption under Article 7 of Regulation (EC) No 1228/2003.*
2. The decision of the national regulatory authorities for granting such incentives shall consider the results of the cost-benefit analysis on the basis of the methodology elaborated pursuant to Article 12 and in particular the regional or Union-wide positive externalities generated by the project. The national regulatory authorities shall further analyse the specific risks incurred by the project promoters, the risk mitigation measures taken and the justification of this risk profile in view of the net positive impact provided by the project, when compared to a lower-risk alternative. Eligible risks shall notably include risks related to new transmission technologies, both onshore and offshore, risks related to under-recovery of costs and development risks.

3. The incentive granted by the decision shall take account of the specific nature of the risk incurred and *may* cover *inter alia*:
- (a) the rules for anticipatory investment; or
 - (b) the rules for recognition of efficiently incurred costs before commissioning of the project; or
 - (c) the rules for providing additional return on the capital invested for the project; or
 - (d) the any other measure deemed necessary and appropriate.

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5. By 31 July 2013, *where available*, each national regulatory authority *shall submit to the Agency* its methodology and the criteria used to evaluate investments in electricity and gas *infrastructure* projects and the higher risks incurred by them.

- 5a.** By 31 December 2013, *taking due account of the information received pursuant to paragraph 5 of this Article*, the Agency shall *facilitate the sharing of good practices and make recommendations* in accordance with Article 7(2) of Regulation (EC) No 713/2009 regarding:
- (a) the incentives referred to in paragraph 1 on the basis of a benchmarking of best practice by national regulatory authorities;
 - (b) a common methodology to evaluate the incurred higher risks of investments in electricity and gas *infrastructure* projects.
- 5b.** *By 31 March 2014 each national regulatory authority shall publish its methodology and the criteria used to evaluate investments in electricity and gas infrastructure projects and the higher risks incurred by them.*

6. *Where the measures referred to in paragraphs 5a and 5b are not sufficient to ensure the timely implementation of projects of common interest, the* Commission may issue guidelines regarding the incentives laid down in this Article■ .

CHAPTER V FINANCING

Article 15

Eligibility of projects for Union financial assistance

1. Projects of common interest falling under the categories set out in Annex II.1, 2 and 4 are eligible for Union financial *assistance* in the form of grants for studies and financial instruments■ .
2. Projects of common interest falling under the categories set out in Annex II.1(a) to (d) and Annex II.2, except for hydro-pumped electricity storage projects, *are* also eligible for Union financial *assistance* in the form of grants for works■ if they fulfil the following criteria:

- (a) the project specific cost-benefit analysis pursuant to Article 13(4)(a) provides evidence concerning the existence of significant positive externalities, such as security of supply, solidarity or innovation; and
- (b) *the project has received a cross-border cost allocation decision pursuant to Article 13; or, for projects of common interest falling under category 1(c) of Annex II and that therefore do not receive a cross-border cost allocation decision, the project shall aim to provide services across borders, bring technological innovation and ensure the safety of cross-border grid operation; and*
- (c) the project is commercially not viable according to the business plan and other assessments carried out, notably by possible investors or creditors *or the national regulatory authority*. The decision on incentives and its justification referred to in Article 14(2) shall be taken into account when assessing the project's commercial viability.

- 2a. *Projects of common interest carried out in accordance with the procedure referred to in Article 5(6)(c) shall also be eligible for Union financial assistance in the form of grants for works if they fulfil the criteria set out in paragraph 2 of this Article.*
3. Projects of common interest falling under the categories set out in Annex II.1(e) and 4 shall be also eligible for Union financial **assistance** in the form of grants for works , if the concerned project promoters can clearly demonstrate the significant positive externalities generated by the projects and their lack of commercial viability, **according to the business plan and other assessments carried out, notably by possible investors or creditors or, where applicable, a national regulatory authority.**

Article 15a

Guidance for the award criteria of Union financial assistance

The specific criteria set out in Article 4(2) and the parameters set out in Article 4(4) also fulfil the role of objectives for the purpose of establishing award criteria for Union financial assistance in the relevant Regulation on a Connecting Europe Facility.

Article 15b
Exercise of the delegation

- 1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.**
- 2. The power to adopt delegated acts referred to in Article 3 shall be conferred on the Commission for a period of 4 years from ...*. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of this period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.**
- 3. The delegation of power referred to in Article 3 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.**

*** OJ: Please insert date of entry into force of this Regulation.**

4. *As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council*
5. *A delegated act adopted pursuant to Article 3 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.*

CHAPTER VI FINAL PROVISIONS

Article 16 Reporting and evaluation

Not later than 2017, the Commission shall publish a report on the implementation of projects of common interest ***and submit it to the European Parliament and the Council.*** This report shall provide an evaluation of:

- (a) the progress achieved for the *planning*, development, construction and commissioning of projects of common interest selected pursuant *to* Article 3, and, where relevant, delays in implementation and other difficulties encountered;
- (b) the funds engaged and disbursed by the Union for projects of common interest **■** , compared to the total value of funded projects of common interest;
- (c) concerning the electricity and gas sectors, the evolution of the interconnection level between Member States, the corresponding evolution of energy prices, as well as the number of network system failure events, their causes and related economic cost;
- (d) concerning permit granting and public participation:

- the average and maximum total duration of authorisation procedures for projects of common interest, including the duration of each step of the authorisation procedure, compared to the timing foreseen by the initial major milestones referred to in Article 11(2);
- the level of opposition faced by projects of common interest (notably number of written objections during the public consultation process, number of legal recourse actions);
- ***an overview of best and innovative practices with regard to stakeholder involvement and mitigation of environmental impact during permit granting processes and project implementation;***
- ***the effectiveness of the schemes foreseen in Article 9(2) regarding compliance with the time limits set under Article 11.***

- (e) concerning regulatory treatment:
- the number of projects of common interest having been granted a cross-border cost allocation decision pursuant to Article 13;
 - the number and type of projects of common interest having received specific incentives pursuant to Article 14.
- (ea) the effectiveness of this Regulation in contributing to the goals for market integration by 2014 and 2015, to the climate and energy targets for 2020, and, in the longer term, to the move toward a low-carbon economy by 2050.***

Article 17
Information and publicity

The Commission shall establish ***by six months after the date of adoption of the first Union list*** an infrastructure transparency platform easily accessible to the general public, ***including via the internet***. This platform shall contain the following information:

- (a) general, **■** updated information, including geographic information, for each project of common interest;
 - (b) the implementation plan *as set out in Article 5(1)* for each project of common interest;
 - (c) the main results of the cost-benefit analysis on the basis of the methodology elaborated pursuant Article 12 for the projects of common interest concerned, except for any commercially sensitive information;
- (ca) *the Union list;*
- (cb) *the funds allocated and disbursed by the Union for each project of common interest.*

Article 18
Transitional provisions

This Regulation shall not affect the granting, continuation or modification of financial assistance awarded by the Commission on the basis of calls for proposals launched under Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks¹ to projects listed in Annexes I and III to Decision No 1364/2006/EC or in view of the targets, based on the relevant categories of expenditure for TEN-E, as defined in Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund².

For projects of common interest in the permit granting process for which a project promoter has submitted an application file before ...*, the provisions of Chapter III shall not apply.

¹ OJ L 162, 22.6.2007, p. 1.

² OJ L 210, 31.7.2006, p. 25.

* ***OJ: Please insert date: six months after the entry into force of this Regulation.***

Article 18a
Amendments to Regulation (EC) No 713/2009

In Regulation (EC) No 713/2009, paragraph 1 of Article 22 is replaced by the following:

- “1. Fees shall be due to the Agency for requesting an exemption decision pursuant to Article 9(1) and for decisions on cross border cost allocation provided by the Agency pursuant to Article 13 of Regulation (EU) No ../... of the European Parliament and of the Council of ...⁺⁺ on guidelines for trans-European energy infrastructure.*

** OJ L ...⁺⁺.”.*

⁺ *OJ: Please insert number and publication date of this Regulation.*

⁺⁺ *OJ: Please insert publication references of this Regulation*

Article 18b
Amendments to Regulation (EC) No 714/2009

Regulation (EC) No 714/2009 is hereby amended as follows:

(1) Article 8 is amended as follows:

(a) in paragraph 3, point (a) is replaced by the following:

“(a) common network operation tools to ensure coordination of network operation in normal and emergency conditions, including a common incident classification scale, and research plans. These tools shall specify inter alia:

(i) the information, including appropriate day ahead, intra-day and real-time information, useful for improving operational coordination, as well as the optimal frequency for the collection and sharing of such information;

- (ii) *the technological platform for the exchange of information in real time and where appropriate, the technological platforms for the collection, processing and transmission of the other information referred to in point (i), as well as for the implementation of the procedures capable of increasing operational coordination between transmission system operators with a view to such coordination becoming Union-wide;*
- (iii) *how transmission system operators make available the operational information to other transmission system operators or any entity duly mandated to support them to achieve operational coordination, and to the Agency; and*
- (iv) *that transmission operators designate a contact point in charge of answering inquiries from other transmission system operators or from any entity duly mandated as referred to in point (iii), or from the Agency concerning such information.*

*The ENTSO for Electricity shall submit the adopted specifications on points (i) to (iv) above to the Agency and to the Commission by ... **

*

OJ: Please insert date: 24 months after the entry into force of this Regulation.

Within 12 months of the adoption of the specifications, the Agency shall issue an opinion in which it considers whether they sufficiently contribute to the promotion of cross-border trade and to ensuring the optimal management, coordinated operation, efficient use and sound technical evolution of the European electricity transmission network.”

(b) in paragraph 10 point (a) is replaced by the following:

“(a) build on national investment plans, taking into account regional investment plans as referred to in Article 12(1), and, if appropriate, Union aspects of network planning as set out in Regulation (EU) No .../...of the European Parliament and of the Council of...⁺ on guidelines for trans-European energy infrastructure; it shall be subject to a cost-benefit analysis using the methodology established as set out in Article 12 of that Regulation;

^{*} *OJ L ...⁺⁺.”.*

⁺ *OJ: Please insert number and publication date of this Regulation.*

⁺⁺ *OJ: Please insert publication references of this Regulation*

- (2) *Article 11 is replaced by the following:*

***“Article 11
Costs***

The costs related to the activities of the ENTSO for Electricity referred to in Articles 4 to 12 of this Regulation, and in Article 12 of Regulation (EU) No .../...* shall be borne by the transmission system operators and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and appropriate.”

- (3) *In Article 18, the following paragraph is inserted:*

“4a. The Commission may adopt guidelines on the implementation of operational coordination between transmission system operators at Union level. Those guidelines shall be consistent with and build upon the network codes referred to in Article 6 of this Regulation and build upon the adopted specifications and the Agency opinion referred to in Article 8(3)(a) of this Regulation. When adopting those guidelines, the Commission shall take into account differing regional and national operational requirements.

* ***OJ: Please insert number of this Regulation.***

Those guidelines shall be adopted in accordance with the examination procedure referred to in Article 23(3).”.

(4) In Article 23 the following paragraph is inserted:

“3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission’s exercise of implementing powers* shall apply.

***OJ L 55, 28.2.2011, p. 13.”.**

Article 18c
Amendments to Regulation (EC) No 715/2009

Regulation (EC) No 715/2009 is amended as follows:

(1) *In Article 8(10), point (a) is replaced by the following:*

“(a) build on national investment plans, taking into account regional investment plans as referred to in Article 12(1), and, if appropriate, Union aspects of network planning as set out in Regulation (EU) No .../... of the European Parliament and of the Council of ...⁺ on guidelines for trans-European energy infrastructure; it shall be the subject to a cost-benefit analysis using the methodology established as set out in Article 12 of that Regulation.*

* *OJ L ...⁺⁺. ”.*

(2) *Article 11 is replaced by the following:*

⁺ *OJ: Please insert number and publication date of this Regulation.*
⁺⁺ *OJ: Please insert publication references of this Regulation.*

***“Article 11
Costs***

The costs related to the activities of the ENTSO for Gas referred to in Articles 4 to 12 of this Regulation, and in Article 12 of Regulation (EU) No .../... * shall be borne by the transmission system operators and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and appropriate.”.

**Article 19
Repeal**

Decision No 1364/2006/EC is hereby repealed from 1 January 2014. No rights shall arise under this Regulation for projects listed in Annexes I and III to Decision No 1364/2006/EC.

^{*} ***OJ: Please insert number of this Regulation.***

Article 20
Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from ...* ***with the exception of Articles 15 and 15a which shall apply as from the date of application of the relevant Regulation on a Connecting Europe Facility.***

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament

For the Council

The President

The President

* ***OJ: Please insert date- the first day of the month after the date of entry into force of this Regulation.***

ANNEX I

ENERGY INFRASTRUCTURE PRIORITY CORRIDORS AND AREAS

This Regulation shall apply to the following trans-European energy infrastructure priority corridors and areas:

1. PRIORITY ELECTRICITY CORRIDORS

- (1) Northern Seas offshore grid (“NSOG”): integrated offshore electricity grid ***development and the related interconnectors*** in the North Sea, the Irish Sea, the English Channel, the Baltic Sea and neighbouring waters to transport electricity from renewable offshore energy sources to centres of consumption and storage and to increase cross-border electricity exchange.

Member States concerned: Belgium, Denmark, France, Germany, Ireland, Luxemburg, the Netherlands, Sweden, the United Kingdom;

- (2) North-South electricity interconnections in Western Europe (“NSI West Electricity”): interconnections between Member States of the region and with *the* Mediterranean *area including the Iberian peninsula*, notably to integrate electricity from renewable energy sources *and reinforce internal grid infrastructures to foster market integration in the region*.

Member States concerned: *Austria*, Belgium, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Malta, Portugal, Spain, the United Kingdom;

- (3) North-South electricity interconnections in Central Eastern and South Eastern Europe (“NSI East Electricity”): interconnections and internal lines in North-South and East-West directions to complete the internal market and integrate generation from renewable energy sources.

Member States concerned: Austria, Bulgaria, *Croatia*¹, Czech Republic, Cyprus, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia;

¹ *Subject to and as of the date of accession of Croatia.*

- (4) Baltic Energy Market Interconnection Plan in electricity ("BEMIP Electricity"): interconnections between Member States in the Baltic region and reinforcing internal grid infrastructures accordingly, to end isolation of the Baltic States and to foster market integration *inter alia by working towards the integration of renewable energy* in the region;

Member States concerned: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden.

2. PRIORITY GAS CORRIDORS

- (5) North-South gas interconnections in Western Europe ("NSI West Gas"): *gas infrastructure* for North-South gas flows in Western Europe to further diversify routes of supply and *for increasing* short-term gas deliverability.

Member States concerned: Belgium, **Denmark**, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Spain, the United Kingdom;

- (6) North-South gas interconnections in Central Eastern and South Eastern Europe ("NSI East Gas"): ***gas infrastructure for*** regional **■** connections between ***and in*** the Baltic Sea region, the Adriatic and Aegean Seas, ***the Eastern Mediterranean Sea*** and the Black Sea, ***and for enhancing*** diversification and security of gas supply;

Member States concerned: Austria, Bulgaria, ***Croatia***¹, Cyprus, Czech Republic, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia;

- (7) Southern Gas Corridor ("SGC"): ***infrastructure for the*** transmission of gas from the Caspian Basin, Central Asia, the Middle East and the Eastern Mediterranean Basin to the Union to enhance diversification of gas supply.

Member States concerned: Austria, Bulgaria, ***Croatia***², Czech Republic, Cyprus, France, Germany, Hungary, Greece, Italy, Poland, Romania, Slovakia, Slovenia;

¹ ***Subject to and as of the date of accession of Croatia.***

² ***Subject to and as of the date of accession of Croatia.***

- (8) Baltic Energy Market Interconnection Plan in gas ("BEMIP Gas"): **gas** infrastructure to end the isolation of the three Baltic States and Finland and their **■** dependency **on a single supplier, to reinforce internal grid infrastructures accordingly, and** to increase diversification **and security** of supplies in the Baltic Sea region;

Member States concerned: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden.

3. PRIORITY OIL CORRIDOR

- (9) Oil supply connections in Central Eastern Europe ("OSC"): interoperability of the oil pipeline network in Central Eastern Europe to increase security of supply and reduce environmental risks.

Member States concerned: Austria, **Croatia**¹, Czech Republic, Germany, Hungary, Poland, Slovakia.

¹ ***Subject to and as of the date of accession of Croatia.***

4. PRIORITY THEMATIC AREAS

- (10) Smart grids deployment: adoption of smart grid technologies across the Union to efficiently integrate the behaviour and actions of all users connected to the electricity network, in particular the generation of large amounts of electricity from renewable or distributed energy sources and demand response by consumers;

Member States concerned: all;

- (11) Electricity highways: first electricity highways by 2020, in view of building an electricity highways system across the Union ***that is capable of:***

- (a) accommodating ever-increasing wind surplus generation in and around the Northern and Baltic Seas and increasing renewable generation in the East and South of Europe and also North Africa;***
- (b) connecting these new generation hubs with major storage capacities in the Nordic countries, the Alps and other regions with major consumption centres, and***

(c) coping with an increasingly variable and decentralised electricity supply and flexible electricity demand;

Member States concerned: all;

- (12) Cross-border carbon dioxide network: development of carbon dioxide transport infrastructure between Member States and with neighbouring third countries in view of the deployment of carbon dioxide capture and storage.

Member States concerned: all.

ANNEX II

ENERGY INFRASTRUCTURE CATEGORIES

The energy infrastructure categories to be developed in order to implement the energy infrastructure priorities listed in Annex I are the following:

- (1) concerning electricity:
 - (a) high-voltage overhead transmission lines, if they have been designed for a voltage of 220 kV or more, and underground and submarine transmission cables, if they have been designed for a voltage of 150 kV or more;
 - (b) concerning in particular electricity highways; any physical equipment designed to allow transport of electricity on the high and extra-high voltage level, in view of connecting large amounts of electricity generation or storage located in one or several Member States or third countries with large-scale electricity consumption in one or several other Member States;

- (c) electricity storage facilities used for storing electricity on a permanent or temporary basis in above-ground or underground infrastructure or geological sites, provided they are directly connected to high-voltage transmission lines designed for a voltage of 110 kV or more;
- (d) any equipment or installation essential for the systems defined in (a) to (c) to operate safely, securely and efficiently, including protection, monitoring and control systems at all voltage levels *and substations*;
- (e) any equipment or installation, both at transmission and medium voltage distribution level, aiming at two-way digital communication, real-time or close to real-time, interactive and intelligent monitoring and management of electricity generation, transmission, distribution and consumption within an electricity network in view of developing a network efficiently integrating the behaviour and actions of all users connected to it – generators, consumers and those that do both – in order to ensure an economically efficient, sustainable electricity system with low losses and high quality and security of supply and safety;

- (2) concerning gas:
- (a) transmission pipelines for the transport of natural gas and bio gas that form part of a network which mainly contains high-pressure pipelines, excluding high-pressure pipelines used for upstream or local distribution of natural gas,
 - (b) underground storage facilities connected to the above-mentioned high-pressure gas pipelines,
 - (c) reception, storage and regasification or decompression facilities for liquefied natural gas (LNG) or compressed natural gas (CNG);
 - (d) any equipment or installation essential for the system to operate safely, securely and efficiently or to enable bi-directional capacity, ***including compressor stations***;

- (3) concerning oil:
 - (a) pipelines used to transport crude oil;
 - (b) pumping stations and storage facilities necessary for the operation of crude oil pipelines;
 - (c) any equipment or installation essential for the system in question to operate properly, securely and efficiently, including protection, monitoring and control systems and reverse-flow devices;
- (4) concerning carbon dioxide:
 - (a) dedicated pipelines, other than upstream pipeline network, used to transport anthropogenic carbon dioxide from more than one source, i.e. industrial installations (including power plants) that produce carbon dioxide gas from combustion or other chemical reactions involving fossil or non-fossil carbon-containing compounds, for the purpose of permanent geological storage of carbon dioxide pursuant to Directive 2009/31/EC;

- (b) facilities for liquefaction and buffer storage of carbon dioxide in view of its further transportation. This does not include infrastructure within a geological formation used for the permanent geological storage of carbon dioxide pursuant to Directive 2009/31/EC and associated surface and injection facilities.
 - (c) any equipment or installation essential for the system in question to operate properly, securely and efficiently, including protection, monitoring and control systems.
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ANNEX III

REGIONAL **LISTS** OF PROJECTS OF COMMON INTEREST

1. RULES FOR GROUPS

- (1) For electricity projects falling under the categories set out in point 1 of Annex II, each Group shall be composed of representatives of the Member States, national regulatory authorities, **TSOs** , as well as the Commission, the Agency and the ENTSO for Electricity.

For gas projects falling under the categories set out in Annex II.2, each Group shall be composed of representatives of the Member States, national regulatory authorities, **TSOs** , as well as the Commission, the Agency and the ENTSO for Gas.

For oil and carbon dioxide transport projects falling under the categories referred to in Annex II(3) and (4), each Group shall be composed of the representatives of the Member States, project promoters concerned by each of the relevant priorities designated in Annex 1 and the Commission.

- (1a) *The decision-making bodies of the Groups may merge. All Groups or decision-making bodies shall meet together, when relevant, to discuss matters common to all Groups; such matters may include issues relevant to cross-regional consistency or the number of proposed projects included on the draft regional lists at risk of becoming unmanageable.*
- (2) Each Group shall organise its **work** in line with regional cooperation efforts pursuant Article 6 of Directive 2009/72/EC, Article 7 of Directive 2009/73/EC, Article 12 of Regulation (EC) No 714/2009, and Article 12 of Regulation (EC) No 715/2009 and other existing regional cooperation structures.

- (3) Each Group shall invite, as appropriate in view of implementing the relevant priority designated in Annex I, ***promoters of a project potentially eligible for selection as a project of common interest as well as*** representatives of national administrations, of regulatory authorities, ■ and ***TSOs*** from EU candidate countries and potential candidates, the member countries of the European Economic Area and the European Free Trade Association, representatives from the Energy Community institutions and bodies, countries covered by the European Neighbourhood policy and countries, with which the Union has established specific energy cooperation. ***The decision to invite third country-representatives shall be based on consensus.***
- (4) Each Group shall consult the organisations representing relevant stakeholders - ***and, if deemed appropriate, stakeholders directly*** - including producers, distribution system operators, suppliers, consumers, and ■ organisations for environmental protection. The Group may organise hearings or consultations, where relevant for the accomplishments of ***its*** tasks.

- (4a) The internal rules, an updated list of member organisations, regularly updated information on the progress of work, meeting agendas, as well as final conclusions and decisions of each Group shall be published by the Commission on the transparency platform referred to in Article 17.***
- (4b) The Commission, the Agency and the Groups shall strive for consistency between the different Groups. For this purpose, the Commission and the Agency shall ensure, when relevant, the exchange of information on all work representing an interregional interest between the Groups concerned.***

The participation of national regulatory authorities and the Agency in the Groups shall not jeopardise the fulfilment of their objectives and duties under this Regulation or under Articles 36 and 37 of Directive 2009/72/EC and Articles 40 and 41 of Directive 2009/73/EC, or under Regulation (EC) No 713/2009.

2. PROCESS FOR ***ESTABLISHING*** REGIONAL ***LISTS***

- (1) ***Promoters of a project potentially eligible for selection as a project of common interest wanting to obtain the status of projects of common interest*** shall submit an application for selection as project of common interest to the ■ Group ***that includes:***
- an assessment of its projects with regard to the contribution to implementing the priorities set out in Annex I;
 - ***an analysis of*** the fulfilment of the relevant criteria defined in ***Article 4;***
 - ***for projects having reached a sufficient degree of maturity, a project-specific cost-benefit analysis in accordance with the provisions in Article 18a and based on the methodology developed by the ENTSOs pursuant to Article 12; and***
 - any other relevant information for the evaluation of the project.
- (2) All recipients shall preserve the confidentiality of commercially sensitive information.

- (3) *After adoption of the first Union list, for all subsequent Union lists adopted,* proposed electricity transmission and storage projects falling under the categories set out in point 1(a) *(b) and* (d) of Annex II shall be part of the latest available ten-year network development plan for electricity, developed by the ENTSO for Electricity pursuant Article 8 of Regulation (EC) No 714/2009.
- (4) *After adoption of the first Union list , for all subsequent Union* ■ *lists adopted,* ■ proposed gas *infrastructure* projects falling under the categories set out in point 2 of Annex II shall be part of the latest available ten-year network development plan for gas, developed by the ENTSO for Gas pursuant Article 8 of Regulation (EC) No 715/2009.

(4a) The project proposals submitted for inclusion in the first Union list which were not previously evaluated pursuant to Article 8 of Regulation (EC) No 714/2009 shall be assessed at Union-wide system level by:

- the ENTSO for Electricity in line with the methodology applied in the latest available ten-year network development plan for projects falling under point 1(a), (b) and (d) of Annex II;***
- by the ENTSO for Gas or by a third party in a consistent manner based on an objective methodology for projects falling under Annex II.2;***
- by....*, the Commission shall issue Guidelines on criteria to be applied by the ENTSO for electricity and the ENTSO for gas when developing their respective ten-year network development plans referred to in points (3) and (4), in order to ensure equal treatment and transparency of the process.***

**** OJ: Please insert date- eight months after the entry into force of this Regulation.***

- (5) Proposed carbon dioxide transport projects falling under the category set out in Annex II.4 shall be presented as part of a plan, developed by ***at least*** two Member States, for the development of cross-border carbon dioxide transport and storage infrastructure, to be presented by the Member States concerned or entities designated by those Member States to the Commission.
- (5a) For proposed projects falling under the categories set out in Annex II.1 and 2, national regulatory authorities, and if necessary the Agency, shall, where possible in the context of regional cooperation (Article 6 of Directive 2009/72/EC, Article 7 of Directive 2009/73/EC), check the consistent application of the criteria/ cost-benefit analysis methodology and evaluate their cross-border relevance. They shall present their assessment to the Group.***

- (5b) For proposed oil and carbon dioxide transport projects falling under the categories set out in Annex II.3 and 4, the Commission shall evaluate the application of the criteria set out in Article 4. For proposed carbon dioxide projects falling under the category set out in Annex II.4, the Commission shall also take into account the potential for future extension to include additional Member States. The Commission shall present its assessment to the Group.***
- (5c) Each Member State to whose territory a proposed project does not relate, but on which the proposed project may have a potential net positive impact or a potential significant effect, such as on the environment or on the operation of the energy infrastructure on its territory, may present an opinion to the Group specifying its concerns.***
- (5d) The decision-making body of the Group shall examine, at the request of a Member State of the Group, the substantiated reasons presented by a Member State pursuant to Article 3(3) for not approving a project of common interest related to its territory.***

- (5e) The Group shall meet to examine and rank the proposed projects taking into account the assessment of the regulators, or the assessment of the Commission for oil and carbon dioxide transport projects.*
- (5f) The draft regional lists of proposed projects falling under the categories set out in Annex II.1 and 2 drawn up by the Groups, together with any opinions as specified in point (5c), shall be submitted to the Agency six months before the adoption date of the Union list. The draft regional lists and the accompanying opinions shall be assessed by the Agency within three months of the date of receipt. The Agency shall provide an opinion on the draft regional lists, in particular on the consistent application of the criteria and the cost-benefit analysis across regions. The opinion of the Agency shall be adopted in accordance with the procedure referred to in Article 15(1) of Regulation (EC) No 713/2009.*

- (5g) Within one month of the date of receipt of the Agency's opinion, the decision-making body of each Group shall adopt its final regional list, respecting the provisions set out in Article 3(3), based on the Groups' proposal and taking into account the opinion of the Agency and the assessment of the national regulatory authorities submitted in accordance with point (5a), or the assessment of the Commission for oil and carbon dioxide transport projects proposed in accordance with point (5b). The Groups shall submit the final regional lists to the Commission, together with any opinions as specified in point (5c).***
- (5h) If, based on the regional lists received, and after having taken into account the Agency opinion, the total number of proposed projects of common interest on the Union list would exceed a manageable number, the Commission shall consider, after having consulted each Group concerned, not to include in the Union list projects that were ranked lowest by the Group concerned according to the ranking established pursuant to Article 4(4).***

ANNEX IV

RULES AND INDICATORS CONCERNING CRITERIA FOR PROJECTS OF COMMON INTEREST

- (1) A project with significant cross-border impact is a project on the territory of a Member State, which fulfils the following conditions:
 - (a) for electricity transmission, the project ***increases*** the grid transfer capacity, ***or the capacity available for commercial flows***, at the border of that Member State with one or several other Member States, or at any other relevant cross-section of the same transmission corridor ***having the effect of increasing this cross-border grid transfer capacity***, by at least 500 Megawatt compared to the situation without commissioning of the project;
 - (b) for electricity storage, the project provides ***at least 225 MW installed capacity and has a*** storage capacity ***that allows*** a net annual electricity generation of ***250*** Gigawatt-hours/year;

- (c) for gas transmission, the project concerns investment in reverse flow capacities or changes the capability to transmit gas across the borders of the Member ***States*** concerned by at least 10 % compared to the situation prior to the commissioning of the project;
- (d) for gas storage or liquefied/compressed natural gas, the project aims at supplying directly or indirectly at least two Member States or at fulfilling the infrastructure standard (N-1 rule) at regional level in accordance with Article 6(3) of Regulation (EU) No 994/2010;
- (e) for smart grids, the project is designed for equipments and installations at high-voltage and medium-voltage level designed for a voltage of 10kV or more. It involves transmission and distribution system operators from at least two Member States, which cover at least ***50 000*** users that generate or consume electricity or do both in a consumption area of at least 300 Gigawatthours/year, of which at least 20 % originate from ***variable*** resources.

- (2) Concerning projects falling under the categories set out in Annex II.1(a) to (d), the criteria listed in Article 4 shall be measured as follows:
- (a) Market integration, competition and system flexibility shall be measured in line with the analysis made in the latest available Union-wide ten-year network development plan in electricity, notably by:
- calculating, for cross-border projects, the impact on the grid transfer capability in both power flow directions, measured in terms of amount of power (in megawatt), ***and their contribution to reaching the minimum interconnection capacity of 10 % installed production capacity*** or, for projects with significant cross-border impact, the impact on grid transfer capability at borders between relevant Member States, between relevant Member States and third countries or within relevant Member States and on demand-supply balancing and network operations in relevant Member States;
 - assessing the impact, for the area of analysis as defined in Annex V.10, in terms of energy system-wide generation and transmission costs and evolution ***and convergence*** of market prices provided by a project under different planning scenarios, notably taking into account the variations induced on the merit order.

- (b) Transmission of renewable energy generation to major consumption centres and storage sites shall be measured in line with the analysis made in the latest available ten-year network development plan in electricity, notably by:
- for electricity transmission, by estimating the amount of generation capacity from renewable energy sources (by technology, in megawatts), which is connected and transmitted due to the project, compared to the amount of planned total generation capacity from these types of renewable energy sources in the concerned Member State in 2020 according to the national renewable energy action plans as defined in Article 4 of Directive 2009/28/EC.
 - for electricity storage, by comparing new capacity provided by the project with total existing capacity for the same storage technology in the area of analysis as defined in Annex V.10.

- (c) ***Security of supply***, interoperability and secure system operation shall be measured in line with the analysis made in the latest available ten-year network development plan in electricity, notably by assessing the impact of the project on the loss of load expectation for the area of analysis as defined in Annex V.10 in terms of generation and transmission adequacy for a set of characteristic load periods, taking into account expected changes in climate-related extreme weather events and their impact on infrastructure resilience. ***Where applicable, the impact of the project on independent and reliable control of system operation and services shall be measured.***

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- (3) Concerning projects falling under the categories set out in Annex II.2, the criteria listed in Article 4 shall be measured as follows:
 - (a) Market integration and interoperability shall be measured by calculating the additional value of the project to the integration of market areas and price convergence, to the overall flexibility of the system, including the capacity level offered for reverse flows under various scenarios.

- (b) Competition shall be measured on the basis of diversification, including the facilitation of access to indigenous sources of supply, taking **■** into account, **successively**: diversification of sources; **diversification of** counterparts; **diversification of** routes; the impact of new capacity on the Herfindahl-Hirschmann index (HHI) calculated at capacity level for the area of analysis as defined in Annex V.10.
- (c) Security of gas supply shall be measured by calculating the additional value of the project to the short and long-term resilience of the **Union's gas** system and to enhancing the remaining flexibility of the system to cope with supply disruptions **to Member States** under various scenarios as well as the additional capacity provided by the project measured in relation to the infrastructure standard (N-1 rule) at regional level in accordance with Article 6(3) of Regulation (EU) No 994/2010.
- (d) Sustainability shall be measured as the contribution of a project to reduce emissions, to support the back-up of renewable electricity generation or power-to-gas and biogas transportation, taking into account expected changes in climatic conditions.

- (4) Concerning projects falling under the category set out in Annex II.1(e), each function listed in Article 4 shall be evaluated against the following criteria:
- (a) Level of sustainability: This criterion shall be measured by assessing the reduction of greenhouse gas emissions, and the environmental impact of electricity grid infrastructure;
 - (b) Capacity of transmission and distribution grids to connect and bring electricity from and to users: This criterion shall be measured by estimating the installed capacity of distributed energy resources in distribution networks, the allowable maximum injection of electricity without congestion risks in transmission networks, and the energy not withdrawn from renewable sources due to congestion or security risks;
 - (c) Network connectivity and access to all categories of network users: This criterion shall be evaluated by assessing the methods adopted to calculate charges and tariffs, as well as their structure, for generators, consumers and those that do both, and the operational flexibility provided for dynamic balancing of electricity in the network;

- (d) Security and quality of supply: This criterion shall be evaluated by assessing the ratio of reliably available generation capacity and peak demand, the share of electricity generated from renewable sources, the stability of the electricity system, the duration and frequency of interruptions per customer, including climate related disruptions, and the voltage quality performance;
- (e) Efficiency and service quality in electricity supply and grid operation: This criterion shall be estimated by assessing the level of losses in transmission and in distribution networks, the ratio between minimum and maximum electricity demand within a defined time period, the demand side participation in electricity markets and in energy efficiency measures, the percentage utilisation (i.e. average loading) of electricity network components, the availability of network components (related to planned and unplanned maintenance) and its impact on network performances, and the actual availability of network capacity with respect to its standard value;
- (f) Contribution to cross-border electricity markets by load-flow control to alleviate loop-flows and increase interconnection capacities: This criterion shall be estimated by assessing the ratio between interconnection capacity of a Member State and its electricity demand, the exploitation of interconnection capacities, and the congestion rents across interconnections.

- (5) Concerning oil transport projects falling under the categories set out in Annex II.3, the criteria listed in Article 4 shall be measured as follows:
- (a) Security of oil supply shall be measured by assessing the additional value of the new capacity offered by a project for the short and long-term resilience of the system and the remaining flexibility of the system to cope with supply disruptions under various scenarios.
 - (b) Interoperability shall be measured by assessing to what extent the project improves the operation of the oil network, in particular by providing the possibility of reverse flows.
 - (c) Efficient and sustainable use of resources shall be evaluated by assessing the extent to which the project makes use of already existing infrastructure and contributes to minimising environmental and climate change burden and risks.

ANNEX V

ENERGY SYSTEM-WIDE COST-BENEFIT ANALYSIS

The methodology for a harmonised energy system-wide cost-benefit analysis for projects of common interest shall satisfy the following principles laid down in this Annex.

- (1) The methodology shall be based on a common input data set representing the Union's electricity and gas systems in the years $n+5$, $n+10$, $n+15$, and $n+20$, where n is the year in which the analysis is performed. This data set shall comprise at least:
 - (a) In electricity: scenarios for demand, generation capacities by fuel type (biomass, geothermal, hydro, gas, nuclear, oil, solid fuels, wind, solar photovoltaic, concentrated solar, other renewable technologies) and their geographical location, fuel prices (including biomass, coal, gas and oil), carbon dioxide prices, the composition of the transmission and, if relevant, the distribution network, and its evolution, taking into account all new significant generation (including capacity equipped for capturing carbon dioxide), storage and transmission projects for which a final investment decision has been taken and that are due to be commissioned by the end of year $n+5$;

- (b) In gas: scenarios for demand, imports, fuel prices (including coal, gas and oil), carbon dioxide prices, the composition of the transmission network and its evolution, taking into account all new projects for which a final investment decision has been taken and that are due to be commissioned by the end of year $n+5$;
- (2) The data set shall reflect Union and national law in force at the date of analysis. The data sets used for electricity and gas respectively shall be compatible, notably with regard to assumptions on prices and volumes in each market. The data set shall be elaborated after formally consulting Member States and the organisations representing all relevant stakeholders. The Commission and the Agency shall ensure access to the required commercial data from third parties when applicable.
- (3) The methodology shall give guidance for the development and use of network and market modelling necessary for the cost- benefit analysis.
- (4) The cost-benefit analysis shall be based on a harmonised evaluation of costs and benefits for the different categories of projects analysed and cover at least the period of time referred to in point 1.

- (5) The cost-benefit analysis shall at least take into account the following costs: capital expenditure, operational and maintenance expenditure over the technical lifecycle of the project and decommissioning and waste management costs, where relevant. The methodology shall give guidance on discount rates to be used for the calculations.
- (6) For electricity transmission and storage, the cost-benefit analysis shall at least take into account *the impact and compensations resulting from the application of Article 13 of Regulation (EC) No 714/2009*, the impacts on the indicators defined in *Annex IV*, and the *following* impacts ■ :

■

- (b) *greenhouse* gas emissions and transmission losses over the technical lifecycle of the project;
- (c) future costs for new generation and transmission investment over the technical lifecycle of the project;

- (d) operational flexibility, including optimisation of regulating power and ancillary services;
 - (e) system resilience, including disaster and climate resilience, and system security, notably for European critical infrastructures as defined in Directive 2008/114/EC.
- (7) For gas, the cost-benefit analysis shall at least take into account the results of market testing the impacts on the indicators defined in *Annex IV* and the following impacts:
- - (b) ■ disaster and climate resilience, and system security, notably for European critical infrastructures as defined in Directive 2008/114/EC;
 -
 - (e) ■ congestion in the gas network.

- (8) For smart grids, the cost-benefit analysis shall take into account the impacts on the indicators defined in *Annex IV*.
- (9) The detailed method used to take into account the indicators referred to in points 6 to 8 shall be elaborated after formally consulting *Member States and* the organisations representing all relevant stakeholders.
- (10) The methodology shall define ■ the ■ analysis *to be carried out, based on the relevant input data set, by determining the impacts with and without each project*. The area for the analysis of an individual project shall cover all Member States and third countries, on whose territory the project shall be built, all directly neighbouring Member States and all other Member States significantly impacted by the project.
- (11) ■ The analysis shall identify the Member States on which the project has net positive impacts (beneficiaries) and those Member States on which the project has a net negative impact (cost bearers). Each cost-benefit analysis shall include sensitivity analyses concerning the input data set, the commissioning date of different projects in the same area of analysis and other relevant parameters.

- (12) Transmission, *storage system and compressed and liquified natural gas terminal operators* and distribution system operators shall exchange the information necessary for the elaboration of the methodology, including the relevant network and market modelling. Any transmission or distribution system operator collecting information on behalf of other transmission or distribution system operators shall give back to the participating transmission and distribution system operators the results of the collection of data.
- (13) For the common electricity and gas market and network model set out in paragraph 8 of Article 12, the input data set referred to in point 1 shall cover the years $n+10$, $n+20$ and $n+30$ and the model shall allow for a full assessment of economic, social and environmental impacts, notably including external costs such as those related to greenhouse gas and conventional air pollutant emissions or security of supply.

ANNEX VI
GUIDELINES FOR TRANSPARENCY AND PUBLIC PARTICIPATION

- (1) The manual of procedures *referred to in Article 10(1)* shall at least specify:
- (a) the relevant law upon which decisions and opinions are based for the different types of relevant projects of common interest, including environmental law;
 - (b) the relevant decisions and opinions to be obtained;
 - (c) the names and contact details of the Competent Authority, other authorities and major stakeholders concerned;
 - (d) the work flow, outlining each stage in the process, including an indicative time frame *and a concise overview of the decision-making process*;
 - (e) information about the scope, structure and level of detail of documents to be submitted with the application for decisions, including a checklist;
 - (f) the stages and means for the general public to participate in the process.

(1a) The detailed schedule referred to in Article 11(2)(b) shall specify as a minimum the following:

- (a) the decisions and opinions to be obtained;**
- (b) the authorities, stakeholders, and the public likely to be concerned;**
- (c) the individual stages of the procedure and their duration;**
- (d) major milestones to be accomplished and their deadlines in view of the comprehensive decision to be taken;**
- (e) the resources planned by the authorities and possible additional resource needs.**

(2) To increase public participation in the permit granting process *and ensure in advance information and dialogue with the public*, the following principles shall be applied:

- (a) The stakeholders affected by a project of common interest, including relevant ***national, regional and local*** authorities, landowners and citizens living in the vicinity of the project, the general public and their associations, organisations or groups, shall be extensively informed and consulted at an early stage, ***when potential concerns by the public can still be taken into account*** and in an open and transparent manner. Where relevant, the competent authority shall actively support the activities undertaken by the project promoter.
- (b) Competent authorities shall ensure that public consultation procedures for projects of common interest are ***grouped together*** where possible. Each public consultation shall cover all subject matters relevant to the particular stage of the procedure, and one subject matter relevant to the particular stage of the procedure shall not be addressed in more than one public consultation; ***however, one public consultation may take place in more than one geographical location.*** The subject matters addressed by a public consultation shall be clearly indicated in the notification of the public consultation.

- (c) Comments and objections shall be admissible from the beginning of the public consultation until the expiry of the deadline only.
- (3) The concept for public participation shall at least include information about:
- (a) the stakeholders concerned and addressed;
 - (b) the measures envisaged, *including proposed general locations and dates of dedicated meetings*;
 - (c) the timeline;
 - (d) the human resources allocated to the respective tasks.
- (4) In the context of the public consultation to be carried out before submission of the application file, the relevant parties shall at least:

- (a) publish an information leaflet of no more than 15 pages, giving, in a clear and concise manner, an overview of the purpose and preliminary timetable of the project, ***the national grid development plan*** alternative routes considered, expected impacts, including of cross-border nature, and possible mitigation measures, ***which shall be published prior to the start of the consultation; The information leaflet shall furthermore list the web addresses of the transparency platform referred to in Article 17 and of the manual of procedures referred to in point (1).***
- (b) inform all stakeholders affected about the project through the website referred to in Article 10(7) and other appropriate information means;
- (c) invite in written form relevant affected stakeholders to dedicated meetings, during which concerns shall be discussed.

(5) The project website shall make available as a minimum the following:

(-a) *the information leaflet referred to in point (4);*

- (a) a non-technical and regularly updated summary of no more than 50 pages reflecting the current status of the project and clearly indicating, in case of updates, changes to previous versions;
- (b) the project and public consultation planning, clearly indicating dates and locations for public consultations and hearings ***and the envisaged subject matters relevant for those hearings;***
- (c) contact details in view of obtaining the full set of application documents;
- (d) contact details in view of conveying comments and objections during public consultations.

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EXPLANATORY STATEMENT

Current Context

Sustainable, safe, secure and affordable energy is one of the Grand Challenges that unite Europeans, from civil society to decision makers, industry, and environmentalists. Despite this, European energy policy has progressed slowly, with scarce allocation of resources at European level, only recently gaining relevance in the Treaty of Lisbon. Even though the Commission has defined ambitious energy policy objectives of competitiveness, security of supply, sustainability, and decarbonisation, we still face today insufficient integration of the internal energy market, significant energy isolation of certain geographic areas, insufficient access to diversified sources of energy that contribute to energy security, and the lack of tangible benefits for consumers and businesses in terms of prices and sustainability. This overall panorama and a considerable level of interdependency among Member States call for a European-level approach. Faster, more decisive and concerted action is required, and a stronger role for Europe in coordinating and integrating national efforts is imperative.

Policy Context

European energy policy objectives set clear goals for 2020: 20% of reduction in greenhouse gas (GHG) emissions, 20% of final energy consumption from renewable sources, 20% increase in energy efficiency. Implementing legislation includes the GHG emission trading scheme directive¹, the renewable energy directive², the carbon capture and storage directive³, the regulation on the security of gas supply⁴, the third energy package⁵ and the energy efficiency directive currently in negotiations between the Parliament and the Council. The third energy package was an important first step in the direction of a more integrated European energy system. The recent initiative report on energy infrastructure priorities for 2020 and beyond (2011/2034(INI))⁶ was also an inspiring document for a comprehensive energy network policy proposal.

Obstacles to a cross-border energy market

Despite some recent progress, significant obstacles still remain to a competitive market: electricity transmission networks in Central Europe have important gaps. Despite minimum interconnection targets defined by the Council for individual Member States (MS) to have electricity interconnection of 10% of installed production capacity by 2005, in 2010 9 MS had not reached this level. Electricity transfers have increased by less than half as much as they

¹ Directive 2009/29/EC

² Directive 2009/28/EC

³ Directive 2009/31/EC

⁴ Regulation (EU) No 994/2010

⁵ Directives 2009/72/EC and 2009/73/EC and Regulations (EC) 713/2009, 714/2009 and 715/2009

⁶ Rapporteur: Francico Sosa Wagner

did in the previous decade. Differences between average gas prices have risen considerably. At the beginning of 2011 more than 60 infringement procedures were underway regarding the second internal energy policy package alone. In what concerns transposition of the third energy package the deadline has elapsed (3rd of March, 2011), with the European Commission having very recently issued eight reasoned opinions urging eight MS to comply with their transposition obligations.

Obstacles to cross-border energy infrastructure development

The new energy policy context triggers substantial needs for new infrastructures. Investment needs by 2020 are estimated at 200 billion Euros, only for energy infrastructure with cross-border relevance. Still, very long (averaging 12 years) national permitting processes for energy infrastructure often block projects and discourage investment decisions, in a context of higher public opposition and delays; lack of adequate financing instruments hamper investments in the middle of a deep financial crisis.

Issues in the energy infrastructure regulation proposal

The new regulation is a positive and important initiative as it aims at accelerating the accomplishment of the internal energy market, and at delivering on the EU's energy policy and climate goals. It may contribute, through the mobilisation of very significant investments, to the re-launch of economic growth and job creation in the EU.

The proposal envisages the modernisation and interconnection of energy networks. In electricity it aims at enhancing market integration and competitiveness, system security, and integration of renewable sources of energy, coping with decentralised and non-dispatchable power generation through smart grids, connection to storage sites and electricity highways. In gas, energy security can be accomplished through the diversification of sources and routes for gas supply, liquified natural gas (LNG) storage and reverse flow pipelines. The proposal also supports supply of crude oil to land locked countries, and deployment of pipelines for carbon capture and storage to connect production and storage sites.

The proposal defines nine priority geographic corridors and three thematic priority areas, sets rules to identify projects of common interest (PCI), and establishes, in each MS, a single authority (one-stop shop) to oversee and speed-up permit granting processes for PCI's; it proposes a cost-benefit analysis (CBA) for the ranking of PCI's and for the cost allocation of investments according to the cross-border location where benefits are incurred, granting incentives for higher risk projects and determining eligibility conditions for Union financial assistance through the Connecting Europe Facility (CEF).

There are several areas where this project regulation can be improved:

a) The selection process of PCI's shall aim at the Europeanization of networks

Submission of proposals by transmission system operators (TSO) and their analysis by the Regional Groups (RG) follows a bottom-up approach. The concept of Project Promoter was redefined and their reporting to Regional Groups (RG) was clarified. The governance of Regional Groups, responsible for PCI selection, omits details on the balance of powers among stakeholders, decision processes and conflict resolution mechanisms; recent discussions in Council with regard to RG governance put the tone on MS interest to safeguard national

“strategic interests”. This is an important concern on the development of any European infrastructure.

The safeguard of European Common interest during projects selection should prevail over individual interests. The PCI selection process should be made in accordance with the 3rd legislation package and the Community ten years network development plan (TYNDP) process, with a European top-down internal market perspective to complement the embedded strong bottom-up and national approach. There should be an important role for the Agency for the Cooperation of Energy Regulators (ACER) in guaranteeing coordination and coherence of network expansion, economically efficient investments and in safeguarding the consumer perspective. The selection of projects and aggregation by clusters, first at regional, later at Union-wide level, taking into account a multi-criteria and a C/B analysis, will facilitate objectivity and consensus during the PCI list selection procedure.

b) The proposal shall provide effective instruments for the deployment of infrastructure

The development and implementation of cross-border energy network infrastructure has historically faced many obstacles and this is expected to continue in times to come, as is the delicate balance between subsidiarity and European common interest.

The proposal tries to create a pathway in this process: a description of the priority corridors will clarify the expected contribution of different regions towards energy policy objectives; consensus decision processes inside Regional Groups shall avoid unilateral blockades; more effective permitting arrangements, a time-limit of three years and an enforceable one-stop shop for national authorities to issue a project permit, are key instruments for the procedure; moreover, the assignment of special powers to European Coordinators to monitor projects facing implementation difficulties, according to past successful and unsuccessful stories may solve part of the problems. In addition, when project promoters are unable to implement projects within the planned time limits, other than for reasons beyond their control, and their execution is facing severe delays, clear time-limits and procedures are imposed in order to enable new project promoters to join efforts or to take over such projects.

We need effective instruments to overcome the deepening of geographic asymmetries and insulation, to guarantee territorial cohesion across the Union. In order to ensure the effectiveness of the prescribed measures and overcome obstacles, instruments need to be put in place to enable the alignment of stakeholders towards common cohesion goals and reduce artificial barriers to cross-border networks.

c) The proposal shall further promote cooperation and coordination of network operators to deliver the expected benefits

Different MS have progressed at different speeds towards European policy targets of increased interconnection and renewable energy production. Directing EU funding to those MS that have done little to progress, places them under moral hazard, where late movers will benefit relative to first movers by waiting for investment incentives to be put in place. Offering the possibility for the involvement of multiple operators (3+) to implement European funded projects would enhance a much needed cooperation among TSOs, potentiating the acquired know-how, building up trust between market players, and pushing forward market integration.

Cooperation and better system governance is required to ensure the optimized use and operation of energy networks by TSOs. The increasing technological complexity of the new energy mix, due to the contribution of renewable sources increased the risk of lack of coordination, even power breaks, inside multi-dependent networks. The collection and monitoring of information on real-time cross-border exchanges can become an important tool for the safe and efficient operation of energy network infrastructure and also for its future planning. In the same way, infrastructure use optimization is of major importance, when considering the consumer perspective. The ENTSO for electricity and the ENTSO for gas shall submit to the Commission proposals for the design and implementation of appropriate real-time operational coordination, of the European energy infrastructure.

d) Enhancing investments

Mobilization of private investment is a key factor. The proposal foresees a mechanism for cross-border cost allocation according to the benefits incurred by the MS involved. Provisions in the regulation establish a role for national regulators in defining investment incentives proportional to the risks incurred by the project promoters. Clearer European guidelines, or the benchmarking of best practices across Europe may prove necessary to enhance investments.

Non-commercial viability was preserved as a key eligibility criterion for accessing EU financial support under CEF. This is crucial to avoid market distortion and to limit public support to those projects that have positive externalities but which would otherwise not be delivered by market mechanisms. A close link with the Connecting Europe Facility (CEF) financial instruments for mobilizing private funding for PCIs investments will be an essential instrument, while Structural Funds will finance smart energy distribution networks of local or regional importance. The two sources of funding will thereby complement each other. On the other hand, Member States should comply with the European energy market rules in order to get access to EU financing instruments under the Connecting Europe Facility.

11.6.2012

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (COM(2011)0658 – C7-0371/2011 – 2011/0300(COD))

Rapporteur: Philippe Lamberts

SHORT JUSTIFICATION

Your Rapporteur welcomes the guidelines for trans-European energy infrastructure proposed by the European Commission.

As stated by the Commission, this initiative identifies, for the period up to 2020 and beyond, a limited number of trans-European priority corridors and areas covering electricity and gas networks as well as oil and carbon dioxide transport infrastructure, for which European Union action is most warranted. It then aims at implementing these priorities by:

1. streamlining permit granting procedures to significantly reduce their duration for projects of common interest and increase public participation and acceptance for the implementation of such projects;
2. facilitating the regulatory treatment of projects of common interest in electricity and gas by allocating costs depending on the benefits provided and ensuring allowed returns are in line with risks incurred;
3. ensuring implementation of projects of common interest by providing necessary market-based and direct EU financial support. In this latter regard, the proposal provides the basis for eligibility of projects of common interest for EU financial assistance under the "Connecting Europe Facility", which is subject to a separate legislative proposal.

The amendments aim at specifying some concepts of the Regulation and to ensure more consistency with other EU pieces of legislation – notably those pertaining to environmental impact assessment and to the structural funds – as well as the EU2020 Strategy (since the latter pursue some intertwined climate and energy targets) and other relevant development scenarios such as those prompted in the Roadmap 2050.

Given the paucity of EU funds available to support the massive financial efforts required to implement the projects of common interest, the amendments tend to ensure that the private

sector will assume its fair part in their financing.

Key to the Regulation is the cost-benefit analysis. Your Rapporteur suggests to flesh out the provisions laid down in the Annex describing the methodology by detailing further the indicators related to the costs and the benefits. Since the time frame to implement the projects and their expected lifetime is very long, the discount rates applied in the calculation of these parameters are of pivotal importance. Therefore, it is suggested that the Commission release regularly the discount rates that will have to be taken into account. Furthermore, to mirror the specific externalities attached to each project, a risk premium set by the project promoters in consultation with the relevant stakeholders will be added to the discount rates. Such a way to proceed will provide the relevant stakeholders, especially the citizens in the surroundings of the projects, with an incentive to take part in the discussion.

Prior to submitting their respective methodology for a harmonised energy system-wide cost-benefit analysis at Union-wide level, both ENTSO for Electricity and for Gas will have to take into account the contribution made to them by the European Environmental Agency and the European Observation Network for Territorial Development and Cohesion. Hereby, upstream from the methodology, parameters related to environmental and spatial planning will be internalised.

The content of the report that the project promoters is extended so as to include information such as the contribution of the structural funds to the implementation of the project and a track record of the costs incurred with respect to their initial estimation.

If the actual costs exceed by 20 % the estimated costs, the Commission will have the opportunity to remove the project concerned from the list of eligible projects.

Your Rapporteur considers that being listed in the ten-year network development plan should not be a condition for a project to qualify as “of common interest”.

AMENDMENTS

The Committee on Economic and Monetary Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1 **Proposal for a regulation** **Recital 6**

Text proposed by the Commission

(6) Accelerating the refurbishment of existing and deployment of new energy infrastructure is vital to achieve the Union's energy and climate policy objectives,

Amendment

(6) Accelerating the refurbishment of existing and deployment of new energy infrastructure is vital to achieve the Union's energy and climate policy objectives,

consisting in completing the internal market in energy, guaranteeing security of supply, notably for gas and oil, reducing greenhouse gas emissions by 20%, increasing the share of renewable energy in the final energy consumption to 20% and achieving a 20% increase in energy efficiency by 2020. At the same time, the Union has to prepare its infrastructure for further decarbonisation of its energy system in the longer term towards 2050.

consisting in completing the internal market in energy, guaranteeing security of supply, notably for gas and oil, reducing greenhouse gas emissions by 20%, increasing the share of renewable energy in the final energy consumption to 20% and achieving a 20% increase in energy efficiency by 2020. At the same time, the Union has to prepare its infrastructure for further decarbonisation of its energy system in the longer term towards 2050, ***and within the same time-frame to prepare it for connecting regions which have high renewable energy production capacity and electricity storage potential.***

Amendment 2

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) The investment needs up to 2020 in electricity and gas transmission infrastructures of European relevance have been estimated at about EUR 200 billion. The significant increase in investment volumes compared to past trends and the urgency to implement the energy infrastructure priorities requires a new approach in the way energy infrastructures, and notably those of cross-border nature, are regulated and financed.

Amendment

(11) The investment needs up to 2020 in electricity and gas transmission infrastructures of European relevance have been estimated at about EUR 200 billion. The significant increase in investment volumes compared to past trends, ***as a result of the faster and more comprehensive development of renewable energy sources and the efforts to achieve, by 2020, the Union objectives of reducing greenhouse gas emissions by 20 %, improving energy efficiency by 20 % and increasing the share of energy consumption accounted for by renewable energy sources by 20 %,*** and the urgency to implement the energy infrastructure priorities requires a new approach in the way energy infrastructures, and notably those of cross-border nature, are regulated and financed

Amendment 3

Proposal for a regulation

Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) As part of a trans-European energy infrastructure system, energy storage facilities and liquid natural gas (LNG) and compressed natural gas (CNG) plants should play an important role in guaranteeing supply through the distribution of stored energy. Accordingly, the rapid development of energy storage plants is an important component of a functioning network infrastructure.

Competition in respect of the construction and operation of hydro-pumped electricity storage projects or energy storage plants should not be hampered by the charging of network tariffs which treat these plants as final consumers.

Amendment 4 Proposal for a regulation Recital 20

Text proposed by the Commission

Amendment

(20) Projects of common interest should be given "priority status" at national level to ensure rapid administrative treatment. Projects of common interest shall be considered by competent authorities as being in public interest. Authorisation should be given to projects which have an adverse impact on the environment, for reasons of overriding public interest, when all the conditions provided for under Directives 92/43/EC and 2000/60/EC are met.

(20) Projects of common interest should be given "priority status" at national level to ensure rapid administrative treatment. ***Regional or national projects may also be given priority status if this serves to guarantee the integration of renewable energy sources and safeguard competition. This also includes projects involving third countries (e.g. Switzerland).*** Projects of common interest shall be considered by competent authorities as being in public interest. Authorisation should be given to projects which have an adverse impact on the environment, for reasons of overriding public interest, when all the conditions provided for under Directives 92/43/EC and 2000/60/EC are met.

Amendment 5
Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) The establishment of a single competent authority at national level integrating or coordinating all permit granting procedures ("one-stop shop") should reduce complexity, increase efficiency and transparency and help enhance cooperation among Member States.

Amendment

(21) The establishment of a single competent authority at national level integrating or coordinating all permit granting procedures ("one-stop shop") should reduce complexity, increase efficiency and transparency and help enhance cooperation among Member States. ***However, the establishment of such an authority should not increase the expense to the taxpayer, and it should be established by reallocating existing resources.***

Amendment 6
Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) The European Energy Programme for Recovery (EEPR) has demonstrated the added value of leveraging private funding through significant Union financial aid to allow implementation of projects of European significance. The European Council of 4 February 2011 recognised that some energy infrastructure projects may require limited public finance to leverage private funding. In the light of the economic and financial crisis and budgetary constraints, targeted support, through grants and financial instruments, should be developed under the next multi-annual financial framework, which will attract new investors into the energy infrastructure priority corridors and areas, while keeping the budgetary contribution of the Union to a minimum.

Amendment

(29) The European Energy Programme for Recovery (EEPR) has demonstrated the added value of leveraging private funding through significant Union financial aid to allow implementation of projects of European significance. The European Council of 4 February 2011 recognised that some energy infrastructure projects may require limited public finance to leverage private funding. In the light of the economic and financial crisis and budgetary constraints, targeted support, through grants and financial instruments, should be developed under the next multi-annual financial framework, which will attract new investors into the energy infrastructure priority corridors and areas, while keeping the budgetary contribution of the Union to a minimum. ***The relevant measures should draw on the experience gained during the pilot phase following the introduction of project bonds to***

finance infrastructure projects.

Amendment 7
Proposal for a regulation
Recital 30

Text proposed by the Commission

(30) Projects of common interest in the fields of electricity, gas and carbon dioxide should be eligible to receive Union financial assistance for studies and, under certain conditions, for works under the proposed Regulation for a Connecting Europe Facility (CEF Regulation), either in the form of grants or in the form of innovative financial instruments. This will ensure tailor-made support can be provided to those projects of common interest which are not viable under the existing regulatory framework and market conditions. Such financial assistance should ensure the necessary synergies with funding from instruments under other Union policies. In particular, the Connecting Europe Facility will finance energy infrastructure of European relevance, while Structural Funds will finance smart energy distribution networks of local or regional importance. The two sources of funding will thereby complement each other.

Amendment

(30) Projects of common interest in the fields of electricity, gas and carbon dioxide should be eligible to receive Union financial assistance for studies and, under certain conditions, for works under the proposed Regulation for a Connecting Europe Facility (CEF Regulation), either in the form of grants or in the form of innovative financial instruments. This will ensure tailor-made support can be provided to those projects of common interest which are not viable under the existing regulatory framework and market conditions. ***The avoidance of any distortion of competition, in particular between projects contributing to the achievement of the same Union priority corridor, should be duly taken into account.*** Such financial assistance should ensure the necessary synergies with funding from instruments under other Union policies. In particular, the Connecting Europe Facility will finance energy infrastructure of European relevance, while Structural Funds will finance smart energy distribution networks of local or regional importance. The two sources of funding will thereby complement each other.

Amendment 8
Proposal for a regulation
Recital 30 a (new)

Text proposed by the Commission

Amendment

(30a) In the current climate of economic crisis, the wide credit rating disparity

between Member States and investors could lead to imbalances and major obstacles to project funding. The contribution of Union funding to overcoming these imbalances is of central importance in ensuring that the realisation of infrastructure projects helping to achieve the objectives of this Regulation is not compromised – particularly in view of the fact that the lion's share of the necessary funding for energy infrastructure over the coming decade will be provided by the private sector.

Amendment 9
Proposal for a regulation
Recital 32 a (new)

Text proposed by the Commission

Amendment

(32a) When the Council and the Commission assess whether sufficient progress has been made towards meeting the medium-term budgetary objective and in so doing examine the growth curve of government expenditure, the expenditure aggregate should exclude interest expenditure, expenditure on Union programmes fully covered by Union funds revenue and non-discretionary changes in unemployment benefit expenditure as laid down in Article 5 of Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies¹.

¹*OJ L 209, 2.8.1997, p. 1*

Amendment 10

Proposal for a regulation

Article 1 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. This Regulation is without prejudice to

– Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment¹;

– Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment²;

– Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy³;

– Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora⁴;

– Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds⁵;

– the Aarhus Convention; and

– the Espoo Convention.

¹ OJ L 175, 5.7.1985, p. 40

² OJ L 197, 21.7.2001, p. 30.

³ OJ L 327, 22.12.2000, p. 1.

⁴ OJ L 206, 22.7.1992, p. 7.

⁵ OJ L 20, 26.1.2010, p. 7.

Justification

This amendment specifies that other EU legislations will apply nonetheless.

Amendment 11
Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission

1. The Commission shall establish a Union-wide list of projects of common interest. The list shall be reviewed and updated *as necessary* every two years. The first list shall be adopted by 31 July 2013 at the latest.

Amendment

1. The Commission shall establish a Union-wide list of projects of common interest. The list shall be reviewed and updated every two years. The first list shall be adopted by 31 July 2013 at the latest.

Amendment 12
Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission

1. The Commission shall establish a Union-wide list of projects of common interest. The list shall be reviewed and updated as necessary every two years. The first list shall be adopted by 31 July 2013 at the latest.

Amendment

1. The Commission, ***in consultation with the Member States***, shall establish a Union-wide list of projects of common interest. The list shall be reviewed and updated as necessary every two years. The first list shall be adopted by 31 July 2013 at the latest.

Justification

This should be a consultative process at all stages.

Amendment 13
Proposal for a regulation
Article 3 – paragraph 3

Text proposed by the Commission

3. Each Group shall draw up its proposed list of projects of common interest according to the process set out in section 2 of Annex III, according to the contribution of each project to implementing the energy infrastructure priority corridors and areas set out in Annex I and according to their

Amendment

3. Each Group shall draw up its proposed list of projects of common interest according to the process set out in section 2 of Annex III, according to the contribution of each project to implementing the energy infrastructure priority corridors and areas set out in Annex I and according to their

fulfilment of the criteria set out in Article 4. Each individual proposal for a project shall require the approval of the Member State(s), to the territory of which the project relates.

fulfilment of the criteria set out in Article 4. ***The Groups shall adopt the proposed list by simple majority of their members.*** Each individual proposal for a project shall require the approval of the Member State(s), to the territory of which the project relates.

Amendment 14
Proposal for a regulation
Article 4 – paragraph 1 – point b

Text proposed by the Commission

(b) the project ***displays*** economic, social and environmental ***viability***; and

Amendment

(b) the project ***is viable according to*** economic, social and environmental ***criteria***; and

Amendment 15
Proposal for a regulation
Article 4 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) the project integrates and is consistent with the objectives of the Treaty on the Functioning of the European Union and specifically with Articles 170 and 171;

Amendment 16
Proposal for a regulation
Article 4 – paragraph 2 – point a – indent 1

Text proposed by the Commission

– market integration, competition and system flexibility;

Amendment

– market integration, ***inter alia through alleviating the effects of the isolation of regions in the Union***; competition and system flexibility;

Amendment 17
Proposal for a regulation

Article 4 – paragraph 2 – point a – indent 3

Text proposed by the Commission

– interoperability and secure system operation;

Amendment

– ***security of supply, inter alia through*** interoperability and secure system operation;

Amendment 18

Proposal for a regulation

Article 4 – paragraph 2 – point a – indent 3 a (new)

Text proposed by the Commission

Amendment

– ***high renewable energy production capacity and storage potential;***

Amendment 19

Proposal for a regulation

Article 4 – paragraph 2 – point b – indent 1

Text proposed by the Commission

Amendment

– market integration, interoperability and system flexibility;

– market integration, ***inter alia through alleviating the effects of the isolation of regions in the Union;*** interoperability and system flexibility;

Amendment 20

Proposal for a regulation

Article 4 – paragraph 4

Text proposed by the Commission

Amendment

4. When ranking projects contributing to the implementation of the same priority, due consideration shall also be given to the urgency of each proposed project in order to meet the energy policy targets of market integration and competition, sustainability and security of supply, the number of Member States affected by each project, and its complementarity with regard to other proposed projects. For projects

4. When ranking projects contributing to the implementation of the same priority, due consideration shall also be given to the urgency of each proposed project in order to meet the energy policy targets of market integration and competition, sustainability and security of supply, ***system flexibility and robustness, the cost-effective value-added benefit of the project in terms of jobs and the*** number of Member States

falling under the category set out in point 1(e) of Annex II, due consideration shall also be given to the number of users affected by the project, the annual energy consumption and the share of generation from non dispatchable resources in the area covered by these users.

affected by each project, and its complementarity with regard to other proposed projects *as well as its potential for enhancing innovation. The indicators referred to in point 5 of Annex V allowing for a cost-benefit analysis of the project shall be taken into account. To this end, these indicators can be set out in a harmonised framework established by the Commission.* For projects falling under the category set out in point 1(e) of Annex II, due consideration shall also be given to the number of users affected by the project, the annual energy consumption and the share of generation from non dispatchable resources in the area covered by these users.

Amendment 21
Proposal for a regulation
Article 4 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Projects involving at least one Member State experiencing or threatened with serious difficulties with respect to their financial stability and/or that have requested or are in receipt of financial assistance under Regulation (EU) No .../2012 shall be awarded top priority status when projects of common interest are ranked.

Amendment 22
Proposal for a regulation
Article 5 – paragraph 2

Text proposed by the Commission

Amendment

2. The Agency and the Groups shall monitor the progress achieved in implementing the projects of common interest. The Groups may request additional information provided in

2. The Agency and the Groups shall monitor the progress achieved in implementing the projects of common interest. The Groups may request additional information provided in

accordance with paragraphs 3, 4 and 5, verify the provided information on site and convene meetings with the relevant parties. The Groups may also request the Agency to take measures to facilitate the implementation of projects of common interest.

accordance with paragraphs 3, 4 and 5, verify the provided information on site and convene meetings with the relevant parties. The Groups may also request the Agency to take measures to facilitate the implementation of projects of common interest. ***Any decision by the Groups to send the request shall be taken by simple majority of their members.***

Amendment 23

Proposal for a regulation

Article 5 – paragraph 3 – point b a (new)

Text proposed by the Commission

Amendment

(ba) a breakdown of costs incurred to date and current forecasts of future costs estimated to be incurred by the project, accompanied by an analysis and description of how such costs compare to those estimated in the initial implementation plan;

Amendment 24

Proposal for a regulation

Article 5 – paragraph 3 – point b b (new)

Text proposed by the Commission

Amendment

(bb) the contribution of structural funds and other Union funds to the project, including investments or guarantees from the European Investment Bank;

Amendment 25

Proposal for a regulation

Article 5 – paragraph 7 – point b

Text proposed by the Commission

Amendment

(b) The project is no longer included in the ten-year network development plan;

deleted

Justification

Being listed in the ten-year network development plan should not be a condition for a project to be of common interest. Otherwise, the potential projects that bring significant European added value but that do not interest (at least one of) the Member States concerned would never been implemented.

Amendment 26

Proposal for a regulation

Article 5 – paragraph 7 – subparagraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) The costs incurred exceed by 30% the costs estimated in the implementation plan for the same period, unless such cost over-run can be duly justified by reasons outside the reasonable control of the project managers.

Amendment 27

Proposal for a regulation

Article 5 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. The Commission shall submit a yearly report to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the basis of information related to paragraphs 2 to 7.

Amendment 28

Proposal for a regulation

Article 8 – paragraph 4 – subparagraph 1

Text proposed by the Commission

Amendment

4. With the objective of meeting the time limits set out in Article 11 and reducing the administrative burden for the completion of projects of common interest, Member States shall, within nine months from the

4. With the objective of meeting the time limits set out in Article 11 and reducing the administrative burden for the completion of projects of common interest, Member States shall, within nine months from the

entry into force of this Regulation, take measures to streamline the environmental assessment procedures. These measures shall be without prejudice to obligations resulting from Union legislation.

entry into force of this Regulation, take **binding** measures to streamline the environmental assessment procedures. These measures shall be without prejudice to obligations resulting from Union legislation.

Amendment 29

Proposal for a regulation

Article 8 – paragraph 4 – subparagraph 2

Text proposed by the Commission

The Commission shall, within three months of the entry into force of this Regulation, issue guidance to support Member States in defining adequate measures and to ensure the coherent application of environmental assessment procedures required under EU legislation for projects of common interest.

Amendment

The Commission shall, within three months of the entry into force of this Regulation, issue guidance to support Member States in defining adequate **binding** measures and to ensure the coherent application of environmental assessment procedures required under EU legislation for projects of common interest.

Amendment 30

Proposal for a regulation

Article 12 – paragraph 1

Text proposed by the Commission

1. Within one month of the entry into force of this Regulation, the ENTSO for Electricity and the ENTSO for Gas shall submit to the Agency and the Commission their respective methodology, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level for projects of common interest falling under the categories set out in points 1(a) to (d) and 2 of Annex II. The methodology shall be elaborated in line with the principles laid down in Annex V.

Amendment

1. Within one month of the entry into force of this Regulation, the ENTSO for Electricity and the ENTSO for Gas, **after consultation with the European Environment Agency (EEA) and the European Observation Network for Territorial Development and Cohesion (ESPON)**, shall submit to the Agency and the Commission their respective methodology, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level for projects of common interest falling under the categories set out in points 1(a) to (d) and 2 of Annex II. The methodology shall be elaborated in line with the principles laid down in Annex V.

Amendment 31

Proposal for a regulation Article 12 – paragraph 1

Text proposed by the Commission

1. Within one month of the entry into force of this Regulation, the ENTSO for Electricity and the ENTSO for Gas shall submit to the Agency and the Commission their respective methodology, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level for projects of common interest falling under the categories set out in points 1(a) to (d) and 2 of Annex II. The methodology shall be elaborated in line with the principles laid down in Annex V.

Amendment

1. Within one month of the entry into force of this Regulation, the ENTSO for Electricity and the ENTSO for Gas shall submit to the Agency and the Commission their respective methodology, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level ***in relevant development scenarios*** for projects of common interest falling under the categories set out in points 1(a) to (d) and 2 of Annex II. The methodology shall be elaborated in line with the principles laid down in Annex V.

Amendment 32

Proposal for a regulation Article 12 – paragraph 7

Text proposed by the Commission

7. The methodology shall be applied to the cost-benefit analysis under all subsequent ten-year network development plans for electricity or gas developed by the ENTSOs for Electricity or Gas pursuant Article 8 of Regulation (EC) 714/2009 and Regulation (EC) 715/2009.

Amendment

7. The methodology shall be applied to the cost-benefit analysis under all subsequent ten-year network development plans for electricity or gas developed by the ENTSOs for Electricity or Gas pursuant Article 8 of Regulation (EC) 714/2009 and Regulation (EC) 715/2009, ***and the main results of the cost-benefit analysis in relevant scenarios must be included in the consultation process and final reporting of the ten-year network development plans.***

Amendment 33

Proposal for a regulation

Article 13 – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. The investment costs related to a project of common interest falling under the categories set out in points 1(a) to **(d)** and 2 of Annex II shall be borne by the transmission system operator(s) of the Member State(s) to which the project provides a net positive impact, and be paid for by network users through tariffs for network access.

Amendment

1. The investment costs related to a project of common interest falling under the categories set out in points 1(a) to **(e)** and 2 of Annex II shall be borne by the transmission system operator(s) of the Member State(s) to which the project provides a net positive impact, and be paid for by network users through tariffs for network access.

Amendment 34

Proposal for a regulation

Article 13 – paragraph 4 – introductory part

Text proposed by the Commission

The promoter(s) of a project of common interest falling under the categories set out in points 1(a) to **(d)** and 2 of Annex II shall keep all concerned national regulatory authorities regularly informed of the progress of that project and the identification of costs and impacts associated with it. As soon as a project of common interest selected pursuant to Article 3 and falling under the categories set out in points 1(a) to **(d)** and 2 of Annex II has reached sufficient maturity, the project promoter shall submit an investment request including a cross-border cost allocation, to the relevant national regulatory authorities, accompanied by the following:

Amendment

The promoter(s) of a project of common interest falling under the categories set out in points 1(a) to **(e)** and 2 of Annex II shall keep all concerned national regulatory authorities regularly informed of the progress of that project and the identification of costs and impacts associated with it. As soon as a project of common interest selected pursuant to Article 3 and falling under the categories set out in points 1(a) to **(e)** and 2 of Annex II has reached sufficient maturity, the project promoter shall submit an investment request including a cross-border cost allocation, to the relevant national regulatory authorities, accompanied by the following:

Amendment 35

Proposal for a regulation

Article 13 – paragraph 5 – subparagraph 2

Text proposed by the Commission

Amendment

In deciding to allocate costs across borders, the economic, ***social and environmental*** costs and benefits of the project(s) in the Member States concerned and the possible need for financial support shall be taken into account.

In deciding to allocate costs across borders, the economic costs and benefits of the project(s) in the Member States concerned and the possible need for financial support shall be taken into account.

Amendment 36

Proposal for a regulation

Article 13 – paragraph 5 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

Where project costs are included in network tariffs, revenue from pricing congestion on transmission lines included in the project shall be deducted from network tariffs. In allocating the revenue from pricing congestion to different transmission tariffs, the same proportions shall be used as for the allocation of costs.

Justification This can simplify the discussion of cost sharing agreement between project proponents, because it ensures that a significant part of the benefits are shared in proportion to the costs. This addresses the concern of national regulators about potentially imposing costs on their consumers that might benefit foreign consumers.

Amendment 37

Proposal for a regulation

Article 14 – paragraph 1

Text proposed by the Commission

Amendment

1. Where a project promoter incurs higher risks for the development, construction, operation or maintenance of a project of common interest falling under the categories set out in points 1 and 2 of Annex II, except for hydro-pumped electricity storage projects, compared to the risks normally incurred by a comparable infrastructure project, and

1. Where a project promoter incurs higher risks for the development, construction, operation or maintenance of a project of common interest falling under the categories set out in points 1 and 2 of Annex II, except for hydro-pumped electricity storage projects, ***gas storage facilities and LNG plants***, compared to the risks normally incurred by a comparable

where such risks are not covered under an exemption pursuant to Article 36 of Directive 2009/73/EC or Article 17 of Regulation (EC) No 714/2009, national regulatory authorities shall ensure that appropriate incentives are granted to that project when applying Article 37(8) of Directive 2009/72/EC, Article 41(8) of Directive 2009/73/EC, Article 14 of Regulation (EC) No 714/2009, and Article 13 of Regulation (EC) No 715/2009.

infrastructure project, and where such risks are not covered under an exemption pursuant to Article 36 of Directive 2009/73/EC or Article 17 of Regulation (EC) No 714/2009, national regulatory authorities shall ensure that appropriate incentives are granted to that project when applying Article 37(8) of Directive 2009/72/EC, Article 41(8) of Directive 2009/73/EC, Article 14 of Regulation (EC) No 714/2009, and Article 13 of Regulation (EC) No 715/2009.

In connection with the payment of network charges, hydro-pumped electricity storage projects, gas storage facilities and LNG plants shall not be treated as end consumers, in order not to jeopardise their competitiveness.

Amendment 38

Proposal for a regulation Article 14 – paragraph 2

Text proposed by the Commission

2. The decision of the national regulatory authorities for granting such incentives shall consider the results of the cost-benefit analysis on the basis of the methodology elaborated pursuant to Article 12 and in particular the regional or Union-wide positive externalities generated by the project. The national regulatory authorities shall further analyse the specific risks incurred by the project promoter(s), the risk mitigation measures taken and the justification of this risk profile in view of the net positive impact provided by the project, when compared to a lower-risk alternative. Eligible risks shall notably include risks related to new transmission technologies, both onshore and offshore, ***risks related to under-recovery of costs*** and development risks.

Amendment

2. The decision of the national regulatory authorities for granting such incentives shall consider the results of the cost-benefit analysis on the basis of the methodology elaborated pursuant to Article 12 and in particular the regional or Union-wide positive externalities generated by the project. The national regulatory authorities shall further analyse the specific risks incurred by the project promoter(s), the risk mitigation measures taken and the justification of this risk profile in view of the net positive impact provided by the project, when compared to a lower-risk alternative. Eligible risks shall notably include risks related to new transmission technologies, both onshore and offshore, and development risks.

Justification

For transmission projects constructed as part of the regulatory asset base, national regulators and EU frameworks ensure appropriate remuneration and thus avoid the risk related to under-recovery of costs; otherwise it could provide a costly guarantee for merchant transmission lines. Where this is seen as not credible, the objective of policy makers should be to address such concerns by strengthening the credibility rather than offering higher returns so as to limit costs to consumers.

Amendment 39

Proposal for a regulation

Article 14 – paragraph 3 – point c

Text proposed by the Commission

(c) rules for providing additional return on the capital invested for the project; or

Amendment

(c) rules for providing additional return ***or addressing risks*** on the capital invested for the project; or

Justification

If best practice regulatory approaches are shared and further developed and risk factors not under the control of investors are addressed, this could both make investment in transmission infrastructure more attractive to a wider set of actors and reduce the returns that need to be offered to attract such investments.

Amendment 40

Proposal for a regulation

Article 14 – paragraph 3 – point c a (new)

Text proposed by the Commission

Amendment

(ca) guidelines based on best practices in the evaluation of risks related to the capital invested for the project; or

Amendment 41

Proposal for a regulation

Article 14 – paragraph 6

Text proposed by the Commission

Amendment

6. The Commission ***may*** issue guidelines regarding the incentives laid down in this

6. The Commission ***shall*** issue guidelines regarding the incentives laid down in this

Article in accordance with Article 18(1) to (3) of Regulation (EC) No 714/2009 and Article 23 (1) of Regulation (EC) No 715/2009.

Article in accordance with Article 18(1) to (3) of Regulation (EC) No 714/2009 and Article 23 (1) of Regulation (EC) No 715/2009. ***In that connection, particular account shall be taken of the rules governing additional return on capital laid down in paragraph 3(c) of this Article.***

Amendment 42
Proposal for a regulation
Article 15 – paragraph 1

Text proposed by the Commission

1. Projects of common interest falling under the categories set out in points 1, 2 and 4 of Annex II are eligible for Union financial support in the form of grants for studies and financial instruments in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility].

Amendment

1. Projects of common interest falling under the categories set out in points 1, 2 and 4 of Annex II are eligible for Union financial support in the form of grants for studies and financial instruments in accordance with the provisions of Regulation (EU) No .../... of the European Parliament and the Council establishing the Connecting Europe Facility, ***taking into consideration:***

- the need to avoid any distortion of competition, in particular between projects contributing to the achievement of the same Union priority corridor;

- the fact that private financing, or financing by the economic operators concerned, will be the main source of financing.

The choice of financial instruments shall be determined by the nature of the projects. Not every form of financing shall necessarily be applicable to every project.

Amendment 43

Proposal for a regulation

Article 15 – paragraph 2 – introductory part

Text proposed by the Commission

2. Projects of common interest falling under the categories set out in points 1(a) to **(d)** and 2 of Annex II, except for hydro-pumped electricity storage projects, shall be also eligible for Union financial support in the form of grants for works in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility], if they are carried out according to the procedure referred to in paragraph 6(b) of Article 5 or if they fulfil the following criteria:

Amendment

2. Projects of common interest falling under the categories set out in points 1(a) to **(e)** and 2 of Annex II, except for hydro-pumped electricity storage projects, shall be also eligible for Union financial support in the form of grants for works in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility], if they are carried out according to the procedure referred to in paragraph 6(b) of Article 5 or if they fulfil the following criteria:

Justification

It makes sense that all energy – in that case: electricity – infrastructure priorities are eligible for Union financial support, thus including projects related to the establishment of smart grids.

Amendment 44

Proposal for a regulation

Article 15 – paragraph 2 – point b

Text proposed by the Commission

(b) the project is commercially not viable according to the business plan and other assessments carried out, notably by possible investors or creditors. The decision on incentives and its justification referred to in paragraph 3 of Article 14 shall be taken into account when assessing the project's commercial viability; **and**

Amendment

(b) the project is commercially not viable according to the business plan and other assessments carried out, notably by possible investors or creditors. The decision on incentives and its justification referred to in paragraph 3 of Article 14 shall be taken into account when assessing the project's commercial viability; ***or the project promoter can clearly demonstrate that there are disproportionately high financing costs or inability to access market financing due to exceptional financial and economic difficulties facing the Member State or Member States***

*where the whole or part of the project of common interest is to be implemented;
and*

Amendment 45
Proposal for a regulation
Chapter V a (new)

Text proposed by the Commission

Amendment

Chapter Va – Fast-track procedure in Member States experiencing or threatened with serious difficulties

Amendment 46
Proposal for a regulation
Article 15 a (new)

Text proposed by the Commission

Amendment

Article 15a

Energy infrastructures as part of macro-economic adjustment programmes

1. The technical assistance provided by the Commission to Member States experiencing or threatened with serious difficulties with respect to their financial stability and/or that have requested or are in receipt of financial assistance under Regulation (EU) No .../2012 shall include a consultation of their national competent authorities and the project promoters concerned in order to:

a) speed up the implementation of projects of common interest set out in the list specified in Article 3 in accordance with the urgency criteria set out in Article 4(4);

b) explore all available means to ease financing conditions for the various stakeholders involved.

2. In order to apply point (a) of paragraph 1, the time periods laid down in Articles 10(3), 11, 13(5) and 13(6) may be shortened.

3. The public participation of the relevant stakeholders shall not be weakened by a tighter time-frame.

Amendment 47

**Proposal for a regulation
Article 16 – point a a (new)**

Text proposed by the Commission

Amendment

(aa) the contribution of the projects of common interest to the achievement of the Union strategy for growth and jobs;

Amendment 48

**Proposal for a regulation
Article 16 – point b**

Text proposed by the Commission

Amendment

(b) the funds engaged and disbursed by the Union for projects of common interest in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility], compared to the total value of funded projects of common interest;

(b) the funds engaged and disbursed by the Union for projects of common interest in accordance with, **on the one hand**, the provisions of [Regulation (EU) No .../... of the European Parliament and the Council establishing the Connecting Europe Facility] **and, on the other hand, the structural funds**, compared to the total value of funded projects of common interest;

Amendment 49

**Proposal for a regulation
Annex 1 – part 1 – point 3 – paragraph 1**

Text proposed by the Commission

Amendment

(3) North-South electricity interconnections in Central Eastern and South Eastern Europe ('NSI East Electricity'): interconnections and internal lines in North-South and East-West directions to complete the internal market

(3) North-South electricity interconnections in Central Eastern and South Eastern Europe ('NSI East Electricity'): interconnections and internal lines in North-South and East-West directions to complete the internal market,

and integrate generation from renewable energy sources.

to end the isolation of Island Electrical Systems and integrate generation from renewable energy sources.

Amendment 50

Proposal for a regulation

Annex 1 – part 2 – point 2 – introductory part

Text proposed by the Commission

(2) North-South gas interconnections in Central Eastern and South Eastern Europe ('NSI East Gas'): regional gas connections between the Baltic Sea region, the Adriatic and Aegean Seas *and* the Black Sea, notably to enhance diversification and security of gas supply;

Amendment

(2) North-South gas interconnections in Central Eastern and South Eastern Europe ('NSI East Gas'): regional gas connections between the Baltic Sea region, the Adriatic and Aegean Seas, the Black Sea *and the Eastern Mediterranean Basin*, notably to enhance diversification and security of gas supply;

Amendment 51

Proposal for a regulation

Annex 1 – part 4 – point 11 – paragraph 1

Text proposed by the Commission

(11) Electricity highways: first electricity highways by 2020, in view of building an electricity highways system across the Union;

Amendment

(11) Electricity highways: first electricity highways by 2020, in view of building an electricity highways system across the Union, *especially connecting regions which have high renewable energy production capacity and storage potential*;

Amendment 52

Proposal for a regulation

Annex III – section 2 – point 1 a (new)

Text proposed by the Commission

Amendment

(1a) Each potential project manager may submit to the respective Group an assessment of its project(s) with regard to the contribution to implementing the priorities set out in Annex I, the

fulfilment of the relevant criteria defined in Article 6, and any other relevant information for the evaluation of the project(s), and if the project(s) fulfil the criteria laid down in Article 4, Annex II, and Annex III, the respective Group must within a period of 6 months deliver a reasoned opinion on the project(s) likely qualification as a project of common interest.

Amendment 53

Proposal for a regulation

Annex III – section 2 – point 3 a (new)

Text proposed by the Commission

Amendment

(3a) Proposed electricity transmission projects falling under the categories set out in points 1(a) and 1(b) of Annex II must be allowed for scrutiny and consideration by the respective Groups if proposed by relevant stakeholders, if they as a minimum fulfil the criteria listed in Article 4(1) and (2)(a), and Annex II point 1.

Amendment 54

Proposal for a regulation

Annex III – section 2 – point 6

Text proposed by the Commission

Amendment

When evaluating proposed electricity and gas projects falling under the categories set out in points 1(a) to **(d)** and 2 of Annex II, each Group shall, without prejudice to the provisions of point 4, take account of the analysis made, in accordance with the provisions in paragraph 7 of Article 12, for proposed electricity and gas projects falling under the categories set out in points 1(a) to **(d)** and 2 of Annex II in the latest available ten-year network development

When evaluating proposed electricity and gas projects falling under the categories set out in points 1(a) to **(e)** and 2 of Annex II, each Group shall, without prejudice to the provisions of point 4, take account of the analysis made, in accordance with the provisions in paragraph 7 of Article 12, for proposed electricity and gas projects falling under the categories set out in points 1(a) to **(e)** and 2 of Annex II in the latest available ten-year network development

plan for gas and electricity, developed by the ENTSOs for Electricity and Gas pursuant Article 8 of Regulations (EC) 714/2009 and (EC) 715/2009.

plan for gas and electricity, developed by the ENTSOs for Electricity and Gas pursuant Article 8 of Regulations (EC) 714/2009 and (EC) 715/2009.

Justification

This amendment aims at including smart grids.

Amendment 55
Proposal for a regulation
Annex 4 – point 1 – point b

Text proposed by the Commission

(b) for electricity storage, the project provides storage capacity allowing a net annual electricity generation of at least 500 Gigawatt-hours;

Amendment

(b) for electricity storage, the project provides storage capacity allowing a net annual electricity generation of at least 500 Gigawatt-hours ***or [x]% of the annual electricity generation of the Member State, whichever is lower;***

Justification

500 Gigawatt-hours is very substantial in some Member States and it may therefore be helpful to also agree on a percentage of annual electricity generation as well.

Amendment 56
Proposal for a regulation
Annex 4 – point 1 – point d

Text proposed by the Commission

(d) for gas storage or *liquefied/compressed natural gas*, the project aims at supplying directly or indirectly at least two Member States or at fulfilling the infrastructure standard (N-1 rule) at regional level in accordance with Article 6(3) of Regulation (EU) No 994/2010;

Amendment

(d) for gas storage or *LNG/CNG*, the project aims at supplying directly or ***has the ability to supply*** indirectly at least two Member States or at fulfilling the infrastructure standard (N-1 rule) at regional level in accordance with Article 6(3) of Regulation (EU) No 994/2010;

Amendment 57
Proposal for a regulation
Annex 5 – point 1 – point a

Text proposed by the Commission

(a) In electricity: scenarios for demand, generation capacities by fuel type (biomass, geothermal, hydro, gas, nuclear, oil, solid fuels, wind, solar photovoltaic, concentrated solar, other renewable technologies) and their geographical location, fuel prices (including biomass, coal, gas and oil), carbon dioxide prices, the composition of the transmission and, if relevant, the distribution network, and its evolution, taking into account all new significant generation (including capacity equipped for capturing carbon dioxide), storage and transmission projects for which a final investment decision has been taken and that are due to be commissioned by the end of year n+5;

Amendment

(a) In electricity: scenarios for demand ***(both in the Member States and in neighbouring third countries)***, generation capacities by fuel type (biomass, geothermal, hydro, gas, nuclear, oil, solid fuels, wind, solar photovoltaic, concentrated solar, other renewable technologies) and their geographical location, fuel prices (including biomass, coal, gas and oil), carbon dioxide prices, the composition of the transmission and, if relevant, the distribution network, and its evolution, taking into account all new significant generation (including capacity equipped for capturing carbon dioxide), storage and transmission projects for which a final investment decision has been taken and that are due to be commissioned by the end of year n+5;

Amendment 58
Proposal for a regulation
Annex 5 – point 1 – point a

Text proposed by the Commission

(a) In electricity: scenarios for demand, generation capacities by fuel type (biomass, geothermal, hydro, gas, nuclear, oil, solid fuels, wind, solar photovoltaic, concentrated solar, other renewable technologies) and their geographical location, fuel prices (including biomass, coal, gas and oil), carbon dioxide prices, the composition of the transmission and, if relevant, the distribution network, and its evolution, taking into account all new significant generation (including capacity equipped for capturing carbon dioxide), storage and transmission projects for which a final investment decision has been taken and that are due to be commissioned by the end of year n+5;

Amendment

(a) In electricity: scenarios for demand, generation capacities by fuel type (biomass, geothermal, hydro, gas, nuclear, oil, solid fuels, wind, solar photovoltaic, concentrated solar, other renewable technologies) and their geographical location, fuel prices (including biomass, coal, gas and oil), carbon dioxide prices, the composition of the transmission and, if relevant, the distribution network, and its evolution, taking into account all new significant generation (including capacity equipped for capturing carbon dioxide), storage ***potential*** and ***storage and*** transmission projects for which a final investment decision has been taken and that are due to be commissioned by the end

of year n+5;

Amendment 59

Proposal for a regulation Annex V – point 5 b (new)

Text proposed by the Commission

Amendment

(5b) When carrying out the cost-benefit analysis referred to in Article 13(4)(a), the project manager will apply a risk premium to the discount rates. This risk premium shall be set by the project manager after consultation of the relevant stakeholders on the basis of the information laid down in point 4 of Annex VI.

Justification

The project manager will add to the harmonised discount rates a risk premium reflecting the desirability of the projects for the relevant stakeholders, especially the citizens.

PROCEDURE

Title	Trans-European energy infrastructure, and repeal of Decision No 1364/2006/EC	
References	COM(2011)0658 – C7-0371/2011 – 2011/0300(COD)	
Committee responsible Date announced in plenary	ITRE 15.11.2011	
Opinion by Date announced in plenary	ECON 15.11.2011	
Rapporteur Date appointed	Philippe Lamberts 29.11.2011	
Discussed in committee	20.3.2012	30.5.2012
Date adopted	31.5.2012	
Result of final vote	+ : 36 - : 0 0 : 2	
Members present for the final vote	Burkhard Balz, Elena Băsescu, Udo Bullmann, Nikolaos Chountis, George Sabin Cutaş, Leonardo Domenici, Derk Jan Eppink, Diogo Feio, Elisa Ferreira, Ildikó Gáll-Pelcz, Jean-Paul Gauzès, Sven Giegold, Sylvie Goulard, Liem Hoang Ngoc, Othmar Karas, Wolf Klinz, Jürgen Klute, Rodi Kratsa-Tsagaropoulou, Philippe Lamberts, Werner Langen,	

	Astrid Lulling, Arlene McCarthy, Ivari Padar, Alfredo Pallone, Olle Schmidt, Edward Scicluna, Peter Simon, Ivo Strejček, Sampo Terho, Marianne Thyssen, Ramon Tremosa i Balcells
Substitute(s) present for the final vote	Sophie Auconie, Thijs Berman, Philippe De Backer, Roberto Gualtieri, Danuta Maria Hübner, Olle Ludvigsson
Substitute(s) under Rule 187(2) present for the final vote	Margrete Auken

9.5.2012

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (COM(2011)0658 – C7-0371/2011 – 2011/0300(COD))

Rapporteur: Pavel Poc

SHORT JUSTIFICATION

Introduction

On 19 October 2011, the European Commission unveiled its proposal for a *Regulation on guidelines for trans-European energy infrastructure*. The Commission's proposal aims at ensuring that strategic energy networks and storage facilities in the EU are completed by 2020. More specifically, this Regulation aims at the full integration of the internal energy market, including by ensuring that no Member State is isolated from the European network.

It contributes to sustainable development and protection of the environment by enabling the Union to achieve its 2020 strategy targets, while ensuring security of supply and solidarity among Member States.

As requested in the *Commission Communication Energy Infrastructure Priorities for 2020 and Beyond*, existing policy on trans-European energy networks (TEN-E) should be reviewed, bolstered with instruments from new energy infrastructure policy, accelerated, and appropriately financed.

Financing

In the next ten years, around Euro 200 billion are needed for the construction of gas pipelines and electricity grids. More specifically: € 140 bn for high-voltage electricity transmission systems, storage and smart grid applications, €70 bn for gas pipelines, storage, Liquefied Natural Gas (LNG) terminals and reverse flow infrastructure, and € 2.5 bn for CO₂ transport infrastructure.

This means that current investment levels have to be increased considerably. Compared to the period 2000 to 2010, this would result in a 30% increase in investments in the gas sector, and a 100% increase in the electricity sector compared to the same period before.

Problems identification

Problems with permit granting procedures and public opposition are amongst the major reasons impeding the timely implementation of energy infrastructure projects, in particular of electricity overhead lines.

Administrative procedures are complex and inefficient, notably with regard to the organisation of procedures and the competences of involved parties, remain fragmented and lack clear time limits and upfront planning and coordination of the implementation of EU environmental legislation.

The opposition of affected population relates to the lack of clarity about the added value of a project, real or perceived impacts on the environment and landscape, health and safety concerns, late and insufficient involvement of the public and stakeholders.

In some Member States also political and/or possessive speculations occur in connection with the infrastructure investments granting procedures.

Impact on the environment

Energy infrastructures planned today must be consistent with long-term EU climate and energy objectives and their implementation in various national energy policies. The planning of energy infrastructure projects should also comply fully with the precautionary principle.

The proposal has to integrate the existing environmental protection requirements into the context of energy infrastructure. Priority should be given to those energy sources with no societal and environmental cost.

Apart from the capital and operational costs, significant environmental costs arise from the construction, operation and decommissioning of energy infrastructures. These environmental costs have to be taken in account in the cost-benefit analysis using the life-cycle costing approach. Thorough environmental impact assessment of the energy infrastructure project on a case-by-case basis is needed to assess the significant risks, considering local and regional environmental conditions.

Transparency and public participation

The new rules improve the possibility of citizens to get involved in a project and their voice to be heard. The Regulation says that citizens have to be involved at a very early stage of the permit procedure. The regulation says that this has to be done before the project developer submits his formal application for the permit. In this way, citizens concerns can still be taken into account in the planning phase of the project. In many Member States it is currently practice that public consultation is held after the submission of the file to the authority.

Projects of common interest

To this end, the Commission has identified 12 priority corridors and areas covering electricity, gas, oil and carbon dioxide transport networks. It proposes a regime of "common interest" for projects contributing to implementing these priorities and having obtained this label. Projects of common interest should benefit from the faster permit procedure which should not exceed 3 years.

Rapporteur's recommendations

Rapporteur welcomes the proposals on speeding up decision-making for infrastructure authorisations and also the new rules to improve the possibility of citizens to get involved in a project and their voice to be heard.

However it is not possible to exempt the infrastructure projects from the environmental legislation and in accordance with Article 11 TFEU, the proposal must integrate the existing environmental protection requirements in the context of energy infrastructure.

High-quality public debate must be guaranteed and European environmental legislation must be duly taken into account.

AMENDMENTS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) Accelerating the refurbishment of existing and deployment of new energy infrastructure is vital to achieve the Union's energy and climate policy objectives, consisting in completing the internal market in energy, guaranteeing security of supply, notably for gas and oil, reducing greenhouse gas emissions by 20%, increasing the share of renewable energy in the final energy consumption to 20% and achieving a 20% increase in energy efficiency by 2020. At the same time, the Union has to prepare its infrastructure for further decarbonisation of its energy system in the longer term towards 2050.

Amendment

(6) Accelerating the refurbishment of existing and deployment of new energy infrastructure is vital to achieve the Union's energy and climate policy objectives, consisting in completing the internal market in energy, guaranteeing security of supply, notably for gas and oil, reducing greenhouse gas emissions by 20%, increasing the share of renewable energy in the final energy consumption to 20% and achieving a 20% increase in energy efficiency by 2020. At the same time, the Union has to prepare its infrastructure for further decarbonisation of its energy system in the longer term towards 2050 ***and, in the same time frame, prepare it for connecting regions which have high renewable energy production capacity and electricity storage potential. These energy and climate objectives should be met in the most cost-effective way possible;***

Amendment 2

Proposal for a regulation

Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) The best infrastructure –

environmentally, socially and economically – is an existing infrastructure that does not have to be build. Therefore energy efficiency is of vital importance; full account should be taken of the likely effects of the Energy Efficiency Directive proposed by the Commission (procedure still ongoing) in reducing the need for future infrastructure.

Amendment 3

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) Despite its legal existence as defined in Directives 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas, the internal market in energy remains fragmented due to insufficient interconnections between national energy networks. Union-wide integrated networks however are vital for ensuring a competitive and well functioning integrated market for promoting growth, employment and sustainable development.

Amendment

(7) Despite its legal existence as defined in Directives 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas, the internal market in energy remains fragmented due to insufficient interconnections between national energy networks. Union-wide integrated networks ***and deployment of smart grid infrastructure allowing for increased energy efficiency and integration of distributed renewable energy sources*** however are vital for ensuring a competitive and well functioning integrated market for promoting ***resource efficient*** growth, employment and sustainable development.

Amendment 4

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) The Union's energy infrastructure should be upgraded in order to prevent and increase its resilience to natural or man-made disasters, adverse effects of climate change and threats to its security, notably concerning European critical infrastructures as set out in Council Directive 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection.

Amendment

(8) The Union's energy infrastructure should be upgraded in order to prevent and increase its resilience to natural or man-made disasters, adverse effects of climate change and threats to its security, notably concerning European critical infrastructures as set out in Council Directive 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection, ***by a decentralised architecture tending to energy self-sufficiency of local territories*** .

Amendment 5

**Proposal for a regulation
Recital 11**

Text proposed by the Commission

(11) The investment needs up to 2020 in electricity and gas transmission infrastructures of European relevance have been estimated at about EUR 200 billion. The significant increase in investment volumes compared to past trends and the urgency to implement the energy infrastructure priorities requires a new approach in the way energy infrastructures, and notably those of cross-border nature, are regulated and financed.

Amendment

(11) The investment needs up to 2020 in electricity and gas transmission infrastructures of European relevance have been estimated at about EUR 200 billion. The significant increase in investment volumes compared to past trends and the urgency to implement the energy infrastructure priorities requires a new approach in the way energy infrastructures, and notably those of cross-border nature, are regulated and financed. ***This approach nonetheless should take account of fiscal consolidation mechanisms taking place across the EU, prioritise those projects of common interest providing genuine European added value, and recognise where authorities of Member States and the market are better placed to intervene.***

Amendment 6

Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) The identification of projects of common interest should ***be based on*** common, transparent and objective criteria in view of their contribution to the energy policy objectives. ***For*** electricity and gas, ***proposed projects*** should be part of the latest available ten-year network development plan. This plan should notably take account of the conclusions of the 4 February European Council with regard to the need to integrate peripheral energy markets.

Amendment

(15) The identification of projects of common interest should ***comply with*** common, transparent and objective criteria in view of their contribution to the energy policy objectives. ***Projects for*** electricity and gas should be part of the latest available ten-year network development plan. This plan should notably take account of the conclusions of the 4 February European Council with regard to the need to integrate peripheral energy markets ***and establish the deployment of smart grid infrastructure.***

Amendment 7

Proposal for a regulation
Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) Third parties that wish to invest in this area should not be excluded from applying for and receiving funding for projects of common interest. Furthermore, partnerships between third parties and governmental bodies, involving projects of common interest should also be encouraged;

Amendment 8

Proposal for a regulation
Recital 20

Text proposed by the Commission

Amendment

(20) Projects of common interest should be given ‘priority status’ at national level to ensure rapid administrative treatment. Projects of common interest shall be

(20) Projects of common interest should be given “priority status” at national level to ensure rapid administrative treatment. Projects of common interest shall be

considered by competent authorities as being in public interest. Authorisation should be given to projects which have an adverse impact on the environment, for reasons of overriding public interest, when all the conditions provided for under Directives 92/43/EC and 2000/60/EC are met.

considered by competent authorities as being in public interest. Authorisation should be given to projects which have an adverse impact on the environment, for reasons of overriding public interest, ***only*** when all the conditions provided for under Directives 92/43/EC and 2000/60/EC are met. ***The cases where infrastructure could be minimised through energy efficiency policies, where existing national and cross-border infrastructure can be upgraded or modernised and where new infrastructure is needed and can be built alongside existing energy or transport infrastructure should be identified, according to a hierarchy of importance and in the interest of cost-effectiveness.***

Amendment 9

Proposal for a regulation Recital 22

Text proposed by the Commission

(22) Despite the existence of established standards for the participation of the public in environmental decision-making procedures, additional measures are needed to ensure highest possible standards of transparency and public participation for all relevant issues in the permit granting process for projects of common interest.

Amendment

(22) Despite the existence of established standards for the participation of the public in environmental decision-making procedures, additional measures are needed to ensure highest possible standards of transparency and ***appropriate*** public participation for all relevant issues in the permit granting process for projects of common interest.

Amendment 10

Proposal for a regulation Article 1 – paragraph 2 – point b

Text proposed by the Commission

(b) facilitates the timely implementation of projects of common interest by accelerating permit granting and ***enhancing*** public participation;

Amendment

(b) facilitates the timely implementation of projects of common interest by accelerating permit granting and ***setting minimum requirements for*** public

participation;

Amendment 11

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

1. The Commission **shall** establish a Union-wide list of projects of common interest. The list shall be reviewed and updated as necessary every two years. The first list shall be adopted by 31 July 2013 at the latest.

Amendment

1. The Commission **shall, in cooperation with Member States**, establish a Union-wide list of projects of common interest, **classifying them in order of importance**. The list shall be reviewed and updated as necessary every two years. The first list shall be adopted by 31 July 2013 at the latest. **When establishing the Union-wide list the Commission shall also take into account the specific characteristics of small island Member States and develop projects to ensure that no Member State remains isolated from the European gas and electricity networks after 2015 or sees its energy security jeopardised by lack of appropriate connections. The Union-wide list shall also include such projects.**

Amendment 12

Proposal for a regulation

Article 3 – paragraph 2

Text proposed by the Commission

2. For the purpose of identifying projects of common interest, the Commission shall establish **a** Regional **Group** (**'Group'**) **as defined in section 1 of Annex III** based on each priority corridor and area and their respective geographical coverage as set out in Annex I.

Amendment

2. For the purpose of identifying projects of common interest, the Commission shall establish **twelve** Regional **Groups** (**'Groups'**) based on each priority corridor and area and their respective geographical coverage as set out in Annex I. **The composition of each group shall be based on the rules defined in section 1 of Annex III. Each Group shall carry out its workload based on previously agreed terms of reference or rules of procedure, having regard to any guidance provided**

by the Commission on this subject.

Amendment 13

Proposal for a regulation

Article 3 – paragraph 3

Text proposed by the Commission

3. Each Group shall ***draw up*** its ***proposed*** list of projects of common interest ***according*** to the process set out in section 2 of Annex III, according to the contribution of each project to implementing the energy infrastructure priority corridors and areas set out in Annex I and according to their fulfilment of the criteria set out in. Each individual proposal for a project shall require the approval of the Member State(s), to the territory of which the project relates.

Amendment

3. Each Group shall ***adopt*** its ***regional*** list of projects of common interest, ***drawn up in accordance with*** the process set out in section 2 of Annex III, according to the contribution of each project to implementing the energy infrastructure priority corridors and areas set out in Annex I and according to their fulfilment of the criteria set out in. Each individual proposal for a project shall require the approval of the Member State(s), to the territory of which the project relates.

Amendment 14

Proposal for a regulation

Article 3 – paragraph 5

Text proposed by the Commission

5. For electricity and gas projects falling under the categories set out in points 1 and 2 of Annex II, the Agency shall submit, within two months from the date of receipt of the proposed lists of projects of common interest set out in the first subparagraph of paragraph 4, an opinion to the Commission on the proposed lists of projects of common interest, in particular taking into account the consistent application of the criteria set out in across the Groups, and the results of the analysis carried out by the ENTSOs for Electricity and Gas in accordance with point 2.6 of Annex III.

Amendment

5. For electricity and gas projects falling under the categories set out in points 1 and 2 of Annex II, the Agency shall submit, within two months from the date of receipt of the proposed lists of projects of common interest set out in the first subparagraph of paragraph 4, an opinion to the Commission on the proposed lists of projects of common interest, in particular taking into account the consistent application of the criteria set out in across the Groups, and the results of the analysis carried out by the ENTSOs for Electricity and Gas in accordance with point 2.6 of Annex III.
The Commission shall finalise the list of projects of common interest, providing detailed analysis for its decision on each

project.

Amendment 15

Proposal for a regulation

Article 4 – paragraph 1 – point aa (new)

Text proposed by the Commission

Amendment

(aa) the project is in line with the Union energy and climate goals;

Amendment 16

Proposal for a regulation

Article 4 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) the project involves at least two Member States, ***either by*** directly crossing the border of one or more Member States or ***by*** being located on the territory of one Member State ***and having*** a significant cross-border impact as set out in point 1 of Annex IV;

(c) the project involves at least two Member States ***if*** directly crossing the border ***at land or at sea*** of one or more Member States, or ***if*** being located on the territory of one Member State ***but nevertheless having*** a significant cross-border impact, ***or in the case of an internal reinforcement, the project is relevant to a cross-border interconnection as set out in point 1 of Annex IV, or if it has the purpose of connecting islands and peripheral regions to central regions of the Union;***

Justification

In line with the development of renewable energy sources it is necessary to support the integration of renewable electricity production in internal transmission reinforcement projects if they contribute to cross-border transmission according to criteria defined in Annex IV.

Amendment 17

Proposal for a regulation

Article 4 – paragraph 2 – point a – introductory part

Text proposed by the Commission

Amendment

(a) concerning electricity transmission and storage projects falling under the categories set out in points 1(a) to (d) of Annex II, the project shall contribute significantly to at least one of the following specific criteria:

(a) concerning electricity transmission and storage projects falling under the categories set out in points 1(a) to (d) of Annex II, the project shall contribute ***to sustainability and*** significantly to at least one of the following specific criteria:

Justification

Sustainability criteria should not be optional. Sustainable approach will help EU to reach low carbon economy targets while preventing environmental degradation, biodiversity loss and unsustainable use of resources.

Amendment 18

Proposal for a regulation

Article 4 – paragraph 2 – point a – indent 1

Text proposed by the Commission

Amendment

– market integration, competition and system flexibility;

– market integration, ***inter alia through lifting the isolation of certain regions in the European Union***; competition and system flexibility;

Amendment 19

Proposal for a regulation

Article 4 – paragraph 2 – point a – indent 2

Text proposed by the Commission

Amendment

– ***sustainability, inter alia through*** transmission of renewable generation to major consumption centres and storage sites;

– ***integration of renewable energy into the grid and*** transmission of renewable generation to major consumption centres and storage sites;

Justification

Sustainability criteria should not be optional. Sustainable approach will help EU to reach low carbon economy targets while preventing environmental degradation, biodiversity loss and unsustainable use of resources.

Amendment 20

Proposal for a regulation

Article 4 – paragraph 2 – point a – indent 3

Text proposed by the Commission

– interoperability and secure system operation;

Amendment

– ***security of supply, inter alia through interoperability, and secure and reliable system operation, in particular through strengthening of current transmission stability, increasing electricity blackout resilience, and secure integration of intermittent production;***

Justification

Specification of main goals that should be met by security of supply. More specific definition of the security of supply is at the halt for good understanding of the problem.

Amendment 21

Proposal for a regulation

Article 4 – paragraph 2 – point a – indent 3 a (new)

Text proposed by the Commission

Amendment

- high renewable energy production capacity and storage potential

Amendment 22

Proposal for a regulation

Article 4 – paragraph 2 – point b – introductory part

Text proposed by the Commission

Amendment

(b) concerning gas projects falling under the categories set out in point 2 of Annex II, the project shall contribute significantly to at least one of the following specific criteria:

(b) concerning gas projects falling under the categories set out in point 2 of Annex II, the project shall contribute ***to sustainability and*** significantly to at least one of the following specific criteria:

Justification

Sustainability criteria should not be optional. Sustainable approach will help EU to reach low

carbon economy targets while preventing environmental degradation, biodiversity loss and unsustainable use of resources.

Amendment 23

Proposal for a regulation

Article 4 – paragraph 2 – point b – indent 1

Text proposed by the Commission

Amendment

– market integration, interoperability and system flexibility;

– market integration, ***inter alia through lifting the isolation of certain regions in the European Union***; interoperability and system flexibility;

Amendment 24

Proposal for a regulation

Article 4 – paragraph 2 – point b – indent 3

Text proposed by the Commission

Amendment

– competition, inter alia through diversification of supply sources, supplying counterparts ***and routes***;

– competition, inter alia through diversification of supply sources, supplying ***routes and*** counterparts;

Amendment 25

Proposal for a regulation

Article 4 – paragraph 2 – point b – indent 4

Text proposed by the Commission

Amendment

– ***sustainability***;

deleted

Justification

Sustainability criteria should not be optional. Sustainable approach will help EU to reach low carbon economy targets while preventing environmental degradation, biodiversity loss and unsustainable use of resources.

Amendment 26

Proposal for a regulation

Article 4 – paragraph 2 – point c – introductory part

Text proposed by the Commission

Amendment

(c) concerning electricity smart grid projects falling under the category set out in point 1(e) of Annex II, the project shall contribute significantly to the following specific functions:

(c) concerning electricity smart grid projects falling under the category set out in point 1(e) of Annex II, the project shall contribute **to sustainability and** significantly to the following specific functions:

Amendment 27

Proposal for a regulation

Article 4 – paragraph 2 – point d – introductory part

Text proposed by the Commission

Amendment

(d) concerning oil transport projects falling under the categories set out in point 3 of Annex II, the project shall contribute significantly to the following three specific criteria:

(d) concerning oil transport projects falling under the categories set out in point 3 of Annex II, the project shall contribute **to sustainability and** significantly to the following three specific criteria:

Justification

Sustainability criteria should not be optional. Sustainable approach will help EU to reach low carbon economy targets while preventing environmental degradation, biodiversity loss and unsustainable use of resources.

Amendment 28

Proposal for a regulation

Article 4 – paragraph 2 – point e – introductory part

Text proposed by the Commission

Amendment

(e) concerning carbon dioxide transport projects falling under the categories set out in point 4 of Annex II, the project shall contribute significantly to the following three specific criteria:

(e) concerning carbon dioxide transport projects falling under the categories set out in point 4 of Annex II, the project shall contribute **to sustainability and** significantly to the following three specific criteria:

Justification

Sustainability criteria should not be optional. Sustainable approach will help EU to reach low

carbon economy targets while preventing environmental degradation, biodiversity loss and unsustainable use of resources.

Amendment 29

Proposal for a regulation

Article 5 – paragraph 3 – introductory part

Text proposed by the Commission

3. By the 31 March of each year following the year of selection as project of common interest pursuant to Article 4, project promoters shall submit an annual report, for each project falling under the categories set out in points 1 and 2 of Annex II, to the Agency or, for projects falling under the categories set out in points 3 and 4 of Annex II, to the respective Group. This report shall detail:

Amendment

3. By the 31 March of each year following the year of selection as project of common interest pursuant to Article 4, project promoters shall submit an annual report, for each project falling under the categories set out in points 1 and 2 of Annex II, to the **Commission and the** Agency or, for projects falling under the categories set out in points 3 and 4 of Annex II, to the respective Group. This report shall detail:

Justification

For the purpose of transparency the Commission should be informed about the input of the consolidated report made by the Agency according to paragraph 4.

Amendment 30

Proposal for a regulation

Article 6 – paragraph 1

Text proposed by the Commission

1. When a project of common interest encounters significant implementation difficulties, the Commission may designate a European coordinator for a period of up to one year renewable twice.

Amendment

1. When a project of common interest encounters significant implementation difficulties, the Commission, ***in agreement with the Member States concerned***, may designate a European coordinator for a period of up to one year renewable twice.

Amendment 31

Proposal for a regulation

Article 6 – paragraph 3

Text proposed by the Commission

Amendment

3. The European coordinator shall be chosen on the basis of his or her experience with regard to the specific tasks assigned to him or her for the concerned project(s).

3. The European coordinator shall be chosen on the basis of his or her experience with regard to the specific tasks assigned to him or her for the concerned project(s), ***in agreement with the Member States concerned.***

Amendment 32

**Proposal for a regulation
Article 8 – paragraph 1**

Text proposed by the Commission

Amendment

1. Projects of common interest shall be allocated the status of the highest national significance possible and be treated as such in permit granting procedures, where and in the manner such treatment is provided for in national legislation applicable to the corresponding type of energy infrastructure.

1. Projects of common interest shall be allocated the status of the highest national significance possible and be treated as such in ***regional and spatial planning***, permit granting, ***environmental impact assessment and strategic environmental assessment*** procedures, where and in the manner such treatment is provided for in national legislation applicable to the corresponding type of energy infrastructure.

Amendment 33

**Proposal for a regulation
Article 8 – paragraph 4 – subparagraph 2**

Text proposed by the Commission

Amendment

The Commission shall, within three months of the entry into force of this Regulation, issue guidance to support Member States in defining adequate measures and to ensure the coherent application of environmental assessment procedures required under EU legislation for projects of common interest.

The Commission shall, within three months of the entry into force of this Regulation, issue guidance to support Member States in defining ***and implementing*** adequate measures and to ensure the coherent application of environmental assessment procedures required under EU legislation for projects of common interest, ***and shall monitor its application.***

Amendment 34

Proposal for a regulation

Article 9 – paragraph 2 – point b

Text proposed by the Commission

(b) coordinated scheme: The comprehensive decision may encompass multiple individual legally binding decisions issued by the Competent Authority and other authorities concerned. The competent authority shall establish, on a case-by-case basis, a reasonable time limit within which the individual decisions must be issued. The competent authority may take an individual decision on behalf of another national authority concerned, if the decision by that authority is not delivered within the time limit and if the delay cannot be adequately justified. The competent authority may overrule an individual decision of another national authority, if it considers that the decision is not sufficiently substantiated with regard to the underlying evidence presented by the authority concerned. The competent authority shall ensure that the relevant requirements under international and Union legislation are respected and must duly justify its decision.

Amendment

(b) coordinated scheme: The comprehensive decision may encompass multiple individual legally binding decisions issued by the Competent Authority and other authorities concerned. The competent authority shall establish, on a case-by-case basis, a reasonable time limit within which the individual decisions must be issued. The competent authority may take an individual decision on behalf of another national authority concerned, if the decision by that authority is not delivered within the time limit and if the delay cannot be adequately justified. The competent authority may overrule an individual decision of another national authority, if it considers that the decision is not sufficiently substantiated with regard to the underlying evidence presented by the authority concerned. The competent authority shall ensure that the relevant requirements under international and Union legislation are respected and must duly justify its decision ***and make the decision and the justification, including the relevant evidence, available to the public.***

Amendment 35

Proposal for a regulation

Article 9 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) collaborative scheme: the comprehensive decision may encompass multiple individual legally binding decisions issued by the competent

authority and other authorities concerned. The competent authority shall, in consultation with the other authorities concerned establish, on a case-by-case basis, a reasonable time limit within which the individual decisions can be issued, as well as the resulting total permitting time limit. The competent authority shall monitor the compliance of the time limits by the authorities concerned. If the decision by the authority involved is expected not to be delivered within the time limit, that authority shall inform the competent authority forthwith and include a justification for the delay.

Amendment 36

Proposal for a regulation Article 10 – paragraph 6

Text proposed by the Commission

6. For projects likely to have significant adverse cross-border impacts in one or more neighbouring Member States, where Article 7 of Directive 85/337/EEC *and* the Espoo Convention are applicable, the relevant information shall be made available to the competent authority of the neighbouring Member State(s). The competent authority of the neighbouring Member State(s) shall indicate whether it wishes to participate in the relevant public consultation procedures.

Amendment

6. For projects likely to have significant adverse cross-border impacts in one or more neighbouring Member States, where Article 7 of Directive **2001/42/EC, Article 7 of Directive** 85/337/EEC, *or* the Espoo Convention are applicable, the relevant information shall be made available to the competent authority of the neighbouring Member State(s). The competent authority of the neighbouring Member State(s) shall indicate whether it wishes to participate in the relevant public consultation procedures.

Amendment 37

Proposal for a regulation Article 10 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. Member States shall establish mechanisms for compensation of municipalities affected by the projects of

common interest as well as by other national projects in the field of energy infrastructure.

Justification

This simple instrument is capable to significantly shorten the length of the permitting procedures without touching the subsidiarity principle of the EU and powers of the local municipalities, since it will indirectly affect the spatial planning phase which is predominantly responsible for the delays in permitting procedures. The financial compensation is a powerful tool that will motivate the local municipality (communities) not to object placing the infrastructure in the national, regional and local land use planning documentation.

Amendment 38

Proposal for a regulation

Article 11 – paragraph 7a (new)

Text proposed by the Commission

Amendment

7a. In Member States where parts of the permit granting process, including spatial planning and environmental impact assessment procedures, do not result in a legally-binding permit competent authorities are required to ensure that their duration is well integrated in the overall time limits.

Amendment 39

Proposal for a regulation

Article 12 – paragraph 1

Text proposed by the Commission

Amendment

1. Within ***one month*** of the entry into force of this Regulation, the ENTSO for Electricity and the ENTSO for Gas shall submit to the Agency and the Commission their respective methodology, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level for projects of common interest falling under

1. Within ***six months*** of the entry into force of this Regulation, the ENTSO for Electricity and the ENTSO for Gas shall submit to the Agency and the Commission their respective methodology, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level for projects of common interest falling under

the categories set out in points 1(a) to (d) and 2 of Annex II. The methodology shall be elaborated in line with the principles laid down in Annex V.

the categories set out in points 1(a) to (d) and 2 of Annex II. The methodology shall be elaborated in line with the principles laid down in Annex V ***and be consistent with the rules and indicators set out in Annex IV. The ENTSOs shall conduct an extensive consultation process involving at least organisations representing all relevant stakeholders - and, if deemed appropriate, stakeholders directly - national regulatory authorities and other national authorities***

Justification

The elaboration of such methodology will not only take more time than one month due to the internal decision making processes of ENTSG and ENTSG-E (see ENTSG and ENTSG-E statutes) but all costs incurred by the TSOs before the coming into force of this Regulation would not be eligible for reimbursement through tariff setting by NRAs. Moreover, if an extensive consultation process shall be conducted one month is not sufficient.

Amendment 40

Proposal for a regulation Article 12 – paragraph 6

Text proposed by the Commission

6. The methodology shall be updated and improved ***regularly*** by following the procedure laid down in paragraphs 1 to 5. ***The Agency, after formally consulting the organisations representing all relevant stakeholders and the Commission, may request such updates and improvements with due justification and timescales.***

Amendment

6. The methodology shall be updated and improved ***every two years*** by following the procedure laid down in paragraphs 1 to 5.

Justification

This has to be a clear and pre-defined process, also in terms of timeline, i.e. may not be based on a random request.

Amendment 41

Proposal for a regulation Article 13 – paragraph 7

Text proposed by the Commission

7. A copy of all decisions, together with all the relevant information with respect to each decision, shall be notified, without delay, by the Agency to the Commission. That information may be submitted in aggregate form. The Commission shall preserve the confidentiality of commercially sensitive information.

Amendment

7. A copy of all decisions ***issued according to paragraph 6***, together with all the relevant information with respect to each decision, shall be notified, without delay, by the Agency to the Commission. That information may be submitted in aggregate form. The Commission shall preserve the confidentiality of commercially sensitive information.

Justification

Clarification as to which decisions are meant.

Amendment 42

Proposal for a regulation

Article 15 – paragraph 2 – point a

Text proposed by the Commission

(a) the project specific cost-benefit analysis pursuant to paragraph 4(a) of Article 13 provides evidence concerning the existence of significant positive externalities, such as security of supply, solidarity or innovation; and

Amendment

(a) the project specific cost-benefit analysis pursuant to paragraph 4(a) of Article 13 provides evidence concerning the existence of significant positive externalities, such as ***environmental and social benefits***, security of supply, solidarity or innovation; and

Amendment 43

Proposal for a regulation

Article 17 – point -a (new)

Text proposed by the Commission

Amendment

(-a) information about the current list of priority projects, overview over the stages of the decision making process as well as dates and agendas for the meetings of the regional groups, along with sub-sequent publication of minutes and any decisions taken.

Amendment 44

Proposal for a regulation Article 17 – point a

Text proposed by the Commission

(a) general, regularly updated information, including geographic information, for each project of common interest;

Amendment

(a) general, regularly updated information, including **necessary** geographic information, for each project of common interest;

Amendment 45

Proposal for a regulation Annex I – part 1 – point 3 – paragraph 1

Text proposed by the Commission

(3) North-South electricity interconnections in Central Eastern and South Eastern Europe ('NSI East Electricity'): interconnections and internal lines in North-South and East-West directions to complete the internal market and integrate generation from renewable energy sources.

Amendment

(3) North-South electricity interconnections in Central Eastern and South Eastern Europe ('NSI East Electricity'): interconnections and internal lines in North-South and East-West directions to complete the internal market and integrate generation from renewable energy sources; ***Interconnection of isolated Island Electrical Systems to the mainland in order to bring the benefits of the integrated electricity market, increase the renewable energy sources (RES) penetration and make possible transferring of RES energy to the mainland.***

Amendment 46

Proposal for a regulation Annex I – part 4 – point 11 – paragraph 1

Text proposed by the Commission

(11) Electricity highways: first electricity highways by 2020, in view of building an electricity highways system across the

Amendment

(11) Electricity highways: first electricity highways by 2020, in view of building an electricity highways system across the

Union;

Union, *especially connecting regions which have high renewable energy production capacity and storage potential;*

Amendment 47

Proposal for a regulation Annex III – part 1 – point 1 – paragraph 1

Text proposed by the Commission

(1) For electricity projects falling under the categories set out in point 1 of Annex II, each Group shall be composed of representatives of the Member States, national regulatory authorities, transmission system operators following their obligation to cooperate on a regional level in accordance with Article 6 of Directive 2009/72/EC and Article 12 of Regulation (EC) No 714/2009 *and* project promoters concerned by each of the relevant priorities designated in Annex I, as well as the Commission, the Agency and the ENTSO for Electricity.

Amendment

(1) For electricity projects falling under the categories set out in point 1 of Annex II, each Group shall be composed of representatives of the ***competent authorities of the*** Member States, national regulatory authorities, transmission system operators following their obligation to cooperate on a regional level in accordance with Article 6 of Directive 2009/72/EC and Article 12 of Regulation (EC) No 714/2009, project promoters ***and other relevant stakeholders, including producers, distribution system operators, suppliers and environmental organisations and organisations representing consumers,*** concerned by each of the relevant priorities designated in Annex I, as well as the Commission, the Agency and the ENTSO for Electricity.

Amendment 48

Proposal for a regulation Annex III – part 1 – point 1 – paragraph 2

Text proposed by the Commission

For gas projects falling under the categories set out in point 2 of Annex II, each Group shall be composed of representatives of the Member States, national regulatory authorities, transmission system operators following their obligation to cooperate on a regional level in accordance with Article 7 of

Amendment

For gas projects falling under the categories set out in point 2 of Annex II, each Group shall be composed of representatives of the ***competent authorities of the*** Member States, national regulatory authorities, transmission system operators following their obligation to cooperate on a regional level in accordance

Directive 2009/73/EC and Article 12 of Regulation (EC) No 715/2009 and project promoters concerned by each of the relevant priorities designated in Annex 1, as well as the Commission, the Agency and the ENTSO for Gas.

with Article 7 of Directive 2009/73/EC and Article 12 of Regulation (EC) No 715/2009 and project promoters concerned by each of the relevant priorities designated in Annex 1, as well as the Commission, the Agency and the ENTSO for Gas.

Amendment 49

Proposal for a regulation

Annex III – part 1 – point 1 – paragraph 3

Text proposed by the Commission

For oil and carbon dioxide transport projects falling under the categories referred to in Annex II(3) and (4), each Group shall be composed of the representatives of the Member States, project promoters concerned by each of the relevant priorities designated in Annex 1 and the Commission.

Amendment

For oil and carbon dioxide transport projects falling under the categories referred to in Annex II(3) and (4), each Group shall be composed of the representatives of the **competent authorities of the** Member States, project promoters concerned by each of the relevant priorities designated in Annex 1 and the Commission.

Amendment 50

Proposal for a regulation

Annex III – part 1 – point 4

Text proposed by the Commission

(4) Each Group shall consult the organisations representing relevant stakeholders, including producers, distribution system operators, suppliers, consumers, and, **for the tasks set out in paragraph 2 of**, organisations for environmental protection. The Group **may** organise hearings or consultations, where relevant for the accomplishments of it tasks.

Amendment

(4) Each Group shall consult the organisations representing relevant stakeholders, including producers, distribution system operators, suppliers, consumers, and organisations for environmental protection. The Group **shall** organise hearings or consultations, where relevant for the accomplishments of it tasks. **The group shall inform the public regularly and comprehensively about the state and result of its deliberations and organise a hearing or consultation before submission of its proposed list as referred to in Article 3(4).**

Amendment 51

Proposal for a regulation Annex III – part 2 – point 3

Text proposed by the Commission

(3) **Proposed** electricity transmission and storage projects falling under the categories set out in point 1(a) to (d) of Annex II shall be part of the latest available ten-year network development plan for electricity, developed by the ENTSO for Electricity pursuant Article 8 of Regulation (EC) 714/2009.

Amendment

(3) **For all projects of common interest included in the Union-wide list after 1 August 2013**, electricity transmission and storage projects falling under the categories set out in point 1(a) to (d) of Annex II shall be part of the latest available ten-year network development plan for electricity, developed by the ENTSO for Electricity pursuant Article 8 of Regulation (EC) 714/2009.

Amendment 52

Proposal for a regulation Annex III – part 2 – point 4

Text proposed by the Commission

(4) For all **Union-wide lists of** projects of common interest **adopted** after 1 August 2013, **proposed** gas transmission and storage projects falling under the categories set out in point 2 of Annex II shall be part of the latest available ten-year network development plan for gas, developed by the ENTSO for Gas pursuant Article 8 of Regulation (EC) 715/2009.

Amendment

(4) For all projects of common interest **included in the Union-wide list** after 1 August 2013, gas transmission and storage projects falling under the categories set out in point 2 of Annex II shall be part of the latest available ten-year network development plan for gas, developed by the ENTSO for Gas pursuant Article 8 of Regulation (EC) 715/2009.

Amendment 53

Proposal for a regulation Annex IV – point 1 – point b

Text proposed by the Commission

(b) for electricity storage, the project provides storage capacity allowing a net annual electricity generation of at least **500 Gigawatt-hours**;

Amendment

(b) for electricity storage, the project provides storage capacity allowing a net annual electricity generation of at least **250MW capacity and 250 Gigawatt-**

hours/year;

Amendment 54

Proposal for a regulation Annex V – point 1 – point a

Text proposed by the Commission

(a) In electricity: scenarios for demand, generation capacities by fuel type (biomass, geothermal, hydro, gas, nuclear, oil, solid fuels, wind, solar photovoltaic, concentrated solar, other renewable technologies) and their geographical location, fuel prices (including biomass, coal, gas and oil), carbon dioxide prices, the composition of the transmission and, if relevant, the distribution network, and its evolution, taking into account all new significant generation (including capacity equipped for capturing carbon dioxide), storage and transmission projects for which a final investment decision has been taken and that are due to be commissioned by the end of year n+5;

Amendment

(a) In electricity: scenarios for demand ***(both in the Member States and in neighbouring third countries)***, generation capacities by fuel type (biomass, geothermal, hydro, gas, nuclear, oil, solid fuels, wind, solar photovoltaic, concentrated solar, other renewable technologies) and their geographical location, fuel prices (including biomass, coal, gas and oil), carbon dioxide prices, the composition of the transmission and, if relevant, the distribution network, and its evolution, taking into account all new significant generation (including capacity equipped for capturing carbon dioxide), storage ***potential*** and ***storage and*** transmission projects for which a final investment decision has been taken and that are due to be commissioned by the end of year n+5;

Amendment 55

Proposal for a regulation Annex V – point 1 – point b

Text proposed by the Commission

(b) In gas: scenarios for demand, imports, fuel prices (including coal, gas and oil), carbon dioxide ***prices***, the composition of the transmission network and its evolution, taking into account all new projects for which a final investment decision has been taken and that are due to be commissioned by the end of year n+5;

Amendment

(b) In gas: scenarios for demand, imports, fuel prices (including coal, gas and oil), ***prices of*** carbon dioxide, the composition of the transmission network and its evolution, taking into account all new projects for which a final investment decision has been taken and that are due to be commissioned by the end of year n+5;

Justification

Clarification of the text.

Amendment 56

Proposal for a regulation Annex V – point 5

Text proposed by the Commission

(5) The cost-benefit analysis shall at least take into account the following costs: capital expenditure, operational and maintenance expenditure over the technical lifecycle of the project and decommissioning and waste management costs, where relevant. The methodology shall give guidance on discount rates to be used for the calculations.

Amendment

(5) The cost-benefit analysis, ***based on costs over the technical lifecycle of the project***, shall at least take into account the following costs: capital expenditure, operational and maintenance expenditure ***and the environmental costs of the construction, operation*** and decommissioning ***of energy infrastructure projects*** and waste management costs, where relevant. The methodology shall give guidance on discount rates to be used for the calculations.

Amendment 57

Proposal for a regulation Annex V – point 7 – point b

Text proposed by the Commission

(b) System resilience, including disaster and climate resilience, and system security, notably for European critical infrastructures as defined in Directive 2008/114/EC;

Amendment

(b) System resilience, including ***security of supply***, disaster and climate resilience, and system security, notably for European critical infrastructures as defined in Directive 2008/114/EC;

Justification

Security of supply is one of the most important issues in this context.

PROCEDURE

Title	Trans-European energy infrastructure, and repeal of Decision No 1364/2006/EC
References	COM(2011)0658 – C7-0371/2011 – 2011/0300(COD)
Committee responsible Date announced in plenary	ITRE 15.11.2011
Committee(s) asked for opinion(s) Date announced in plenary	ENVI 15.11.2011
Rapporteur(s) Date appointed	Pavel Poc 20.12.2011
Discussed in committee	20.3.2012
Date adopted	8.5.2012
Result of final vote	+: 51 -: 3 0: 5
Members present for the final vote	Kriton Arsenis, Sophie Auconie, Pilar Ayuso, Paolo Bartolozzi, Lajos Bokros, Martin Callanan, Nessa Childers, Chris Davies, Esther de Lange, Anne Delvaux, Bas Eickhout, Edite Estrela, Karl-Heinz Florenz, Elisabetta Gardini, Matthias Groote, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Karin Kadenbach, Christa Kläß, Eija-Riitta Korhola, Holger Krahmer, Jo Leinen, Corinne Lepage, Peter Liese, Kartika Tamara Liotard, Zofija Mazej Kukovič, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Antonia Parvanova, Andres Perello Rodriguez, Mario Pirillo, Pavel Poc, Frédérique Ries, Anna Rosbach, Oreste Rossi, Dagmar Roth-Behrendt, Horst Schnellhardt, Richard Seeber, Bogusław Sonik, Anja Weisgerber, Åsa Westlund, Glenis Willmott, Sabine Wils, Marina Yannakoudakis
Substitute(s) present for the final vote	Nikos Chrysogelos, João Ferreira, Filip Kaczmarek, Toine Manders, Judith A. Merkies, James Nicholson, Justas Vincas Paleckis, Alojz Peterle, Michèle Rivasi, Christel Schaldemose, Marita Ulvskog, Vladimir Urutchev, Andrea Zannoni

31.5.2012

OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (COM(2011)0658 – C7-0371/11 – 2011/0300(COD))

Rapporteur: Sandra Kalniete

SHORT JUSTIFICATION

The Rapporteur congratulates the Commission for proposing reasonable guidelines on the development of trans-European energy infrastructure and considers this an essential step which will further strengthen the European Union. The present proposal lays down rules for the timely development and interoperability of trans-European energy networks in order to achieve the energy policy objectives of the Treaty on the Functioning of the European Union, to ensure the functioning of the internal energy market, to ensure security of supply in the Union, to promote energy efficiency and the development of new and renewable forms of energy, as well as to promote the synergy of energy networks. The Rapporteur believes that this is especially an important security issue for the European Union.

There are still a number of EU Member States which are dependent on one energy supplier, which does not comply with the principles of good governance. Such a condition greatly increases the risks of an incident occurring in situations where, for example, the supplier has technical difficulties. This situation is not sustainable, and therefore the Rapporteur also welcomes the Commission's Communication "A Budget for Europe 2020" on the next multi-annual financial framework (2014 - 2020) which proposes *inter alia* the creation of Connecting European Facility to promote energy, transport and digital infrastructure priorities through a single fund of EUR 40 billion, of which EUR 9.1 billion is devoted to energy.

In its proposal, the Commission suggests establishing a limited number of priority projects, covering electricity and gas networks and oil and carbon dioxide transport infrastructures. Overall, the Commission identified 12 priority infrastructure projects and areas related to energy.

The Rapporteur wishes to emphasize that the proposal is not limited to non-renewable resources. With the help of this regulation, the Union will be able to achieve its climate and

energy goals: a 20% reduction in the emission of greenhouse gases by 2020, a 20% increase in energy efficiency and a 20% increase in renewable energy final energy consumption. The Rapporteur welcomes the commitment of this proposal to the very important issue of a sustainable and environmentally-friendly energy policy. The Rapporteur is concerned about it but believes that the Commission's proposal is well balanced. Similarly, the Rapporteur stresses that environmentally damaging projects should not be supported. One of the evaluation criteria's for projects of common interest are the level of sustainability for such works. This criterion shall be measured by assessing the reduction of greenhouse gas emissions, and the environmental impact of electricity grid infrastructure. The Rapporteur believes that the Committee on the Internal Market and Consumer Protection should not focus in its opinion on environmental issues, as the Committee responsible for these matters, the ENVI Committee, is preparing its own opinion.

The Rapporteur believes that the implementation of these projects is vital for realizing the energy policy goals set by the Treaty on the European Union. However, she also believes that it must not lead to an increase of energy prices. European citizens need a secure supply of energy, but this must not substantially affect the cost of energy. The Rapporteur regrets the absence of an in-depth study on how the implementation of those projects will affect the prices of energy. However, by assessing the necessity of such projects and their positive effect on competition, a drop in energy prices can be expected.

In general, priority areas and projects covering electricity and gas networks as well as oil and carbon dioxide transport infrastructure projects require an estimated amount of EUR 200 billion. The Commission believes that most of these projects will be financed by private investors, because they are financially profitable. However, several projects are to focus on smaller Member States and in such cases private investors might not be interested in the realization of these projects as the period for reimbursement is too long. That is why the Commission has earmarked EUR 9.1 billion Euros in order to finance projects which are not appealing to private investors but are very important to the European Union's security.

Overall, the Rapporteur welcomes the proposed Regulation and hopes that it will take effect following the proposed timeline. The Rapporteur calls on other Members of Parliament, the Commission and the Council to act responsibly, by not making the process of adopting this Regulation a political issue as such development could threaten the security of the Union.

A limited number of amendments proposed below aim to underline the importance of energy infrastructure's development for the Single Market in general, and European businesses and consumers in particular. Two address the communication aspects, namely the languages in which the transparency platform to be established by the Commission is to be accessible, and publication of relevant information by project promoters.

AMENDMENTS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) Accelerating the refurbishment of existing and deployment of new energy infrastructure is vital to achieve the Union's energy and climate policy objectives, consisting in completing the internal market in energy, guaranteeing security of supply, notably for gas and oil, reducing greenhouse gas emissions by 20%, increasing the share of renewable energy in the final energy consumption to 20% and achieving a 20% increase in energy efficiency by 2020. At the same time, the Union has to prepare its infrastructure for further decarbonisation of its energy system in the longer term towards 2050.

Amendment

(6) Accelerating the refurbishment of existing and deployment of new energy infrastructure is vital to achieve the Union's energy and climate policy objectives, consisting in completing the internal market in energy, guaranteeing security of supply, notably for gas and oil, reducing greenhouse gas emissions by 20%, increasing the share of renewable energy in the final energy consumption to 20%, ***i.e. by connecting regions with high renewable energy production capacity and electricity storage potential, and*** achieving a 20% increase in energy efficiency by 2020. At the same time, the Union has to prepare its infrastructure for further decarbonisation of its energy system in the longer term towards 2050.

Amendment 2

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) Despite its legal existence as defined in Directives 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas, the internal market in energy remains fragmented due to insufficient interconnections between national energy networks. Union-wide

Amendment

(7) Despite its legal existence as defined in Directives 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas, the internal market in energy remains fragmented due to insufficient interconnections between national energy networks. Union-wide

integrated networks however are vital for ensuring a competitive and well functioning integrated market for promoting growth, employment and sustainable development.

integrated networks, ***with supply and production activities being effectively separated from network operations***, are vital however for ensuring a competitive and well functioning integrated market for promoting growth, employment and sustainable development.

Justification

The Third Energy Liberalisation Package is a basis for a competitive energy market in the EU. In order to facilitate the implementation of the 3rd energy package and move towards the truly liberalised energy market across the EU, it is necessary via the TEN-E guidelines to ensure that the effective ownership unbundling of production and supply is implemented.

Amendment 3

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) In an increasingly integrated internal energy market, clear and transparent rules for cost allocation across borders are necessary in order to accelerate investment in cross-border infrastructure. The European Council of 4 February 2011 recalled the importance to promote a regulatory framework attractive to investment in networks, with tariffs set at levels consistent with financing needs and the appropriate cost allocation for cross-border investments, while enhancing competition and competitiveness, notably of European industry, and taking account of the impact on consumers.

Amendment

(27) In an increasingly integrated internal energy market, clear and transparent rules for cost allocation across borders are necessary in order to accelerate investment in cross-border infrastructure ***for the benefit of Union businesses, not least for SMEs for which high energy prices may become a serious obstacle, and consumers***. The European Council of 4 February 2011 recalled the importance to promote a regulatory framework attractive to investment in networks, with tariffs set at levels consistent with financing needs and the appropriate cost allocation for cross-border investments, while enhancing competition and competitiveness, notably of European industry ***and of SMEs***, and taking account of the impact on consumers.

Justification

Vide also corresponding amendment to Article 16(c).

Amendment 4

Proposal for a regulation
Article 4 – paragraph 1 – point b

Text proposed by the Commission

(b) the project displays economic, social and environmental viability; and

Amendment

(b) the project displays economic, social and environmental viability ***and will not contribute to adverse effects on energy affordability for end consumers or to the distortion of fair competition between market actors, in line with the functioning of the internal market;*** and

Amendment 5

Proposal for a regulation
Article 4 – paragraph 1 – point c

Text proposed by the Commission

(c) the project involves at least two Member States, either by directly crossing the border of one or more Member States or by being located on the territory of one Member State and having a significant cross-border impact as set out in point 1 of Annex IV;

Amendment

(c) the project involves at least two Member States, either by directly crossing the border of one or more Member States or by being located on the territory of one Member State and having a significant cross-border impact as set out in point 1 of Annex IV, ***or serving to link island and outlying regions with central regions of the Union;***

Amendment 6

Proposal for a regulation
Article 4 – paragraph 2 – point a – indent 3

Text proposed by the Commission

– interoperability ***and*** secure system operation;

Amendment

– interoperability, secure system operation ***and security of supply;***

Amendment 7

Proposal for a regulation
Article 4 – paragraph 2 – point c – indent 5

Text proposed by the Commission

– market functioning and customer services;

Amendment

– market functioning and customer services, ***especially related to households and to SMEs***;

Amendment 8

Proposal for a regulation

Article 4 – paragraph 4

Text proposed by the Commission

4. When ranking projects contributing to the implementation of the same priority, due consideration shall also be given to the urgency of each proposed project in order to meet the energy policy targets of market integration and competition, sustainability and security of supply, the number of Member States affected by each project, and its complementarity with regard to other proposed projects. For projects falling under the category set out in point 1(e) of Annex II, due consideration shall also be given to the number of users affected by the project, the annual energy consumption and the share of generation from non dispatchable resources in the area covered by these users.

Amendment

4. When ranking projects contributing to the implementation of the same priority, due consideration shall also be given to the urgency of each proposed project in order to meet the energy policy targets of market integration and competition, sustainability and security of supply, the number of Member States affected by each project, and its complementarity with regard to other proposed projects. For projects falling under the category set out in point 1(e) of Annex II, due consideration shall also be given to the number ***and situation*** of users affected by the project, ***especially households***, the annual energy consumption and the share of generation from non dispatchable resources in the area covered by these users.

Amendment 9

Proposal for a regulation

Article 6 – paragraph 1

Text proposed by the Commission

1. When a project of common interest encounters significant implementation difficulties, the Commission may designate a European coordinator for a period of up

Amendment

1. When a project of common interest encounters significant implementation difficulties, the Commission may, ***after agreement with the Member States***

to one year renewable twice.

concerned, designate a European coordinator for a period of up to one year renewable twice.

Amendment 10

Proposal for a regulation

Article 10 – paragraph 7 – subparagraph 2

Text proposed by the Commission

Project promoters shall, in addition, publish relevant information by other appropriate information means, to which the public has **open** access.

Amendment

Project promoters shall, in addition, publish relevant information by other appropriate information means, to which the public has **easy** access **free of charge**.

Justification

The term 'open access' can be misleading because of its use in the area of copyrights.

Amendment 11

Proposal for a regulation

Article 13 – paragraph 5 – subparagraph 2

Text proposed by the Commission

In deciding to allocate costs across borders, the economic, social and environmental costs and benefits of the project(s) in the Member States concerned and the possible need for financial support shall be taken into account.

Amendment

In deciding to allocate costs across borders, the economic, social and environmental costs and benefits of the project(s) in the Member States concerned, **in particular for the functioning of the internal market**, and the possible need for financial support shall be taken into account.

Justification

The importance of good energy supply for the functioning of the internal market and European economies needs to be underlined.

Amendment 12

Proposal for a regulation

Article 15 – paragraph 1

Text proposed by the Commission

1. Projects of common interest falling under the categories set out in points 1, 2 and 4 of Annex II are eligible for Union financial support in the form of grants for studies and financial instruments in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility].

Amendment

1. Projects of common interest falling under the categories set out in points 1 and 4 of Annex II are eligible for Union financial support in the form of grants for studies and financial instruments in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility].

Projects of common interest falling within the categories set out in point 2 of Annex II shall be eligible for Union financial support in the form of grants for studies and works and financial instruments in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility] if they are carried out in the parts of gas infrastructure sectors where the provisions on unbundling of Directive 2009/73/EC concerning common rules for the internal market in natural gas are implemented, including in those Member States where derogations are applied in that regard.

Justification

It is essential to implement the Third Energy Liberalisation Package, especially with regard to gas market, and to ensure that gas production and supply activities are separated and the existing monopoly networks are unbundled. This can be facilitated by laying down a precondition that only those projects of common interest concerning gas that are carried out in gas infrastructure sectors in Member States where the effective ownership unbundling is implemented, shall be eligible for Union financial assistance.

Amendment 13

**Proposal for a regulation
Article 16 – point c**

Text proposed by the Commission

(c) concerning the electricity and gas

Amendment

(c) concerning the electricity and gas

sectors, the evolution of the interconnection level between Member States, the corresponding evolution of energy prices, as well as the number of network system failure events, their causes and related economic cost;

sectors, the evolution of the interconnection level between Member States, the corresponding evolution of energy prices *for consumers and European businesses, especially SMEs*, as well as the number of network system failure events, their causes and related economic cost;

Amendment 14

Proposal for a regulation Article 17 – introductory part

Text proposed by the Commission

The Commission shall establish an infrastructure transparency platform easily accessible to the general public. This platform shall contain the following information:

Amendment

The Commission shall establish an infrastructure transparency platform easily accessible to the general public *in all official languages of the Union*. This platform shall contain the following information:

Amendment 15

Proposal for a regulation Annex I – part 1 – point 3 – introductory part

Text proposed by the Commission

(3) North-South electricity interconnections in Central Eastern and South Eastern Europe ("NSI East Electricity"): interconnections and internal lines in North-South and East-West directions to complete the internal market and integrate generation from renewable energy sources.

Amendment

(3) North-South electricity interconnections in Central Eastern and South Eastern Europe ("NSI East Electricity"): interconnections and internal lines in North-South and East-West directions to complete the internal market and integrate generation from renewable energy sources.

Linking power supplies on remote islands with the mainland with a view to the completion of the internal market in electricity, increasing renewable energy input and facilitating the transmission of power generated from renewable sources on the mainland.

Amendment 16

Proposal for a regulation Annex V – point 6 – point a

Text proposed by the Commission

(a) Competition in terms of market power of different operators and the convergence of prices between different Member States;

Amendment

(a) Competition in terms of market power of different operators and the convergence of prices, ***especially those affecting households***, between different Member States;

Amendment 17

Proposal for a regulation Annex V – point 7 – point a

Text proposed by the Commission

(a) Competition in terms of market power of different operators and the convergence of prices between different Member States;

Amendment

(a) Competition in terms of market power of different operators and the convergence of prices, ***especially those affecting households***, between different Member States;

Amendment 18

Proposal for a regulation Annex V – point 12

Text proposed by the Commission

(12) Transmission and distribution system operators shall exchange the information necessary for the elaboration of the methodology, including the relevant network and market modelling. Any transmission or distribution system operator collecting information on behalf of other transmission or distribution system operators shall give back to the participating transmission and distribution system operators the results of the

Amendment

(12) Transmission and distribution system operators shall exchange the information necessary for the elaboration of the methodology, including the relevant network and market modelling. Any transmission or distribution system operator collecting information on behalf of other transmission or distribution system operators shall give back to the participating transmission and distribution system operators the results of the

collection of data. For the common electricity and gas market and network model set out in paragraph 8 of Article 12, the input data set referred to in point 1 shall cover the years n+10, n+20 and n+30 and the model shall allow for a full assessment of economic, social and environmental impacts, notably including external costs such as those related to greenhouse gas and conventional air pollutant emissions or security of supply.

collection of data. For the common electricity and gas market and network model set out in paragraph 8 of Article 12, the input data set referred to in point 1 shall cover the years n+10, n+20 and n+30 and the model shall allow for a full assessment of economic, social and environmental impacts, notably ***for the functioning of the internal market and*** including external costs such as those related to greenhouse gas and conventional air pollutant emissions or security of supply.

Justification

The importance of good energy supply for the functioning of the internal market and European economies needs to be underlined.

PROCEDURE

Title	Trans-European energy infrastructure, and repeal of Decision No 1364/2006/EC		
References	COM(2011)0658 – C7-0371/2011 – 2011/0300(COD)		
Committee responsible Date announced in plenary	ITRE 15.11.2011		
Opinion by Date announced in plenary	IMCO 15.11.2011		
Rapporteur Date appointed	Sandra Kalniete 24.1.2012		
Discussed in committee	19.3.2012	25.4.2012	30.5.2012
Date adopted	31.5.2012		
Result of final vote	+: 26 -: 2 0: 4		
Members present for the final vote	Adam Bielan, Sergio Gaetano Cofferati, Birgit Collin-Langen, Lara Comi, António Fernando Correia de Campos, Cornelis de Jong, Evelyne Gebhardt, Louis Grech, Mikael Gustafsson, Małgorzata Handzlik, Malcolm Harbour, Iliana Ivanova, Sandra Kalniete, Toine Manders, Hans-Peter Mayer, Mitro Repo, Zuzana Roithová, Heide Rühle, Christel Schaldemose, Catherine Stihler, Róza Gräfin von Thun und Hohenstein, Emilie Turunen, Bernadette Vergnaud, Barbara Weiler		
Substitute(s) present for the final vote	Raffaele Baldassarre, Anna Hedh, María Irigoyen Pérez, Constance Le Grip, Morten Løkkegaard, Antonyia Parvanova, Wim van de Camp, Sabine Verheyen		

04.6.2012

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (COM(2011)0658 – C7-0371/2011 – 2011/0300(COD))

Rapporteur: Bogdan Kazimierz Marcinkiewicz

SHORT JUSTIFICATION

Introduction

Major efforts are needed to modernise and expand not only Europe's transport but also its energy infrastructure to meet the Union's energy policy objectives of competitiveness, sustainability and security of supply¹ and to complete the internal energy market from which EU transport sector will benefit. The Commission proposal especially aims at establishing the proper procedures and the rules for that undertaking.

Already in 2010² the Commission called for a new EU energy infrastructure policy to coordinate and optimise network development, highlighting the need to replace the existing Trans-European Networks for Energy (TEN-E) policy by a more effective regulatory framework bearing in mind solidarity between Member States.

In June 2011, the Commission adopted its Communication on the next multi-annual financial framework (2014-2020)³, proposing the creation of a Connecting Europe Facility to complete the priority energy, transport and digital infrastructures with a single fund of EUR 40 billion, out of which EUR 9.1 billion are dedicated to energy.

As far as TRAN committee's area of responsibility is concerned, it should stress the usefulness of creating synergies when implementing EU transport infrastructure (via the TEN-T) and energy infrastructure projects, to coordinate, where possible, transport and energy infrastructure projects and to streamline administrative, permission and environmental procedures for common energy and transport corridors.

¹ European Council conclusions 4 February 2011

² see COM(2010)677

³ see COM(2011) 500/I final and COM(2011) 500/II final (Policy Fiches)

Other transport-related aspects of the proposal relate to how oil, gas and electricity are shipped to and within the EU: it is essentially oil and gas that are also transported by ship, road or rail and where a change in transport policy can make a difference.

80% of imported crude oil is delivered to the EU by tankers. An important feature of the internal EU oil transport network is that the Western part is connected via pipeline to major European ports while most of the refineries in Central and Eastern Europe (EU-12) are supplied through the Druzhba oil pipeline system from Russia (about 60 million tons/year) with limited connections between the Western and Eastern European networks. This is due to the fact that the Eastern European pipeline infrastructure was conceived and built during the Cold War period. Moreover, in these countries, unlike in the EU-15, the oil demand is expected to grow by 7.8% between 2010 and 2020, and overall oil will remain an important part of the EU's energy mix beyond that date. This puts pressure to develop oil pipeline infrastructure to ensure security of supply in Central and Eastern Europe.

The transport of oil bears major environmental risks. In case of supply disruptions in the Druzhba system, the limited alternative supply options would lead to a big increase in tanker traffic in the environmentally sensitive Baltic area, the Black Sea and in the Turkish Straits, creating big concerns about the potential danger of accidents and oil spills. Each month 3,500-5,000 ships cross the waters of the Baltic Sea. Up to 25% of these ships are tankers transporting approximately 170 million tonnes of oil a year. Besides reducing the risk of oil spills a reduction in tanker traffic would also lower CO₂ and NO_x emissions.

Natural gas plays also an important role in energy field for EU transportation being a sustainable and low-emission energy source delivering clean energy for power generation (especially CHP), which might be easily transferred into transport needs. Directly, it can address the “clean transport” goals when used as fuel (LNG and CNG). Simultaneously, the EU relies heavily on natural gas imports, which are highly infrastructure dependent.

Growing energy demand could be supported by higher usage of LNG and CNG. Accordingly, we should make better and more efficient usage of existing and planned energy infrastructure networks.

In order to complete the internal gas market, the EU should be equipped with the appropriate natural gas infrastructure. New transmission capacities for supply, interconnections between Member States, as well as new storage and regasification facilities need to be developed. Action needs to be taken to address existing investment gaps, while enhancing and developing national transmission networks. The new Guidelines should also cover the issue of energy islands and missing interconnection between national natural gas markets, visible in areas like the Baltic region and Central and Eastern Europe.

Suggestions

Based on the above it is suggested to focus on

(1) promoting synergies between EU infrastructure projects in the area of transport and energy, inter alia by encouraging competent authorities to grant joint permissions including in the environmental field

- (2) developing further the existing pipeline network in the EU to improve the connection between EU-12 and EU-15 and ensure security of oil supply in the EU-12 region
- (3) reducing the potential risk of environmental disasters caused by tankers traffic.
- (4) promoting the role of regional LNG terminals with particular attention to ship bunkering, rail and truck transport
- (5) promoting the role of natural gas as a sustainable source of energy
- (6) pursuing market integration and finishing isolation of energy markets
- (7) supporting the EU's goals of sound and flexible national transmission networks

AMENDMENTS

The Committee on Transport and Tourism calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) The challenge of autonomy and energy supply in the outermost regions should be taken into account, given their geomorphological conditions and geographical location, particularly when identifying projects of common interest, since these regions are privileged locations for the development of renewable energies, a key condition for achieving European energy and climate targets.

Amendment 2

Proposal for a regulation Recital 5

Text proposed by the Commission

(5) Evaluation of the current TEN-E framework has clearly shown that this policy, while making a positive contribution to selected projects by giving them political visibility, lacks vision, focus, and flexibility to fill identified infrastructure gaps.

Amendment

(5) Evaluation of the current TEN-E framework has clearly shown that this policy, while making a positive contribution to selected projects by giving them political visibility, lacks vision, focus, and flexibility to fill identified infrastructure gaps; ***highlights in this context the importance of identifying potential future gaps in energy demand and supply.***

Amendment 3

**Proposal for a regulation
Recital 7 a (new)**

Text proposed by the Commission

Amendment

(7a) The Union's internal pipeline network requires further integration between its Western and Eastern parts in order to ensure security of supply throughout the Union.

Amendment 4

**Proposal for a regulation
Recital 7 b (new)**

Text proposed by the Commission

Amendment

(7b) The Union's internal pipeline network requires further integration between its Western and Eastern and South-Eastern parts in order to ensure security of supply throughout the Union.

Amendment 5

Proposal for a regulation Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) Reducing the use of risk-prone means for transporting oil, such as tankers, is an important element in lowering the environmental risk associated with the transportation of oil.

Amendment 6

Proposal for a regulation Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) To ensure voltage and frequency stability, particular attention should be focused on the stability of the European electricity network under the changing conditions caused by the growing incoming supplies of volatile renewable energy. Further research efforts are needed in order to enable smart grids, storage capacities, and intelligent energy mix concepts to compensate for supply fluctuations in electricity generated from renewable sources.

Amendment 7

Proposal for a regulation Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) The creation of a Union-oriented linkage of its offshore potential is highly important. The integration of the North Sea, Baltic Sea and Black Sea offshore potentials is vital to the development of

the Union's internal energy market.

Amendment 8

**Proposal for a regulation
Recital 17 a (new)**

Text proposed by the Commission

Amendment

(17a) To reflect the growing demand for electricity up to 2020, which will be double that for gas, the Union funding for electricity projects should be earmarked to ensure that sufficient funds are available, in line with the Union's long-term energy policy, in particular for those in the area of transport electrification.

Amendment 9

**Proposal for a regulation
Recital 18 a (new)**

Text proposed by the Commission

Amendment

(18a) Cooperation through horizontal projects in the energy and transport area should be promoted in order to develop synergies with high Union added value.

Amendment 10

**Proposal for a regulation
Recital 19 a (new)**

Text proposed by the Commission

Amendment

(19a) Planning and implementation of Union projects in the area of energy and transport infrastructure should be coordinated to generate synergies where this makes sense from an economic, technical and environmental point of view

and with due regard to the relevant safety aspects.

Amendment 11

Proposal for a regulation Recital 20 a (new)

Text proposed by the Commission

Amendment

(20a) The construction of energy infrastructure networks should not, under any circumstances, damage Europe's (artistic, cultural, touristic, or environmental) heritage, as referred to in the European Parliament resolution of 27 September 2011 on 'Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe'¹, in which the Commission and the Member States are urged to 'take all appropriate measures to safeguard Europe's heritage and assets for future generations'.

¹Texts adopted, P7_TA(2011)0407.

Amendment 12

Proposal for a regulation Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) The competent authorities should consider granting joint permits to projects of common interest which create synergies between Union infrastructure projects in the area of energy and transport.

Amendment 13

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Proposal for a regulation
Recital 21 b (new)

Text proposed by the Commission

Amendment

(21b) When planning the various trans-European networks, the preferred option should be integration of transport, communication, and energy networks in order to save as much space as possible and, wherever possible, reuse existing and/or disused routes so as to reduce the socio-economic, environmental, and financial impact to a minimum.

Amendment 14

Proposal for a regulation
Recital 24 a (new)

Text proposed by the Commission

Amendment

(24a) Given the cross-border nature of projects, longer time-frames should be laid down for public consultation in all the Member States involved, taking into account not least the need to have all the relevant information in the languages of the Member States concerned and the variety of procedures followed in individual Member States, the object being to ensure the full participation of all stakeholders involved (citizens affected, local and regional authorities, etc.).

Justification

As is the case with transport, the cross-border nature of many energy infrastructures poses an additional challenge where public consultation procedures are concerned. To overcome these difficulties and secure greater acceptance of the projects, without detracting from the urgency of the action, it is suggested that longer time-frames be allowed for consultation, bearing in mind the obvious needs resulting from the fact that the languages used and the procedures followed are different in each Member State.

Amendment 15

Proposal for a regulation Recital 25 a (new)

Text proposed by the Commission

Amendment

(25a) Energy infrastructure, especially where transport networks are concerned, should be planned and laid down in such a way as to ensure that there would be no convoys carrying hydrocarbon products within or close to residential areas, in order to rule out all possibility of endangering residents' safety.

Amendment 16

Proposal for a regulation Recital 29

Text proposed by the Commission

Amendment

(29) The European Energy Programme for Recovery (EEPR) has demonstrated the added value of leveraging private funding through significant Union financial aid to allow implementation of projects of European significance. The European Council of 4 February 2011 recognised that some energy infrastructure projects may require limited public finance to leverage private funding. In the light of the economic and financial crisis and budgetary constraints, targeted support, through grants **and** financial instruments, should be developed under the next multi-annual financial framework, which will attract new investors into the energy infrastructure priority corridors and areas, while keeping the budgetary contribution of the Union to a minimum.

(29) The European Energy Programme for Recovery (EEPR) has demonstrated the added value of leveraging private funding through significant Union financial aid to allow implementation of projects of European significance. The European Council of 4 February 2011 recognised that some energy infrastructure projects may require limited public finance to leverage private funding. In the light of the economic and financial crisis and budgetary constraints, targeted support, through grants, financial instruments, **and State guarantees**, should be developed under the next multi-annual financial framework, which will attract new investors into the energy infrastructure priority corridors and areas, while keeping the budgetary contribution of the Union to a minimum.

Amendment 17

Proposal for a regulation Recital 30

Text proposed by the Commission

(30) Projects of common interest in the fields of electricity, gas and carbon dioxide should be eligible to receive Union financial assistance for studies and, under certain conditions, for works under the proposed Regulation for a Connecting Europe Facility (CEF Regulation), either in the form of grants or in the form of innovative financial instruments. This will ensure tailor-made support can be provided to those projects of common interest which are not viable under the existing regulatory framework and market conditions. Such financial assistance should ensure the necessary synergies with funding from instruments under other Union policies. In particular, the Connecting Europe Facility will finance energy infrastructure of European relevance, while Structural Funds will finance smart energy distribution networks of local or regional importance. The two sources of funding will thereby complement each other.

Amendment

(30) Projects of common interest in the fields of electricity, gas and carbon dioxide, ***or to develop and set up energy infrastructure to decarbonise transport,*** should be eligible to receive Union financial assistance for studies and, under certain conditions, for works under the proposed Regulation for a Connecting Europe Facility (CEF Regulation), either in the form of grants or in the form of innovative financial instruments. This will ensure *that* tailor-made support can be provided to those projects of common interest which are not viable under the existing regulatory framework and market conditions. Such financial assistance should ensure the necessary synergies with funding from instruments under other Union policies. In particular, the Connecting Europe Facility will finance energy infrastructure of European relevance, while Structural Funds will finance smart energy distribution networks of local or regional importance. The two sources of funding will thereby complement each other.

Justification

As set out in the transport White Paper, the EU is aiming to decarbonise transport. To enable that goal to be achieved, financial support has to be provided in order to develop and set up infrastructure for electricity, hydrogen, and other emission-reducing energy sources, both in urban fleet nodes and for long-haul transport.

Amendment 18

Proposal for a regulation Article 4 – paragraph 2 – point c – indent 6 a (new)

Text proposed by the Commission

Amendment

- accommodation of significant higher volumes of low carbon electricity applications such as electric vehicles through advanced technical and market intervention;

Amendment 19

Proposal for a regulation

Article 4 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) concerning oil transport projects falling under the categories set out in point 3 of Annex II, the project shall contribute significantly to the following three specific criteria:

– security of supply reducing single supply source or route dependency;

– efficient and sustainable use of resources through mitigation of environmental risks;

– interoperability;

(d) concerning oil transport projects falling under the categories set out in point 3 of Annex II, the project shall contribute significantly to the following three specific criteria:

– security of supply reducing single supply source or route dependency **and achieving increased connectivity;**

– efficient and sustainable use of resources through mitigation of environmental risks, **notably by reducing the use of risk-prone means for transporting oil, such as tankers;**

– interoperability;

Amendment 20

Proposal for a regulation

Article 6 – paragraph 1

Text proposed by the Commission

Amendment

1. When a project of common interest encounters significant implementation difficulties, the Commission may designate a European coordinator for a period of up to one year renewable twice.

1. When a project of common interest encounters significant implementation difficulties, **should the national authorities or local or regional government bodies be unable to reach agreement in due time,** the Commission

may designate a European coordinator for a period of up to one year renewable twice.

Amendment 21

Proposal for a regulation Article 6 – paragraph 3

Text proposed by the Commission

3. The European coordinator shall be chosen on the basis of his or her experience with regard to the specific tasks assigned to him or her for the concerned project(s).

Amendment

3. The European coordinator shall be chosen on the basis of his or her experience with regard to the specific tasks assigned to him or her for the concerned project(s).
Before being appointed, the European coordinator or candidates for this post shall appear before the relevant committee of the European Parliament.

Amendment 22

Proposal for a regulation Article 8 – paragraph 4 – subparagraph 1

Text proposed by the Commission

With the objective of meeting the time limits set out in Article 11 and reducing the administrative burden for the completion of projects of common interest, Member States shall, within ***nine months*** from the entry into force of this Regulation, take measures to streamline the environmental assessment procedures. These measures shall be without prejudice to obligations resulting from Union legislation.

Amendment

With the objective of meeting the time limits set out in Article 11 and reducing the administrative burden for the completion of projects of common interest, Member States shall, within ***twelve months*** from the entry into force of this Regulation, take measures to streamline the environmental assessment procedures. These measures shall be without prejudice to obligations resulting from Union legislation.

Amendment 23

Proposal for a regulation Article 10 – paragraph 5

Text proposed by the Commission

5. For projects crossing the border of two or more Member States, the public consultations pursuant to paragraph 4 in each of the Member States concerned shall take place within *a delay of* no more than **two months** from the start date of the first public consultation in one of these Member States.

Amendment

5. For projects crossing the border of two or more Member States, the public consultations pursuant to paragraph 4 in each of the Member States concerned shall take place within no more than **four months** from the start date of the first public consultation in one of these Member States. ***Consultations shall be held in the official languages of the Member States concerned.***

Justification

As is the case with transport, the cross-border nature of many energy infrastructures poses an additional challenge when projects are subject to public consultation. Without detracting from the urgency of the projects, it is suggested, in order to secure greater acceptance, that longer time-frames be allowed for consultation in cases where projects extend across a border.

Amendment 24

**Proposal for a regulation
Article 17 – introductory part**

Text proposed by the Commission

The Commission shall establish an infrastructure transparency platform easily accessible to the general public. This platform shall contain the following information:

Amendment

The Commission shall establish an infrastructure transparency platform ***on the internet in the EU official languages*** easily accessible to the general public. This platform shall contain the following information:

Amendment 25

**Proposal for a regulation
Article 17 – point c a (new)**

Text proposed by the Commission

Amendment

(ca) information about the updated list of

projects of common interest;

Amendment 26

Proposal for a regulation Article 17 – point c b (new)

Text proposed by the Commission

Amendment

(cb) information about the work of regional groups, including links to the work of the regional groups.

Amendment 27

Proposal for a regulation Annex I – part 4 – point -10 (new)

Text proposed by the Commission

Amendment

(-10) Transport decarbonisation energy infrastructure network:

development and establishment of infrastructure networks for the supply of emission-reducing energy in the transport sector (hydrogen, electric vehicles, battery exchange), both in urban nodes and along transport corridors.

Member States concerned: all;

Justification

It is important that the TEN-E guidelines should, among other thematic areas, cover the establishment and construction of infrastructure for the supply of energy to help reduce CO₂ emissions in transport. There are obvious examples of such infrastructure, including hydrogen refuelling stations and the electric battery switching system, an innovative project that has recently received TEN-T funding (Greening European Transportation Infrastructure for Electric Vehicles).

Amendment 28

Proposal for a regulation
Annex II – point 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) infrastructure associated with supplying electricity for electric or hybrid vehicles;

Amendment 29

Proposal for a regulation
Annex II – point 1 – point e b (new)

Text proposed by the Commission

Amendment

(eb) port facilities to supply docked vessels with electricity generated on shore instead of electricity generated on-board using their own engines;

Amendment 30

Proposal for a regulation
Annex III – part 1 – point 1 – subparagraph 3 a (new)

Text proposed by the Commission

Amendment

(3a) Each group shall publish the agendas and minutes of its meetings on the internet.

Amendment 31

Proposal for a regulation
Annex IV – point 4 – subpoint f a (new)

Text proposed by the Commission

Amendment

(fa) Accommodation of significantly higher volumes of low carbon electricity applications such as electric vehicles,

through advanced technical and market intervention.

Amendment 32

Proposal for a regulation

Annex IV – point 5 – subpoint c

Text proposed by the Commission

(c) Efficient and sustainable use of resources shall be evaluated by assessing the extent to which the project makes use of already existing infrastructure and contributes to minimising environmental and climate change burden and risks.

Amendment

(c) Efficient and sustainable use of resources shall be evaluated by assessing the extent to which the project makes use of already existing infrastructure and contributes to minimising environmental and climate change burden and risks, *for example by substituting risk-prone means of transportation such as tankers by less risky modes of transportation.*

Amendment 33

Proposal for a regulation

Annex VI – point 3 – subpoint d a (new)

Text proposed by the Commission

Amendment

(da) the possibilities for lodging a complaint with, or appealing to, the competent authorities.

Justification

To enhance the legitimacy of projects and secure greater acceptance, the legal remedies available and the authorities concerned should be spelt out.

PROCEDURE

Title	Trans-European energy infrastructure, and repeal of Decision No 1364/2006/EC						
References	COM(2011)0658 – C7-0371/2011 – 2011/0300(COD)						
Committee responsible Date announced in plenary	ITRE 15.11.2011						
Committee(s) asked for opinion(s) Date announced in plenary	TRAN 15.11.2011						
Rapporteur(s) Date appointed	Bogdan Kazimierz Marcinkiewicz 24.1.2012						
Discussed in committee	27.3.2012						
Date adopted	8.5.2012						
Result of final vote	<table> <tr> <td>+: </td><td>41</td></tr> <tr> <td>–: </td><td>0</td></tr> <tr> <td>0: </td><td>1</td></tr> </table>	+:	41	–:	0	0:	1
+:	41						
–:	0						
0:	1						
Members present for the final vote	Magdi Cristiano Allam, Inés Ayala Sender, Georges Bach, Izaskun Bilbao Barandica, Philip Bradbourn, Antonio Cancian, Philippe De Backer, Christine De Veyrac, Saïd El Khadraoui, Ismail Ertug, Carlo Fidanza, Knut Fleckenstein, Jacqueline Foster, Mathieu Grosch, Jim Higgins, Juozas Imbrasas, Dieter-Lebrecht Koch, Georgios Koumoutsakos, Werner Kuhn, Jörg Leichtfried, Bogusław Liberadzki, Eva Lichtenberger, Marian-Jean Marinescu, Gesine Meissner, Hubert Pirker, Dominique Riquet, Petri Sarvamaa, Vilja Savisaar-Toomast, Olga Sehnalová, Brian Simpson, Keith Taylor, Silvia-Adriana Țicău, Giommara Uggias, Thomas Ulmer, Peter van Dalen, Artur Zasada						
Substitute(s) present for the final vote	Spyros Danellis, Michel Dantin, Eider Gardiazábal Rubial, Sabine Wils, Janusz Władysław Zemke						
Substitute(s) under Rule 187(2) present for the final vote	Janusz Wojciechowski						

1.6.2012

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (COM(2011)0658 – C7-0371/2011 – 2011/0300(COD))

Rapporteur: Wojciech Michał Olejniczak

SHORT JUSTIFICATION

Rapporteur welcomes Commission's proposal and appreciates its comprehensive character in providing regulation for Trans-European energy infrastructure projects, especially with reference to projects of common interest. Most notably, Rapporteur welcomes the measures aimed at streamlining and speeding up the process of permit granting and encourages its adoption whenever applicable also for the purpose of development of non cross-border energy infrastructure projects.

The report places emphasis on the regional dimension of energy infrastructure, bearing in mind especially their direct impact on citizens which is often not properly offset by project's anticipated positive outcomes in terms of energy security, sustainability, or efficiency of the infrastructure. Therefore, the role of regional authorities should be acknowledged at specific stages of permit granting procedure, so that those most concerned would have a chance to influence decision making process. Moreover, the process of relevant public consultations should be unified at the EU level.

Also, the proposal should strike a proper balance between the criteria of cost-efficiency, crucial from the point of view of private entrepreneurs who will ultimately finance, develop and manage the energy infrastructure, and prerequisites for provision of financial support from Connecting Europe Facility. In the latter case, appropriate amendments have been put forward in order to define the circumstances where public interest and customers' benefit justify additional funding without detriment to the principle of competitiveness.

Additionally, the Rapporteur proposes a wider treatment of gas infrastructure projects in a sense of inclusion of all their necessary elements into the eligibility list in order to achieve technical consistency and facilitate smooth operation of vital gas corridors throughout Europe.

In the opinion of the Rapporteur, procedural simplicity merged with stakeholders'

inclusiveness should be general guiding principles of development of Trans-European energy infrastructure.

AMENDMENTS

The Committee on Regional Development calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) Within its energy infrastructure priorities the Commission should allow for the special case of island energy systems.

Amendment 2

Proposal for a regulation Recital 5

Text proposed by the Commission

Amendment

(5) Evaluation of the current TEN-E framework has clearly shown that this policy, while making a positive contribution to selected projects by giving them political visibility, lacks vision, focus, and flexibility to fill identified infrastructure gaps.

(5) Evaluation of the current TEN-E framework has clearly shown that this policy, while making a positive contribution to selected projects by giving them political visibility, lacks vision, focus, and flexibility to fill identified infrastructure gaps ***and the Union is far from ready to meet future challenges in this field.***

Amendment 3

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) Accelerating the refurbishment of existing and deployment of new energy infrastructure is vital to achieve the Union's energy and climate policy objectives, consisting in completing the internal market in energy, guaranteeing security of supply, notably for gas and oil, reducing greenhouse gas emissions by 20%, increasing the share of renewable energy in the final energy consumption to 20% and achieving a 20% increase in energy efficiency by 2020. At the same time, the Union has to prepare its infrastructure for further decarbonisation of its energy system in the longer term towards 2050.

Amendment

(6) Accelerating the refurbishment of existing ***energy infrastructure, finalising works in progress*** and deployment of new energy infrastructure is vital to achieve the Union's energy and climate policy objectives, consisting in completing the internal market in energy, guaranteeing security of supply, notably for gas and oil, reducing greenhouse gas emissions by 20%, increasing the share of renewable energy in the final energy consumption to 20% and achieving a 20% increase in energy efficiency by 2020. At the same time, the Union has to prepare its infrastructure for further decarbonisation of its energy system in the longer term towards 2050.

Amendment 4

Proposal for a regulation
Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) The present economic climate underscores the need to adopt an integrated approach to energy matters, taking into account their economic, environmental and social aspects. It is essential to pay heed to the beneficial and adverse side effects when carrying out the work required to ensure, in the medium and long term, that all Union's citizens will have access to safe, sustainable and affordable energy.

Amendment 5

Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) Despite its legal existence as defined in Directives 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas, the internal market in energy remains fragmented due to insufficient interconnections between national energy networks. Union-wide integrated networks however are vital for ensuring a competitive and well functioning integrated market for promoting growth, employment and sustainable development.

Amendment

(7) Despite its legal existence as defined in Directives 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas, the internal market in energy remains fragmented due to insufficient interconnections between national energy networks. Union-wide integrated networks ***and deployment of smart grid infrastructure allowing for increased energy efficiency and integration of distributed renewable energy sources*** however are vital for ensuring a competitive and well functioning integrated market for promoting ***resource efficient*** growth, employment and sustainable development.

Amendment 6

**Proposal for a regulation
Recital 11 a (new)**

Text proposed by the Commission

Amendment

(11a) The fact that the outermost regions depend greatly on imported fossil fuels imposes high additional costs on their growth and economic development. These regions have a role to play as natural laboratories for renewables and electricity and natural gas transmission, and this should be boosted by pursuing projects of common interest aimed at diversifying the regional energy base and enhancing sustainability and energy efficiency, thus helping to meet the targets laid down in the Europe 2020 strategy.

Amendment 7

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) This Regulation lays down rules for the timely development and interoperability of trans-European energy networks in order to achieve the Treaty's energy policy objectives to ensure the functioning of the internal energy market and security of supply in the Union, to promote energy efficiency and energy saving and the development of new and renewable forms of energy, and to promote the interconnection of energy networks. By pursuing these objectives, this proposal contributes to smart, sustainable and inclusive growth and brings benefits to the entire Union in terms of competitiveness and economic, social and territorial cohesion.

Amendment

(13) This Regulation lays down rules for the timely development and interoperability of trans-European energy networks in order to achieve the Treaty's energy policy objectives to ensure the functioning of the internal energy market and security of supply in the Union, ***to reduce dependence on imports***, to promote energy efficiency and energy saving and the development of new and renewable forms of energy, and to promote the interconnection of energy networks. By pursuing these objectives, this proposal contributes to smart, sustainable and inclusive growth and brings benefits to the entire Union in terms of competitiveness and economic, social and territorial cohesion. ***In order to achieve these objectives, this Regulation promotes consultations with regional authorities engaged in the process to be arranged at the relevant stage of the permit granting procedure.***

Amendment 8

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) The identification of projects of common interest should be based on common, transparent and objective criteria in view of their contribution to the energy policy objectives. For electricity and gas, proposed projects should be part of the latest available ten-year network development plan. This plan should notably take account of the conclusions of

Amendment

(15) The identification of projects of common interest should be based on common, transparent and objective criteria in view of their contribution to the energy policy objectives. For electricity and gas, proposed projects should be part of the latest available ten-year network development plan. This plan should notably take account of the conclusions of

the 4 February European Council with regard to the need to integrate peripheral energy markets.

the 4 February European Council with regard to the need to integrate peripheral energy markets ***and to establish the roll out of smart grid infrastructure.***

Amendment 9

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) Projects of common interest should be implemented as quickly as possible and should be closely monitored and evaluated, while keeping the administrative burden for projects promoters to a minimum. The Commission should nominate European coordinators ***for*** projects facing particular difficulties.

Amendment

(18) Projects of common interest should be implemented as quickly as possible and should be closely monitored and evaluated, while keeping the administrative burden for projects promoters, ***particularly with regard to small and medium-sized enterprises,*** to a minimum. The Commission should nominate European coordinators ***to assist*** projects facing particular difficulties ***so as to prevent them being compromised.***

Amendment 10

Proposal for a regulation Recital 20

Text proposed by the Commission

(20) Projects of common interest should be given ‘priority status’ at national level to ensure rapid administrative treatment. Projects of common interest shall be considered by competent authorities as being in public interest. Authorisation should be given to projects which have an adverse impact on the environment, for reasons of overriding public interest, when all the conditions provided for under Directives 92/43/EC and 2000/60/EC are met.

Amendment

(20) Projects of common interest should be given ‘priority status’ at national level to ensure rapid administrative treatment. Projects of common interest shall be considered by competent authorities as being in public interest. Authorisation should be given to projects which have an adverse impact on the environment, for reasons of overriding public interest, when all the conditions provided for under Directives 92/43/EC and 2000/60/EC are met. ***There is a need to identify, according to a hierarchy of importance and in the interest of cost-effectiveness, where***

infrastructure could be minimised through energy efficiency policies, where existing national and cross-border infrastructure can be upgraded or modernised and where new infrastructure is needed and can be built alongside existing energy or transport infrastructure.

Amendment 11

Proposal for a regulation Recital 21

Text proposed by the Commission

(21) The establishment of a single competent authority at national level integrating or coordinating all permit granting procedures ("one-stop shop") should reduce complexity, increase efficiency and transparency and help enhance cooperation among Member States.

Amendment

(21) The establishment of a single competent authority at national level integrating or coordinating all permit granting procedures ("one-stop shop") should reduce complexity, increase efficiency and transparency and help enhance cooperation among Member States *by organising joint working parties between these competent bodies.*

Amendment 12

Proposal for a regulation Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) In addition, Member States are encouraged to apply the provisions of the permit granting procedures to projects of common interest to other energy infrastructure projects where relevant.

Justification

Member States should be encouraged to use the European best practices also for other projects in order to boost efficiency of the necessary infrastructure and prevent congestion and avoid introducing a two-tier system.

Amendment 13

Proposal for a regulation Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) When the various trans-European networks are being planned, preference should be given to integrating transport, communication and energy networks in order to ensure that as little land as possible is taken up, whilst ensuring, where possible, that existing and/or disused routes are reused, in order to reduce to a minimum any social, economic, environmental and financial impact and the burden on the land.

Amendment 14

Proposal for a regulation Recital 24

Text proposed by the Commission

Amendment

(24) Given the urgency *to develop* energy infrastructures, the simplification of permit granting procedures must be accompanied by a clear deadline for the decision to be taken by the respective competent authorities regarding the construction of the project. This time limit should stimulate a more efficient definition and handling of procedures, and should under no circumstances compromise on the high standards for the protection of the environment and public participation.

(24) Investment in trans-European energy infrastructure is particularly important in view of the development and job creation potential. Given, ***therefore***, the urgency *of developing* energy infrastructures, the simplification of permit granting procedures must be accompanied by a clear deadline for the decision to be taken by the respective competent authorities regarding the construction of the project. This time limit should stimulate a more efficient definition and handling of procedures, and should under no circumstances compromise on the high standards for the protection of the environment and public participation.

Amendment 15

Proposal for a regulation
Article 1 – paragraph 2 – point b

Text proposed by the Commission

(b) facilitates the timely implementation of projects of common interest by accelerating permit granting and ***enhancing*** public participation;

Amendment

(b) facilitates the timely implementation of projects of common interest by accelerating permit granting and ***setting minimum requirements for*** public participation;

Amendment 16

Proposal for a regulation
Article 2 – paragraph 1

Text proposed by the Commission

1. 'energy infrastructure' means any physical equipment designed to allow transmission and distribution of electricity or gas, transportation of oil or carbon dioxide, or storage of electricity or gas, which is located within the Union or linking the Union and one or more third countries;

Amendment

1. 'energy infrastructure' means any physical equipment designed to allow transmission and distribution of electricity or gas, transportation of oil or carbon dioxide, or storage of electricity or gas, ***or reception, storage and regasification or decompression facilities for liquefied natural gas (LNG)***, which is located within the Union or linking the Union and one or more third countries;

Justification

Energy infrastructure for gas includes LNG terminals; for consistency with the categories in Annex II Article 1, the definition shall be adapted to take this into account.

Amendment 17

Proposal for a regulation
Article 2 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. 'energy system-wide cost benefit analysis' means an assessment carried out at an aggregated Union-wide level as a basis for selection of projects of common interest according to the objectives of the

***TYNDP as defined in Article 8 of
Regulation (EC) 715/2009.***

Justification

The regulation refers to various cost-benefit analysis (CBA), analysis and assessments. There is a need for clarification and a definition seems to be necessary. The CBA should be done at aggregate level and not project by project.

Gas infrastructure projects are based on firm commitments, i.e. from market parties as a result of market testing or from national regulatory authorities. For these projects, already based on firm commitments, a cost-benefit analysis for individual projects would to a large extent duplicate work.

Amendment 18

**Proposal for a regulation
Article 3 – paragraph 1**

Text proposed by the Commission

Amendment

1. The Commission shall establish a Union-wide list of projects of common interest. The list shall be reviewed and updated as necessary every two years. The first list shall be adopted by 31 July 2013 at the latest.

deleted

Justification

Moved to end of article in order to make the article match the actual timeline of decision making

Amendment 19

**Proposal for a regulation
Article 3 – paragraph 2**

Text proposed by the Commission

Amendment

2. For the purpose of identifying projects of common interest, the Commission shall establish a Regional Group ('Group') as defined in section 1 of Annex III based on each priority corridor and area and their respective geographical coverage as set out

2. For the purpose of identifying projects of common interest, the Commission shall establish a Regional Group ('Group') as defined in section 1 of Annex III based on each priority corridor and area and their respective geographical coverage as set out in Annex I. **Each Group will carry out its**

in Annex I.

workload based on previously agreed terms of reference.

Amendment 20

Proposal for a regulation

Article 3 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. If before the entry into force of this regulation, already existing groups or other bodies, have been working on selecting projects of significant importance for the Union's energy systems, each Group referred to in paragraph 2 shall take due account of the work already carried out in these groups or bodies. Whenever already existing groups or other bodies have previously agreed on projects or lists of projects of significant importance for the Union, the information on these projects or lists shall be transferred to each Group referred to in paragraph 2 and will form the basis of the projects of common interest selection process.

The provisions of Article 2(5)(a) shall be without prejudice to the rights of any project promoter to submit to the members of the respective Group an application for selection as project of common interest .

Amendment 21

Proposal for a regulation

Article 3 – paragraph 3

Text proposed by the Commission

Amendment

3. Each Group shall draw up its proposed list of projects of common interest according to the process set out in section 2 of Annex III, according to the contribution of each project to implementing the energy

3. Each Group shall draw up its proposed list of projects of common interest according to the process set out in section 2 of Annex III, according to the contribution of each project to implementing the energy

infrastructure priority corridors and areas set out in Annex I and according to their fulfilment of the criteria set out in Article 4. Each individual proposal for a project shall require the approval of the Member State(s), to the territory of which the project relates.

infrastructure priority corridors and areas set out in Annex I and according to their fulfilment of the criteria set out in Article 4. Each individual proposal for a project shall require the ***provisional*** approval of the Member State(s), to the territory of which the project relates ***before its inclusion in the final proposed list submitted under paragraph 4.***

Amendment 22

Proposal for a regulation

Article 3 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. When an individual proposal for a project does not receive the provisional approval of one of the Member States, the Member State in question shall give a written explanation of its objection to the Group. After allowing the project promoters to address the subject of the objection, the Group may include, by unanimity minus one, the project into the proposed list with a note of the objection.

Amendment 23

Proposal for a regulation

Article 3 – paragraph 5

Text proposed by the Commission

Amendment

5. For electricity and gas projects falling under the categories set out in points 1 and 2 of Annex II, the Agency shall submit, within ***two*** months from the date of receipt of the proposed lists of projects of common interest set out in the first subparagraph of paragraph 4, an opinion to the Commission on the proposed lists of projects of common interest, in particular taking into account the consistent application of the criteria set out in Article 4 across the

5. For electricity and gas projects falling under the categories set out in points 1 and 2 of Annex II, the Agency shall submit, within ***four*** months from the date of receipt of the proposed lists of projects of common interest set out in the first subparagraph of paragraph 4, an opinion to the Commission on the proposed lists of projects of common interest, in particular taking into account the consistent application of the criteria set out in Article 4 across the

Groups, and the results of the analysis carried out by the ENTSOs for Electricity and Gas ***in accordance with point 2.6 of Annex III.***

Groups, and the results of the analysis carried out by the ENTSOs for Electricity and Gas ***under the ten-year network development plans.***

Amendment 24

Proposal for a regulation

Article 3 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6a. On the basis of the regional lists adopted by the Group, the Commission shall establish a Union-wide list of projects of common interest. The list shall be reviewed and updated as necessary every two years. The first list shall be adopted by 31 July 2013 at the latest.

(See Amendment 1)

Justification

Move from Paragraph 1 for timeline reasons

Amendment 25

Proposal for a regulation

Article 3 – paragraph 7

Text proposed by the Commission

Amendment

7. Following the Commission decision ***for adoption referred to in paragraph 1***, projects of common interest shall become an integral part of the relevant regional investment plans pursuant Article 12 of Regulations (EC) No 714/2009 and (EC) No 715/2009 and of the relevant national ten-year network development plans pursuant Article 22 of Directives 72/2009/EC and 73/2009/EC and other national infrastructure plans concerned, as appropriate. The projects shall be conferred the highest possible priority within each of

7. Following the Commission decision, projects of common interest shall become an integral part of the relevant regional investment plans pursuant Article 12 of Regulations (EC) No 714/2009 and (EC) No 715/2009 and of the relevant national ten-year network development plans pursuant Article 22 of Directives 72/2009/EC and 73/2009/EC and other national infrastructure plans concerned, as appropriate. The projects shall be conferred the highest possible priority within each of these plans.

these plans.

(See movement of Paragraph 1 to after Paragraph 6)

Amendment 26

Proposal for a regulation

Article 4 – paragraph 1 – point b

Text proposed by the Commission

(b) the project *displays economic, social and environmental viability*; and

Amendment

(b) the *potential benefits of the* project *assessed according to the respective specific criteria in paragraph 2 outweigh its costs*; and

Amendment 27

Proposal for a regulation

Article 4 – paragraph 2 – point a – indent 2

Text proposed by the Commission

– sustainability, *inter alia through* transmission of renewable generation to major consumption centres and storage sites;

Amendment

– sustainability *through, among others,* transmission of renewable generation to major consumption centres and storage sites;

Amendment 28

Proposal for a regulation

Article 4 – paragraph 2 – point a – indent 3

Text proposed by the Commission

– interoperability and secure system operation;

Amendment

– *security of supply, among others, through* interoperability, and secure *and reliable* system operation;

Amendment 29

Proposal for a regulation

Article 4 – paragraph 2 – point a – indent 3 a (new)

Text proposed by the Commission

Amendment

– connection of planned generation units to the grid, including renewable energy, allowing power evacuation;

Justification

The EU is facing a great challenge in replacement of old non-efficient and non environmental friendly power units e.g. working on fossil fuels. New power plants will grow up across the EU, also in area where grid is undeveloped or needs to be renovated. The regulation should therefore create incentives for new power plant investments by promotion of necessary grid development to enable connection new power to the network.

Amendment 30

Proposal for a regulation

Article 4 – paragraph 2 – point b – indent 2

Text proposed by the Commission

Amendment

– security of supply, ***inter alia through*** diversification of supply sources, supplying counterparts and routes;

– security of supply ***through, among others,*** diversification of supply sources, supplying counterparts and routes;

Amendment 31

Proposal for a regulation

Article 4 – paragraph 2 – point b – indent 3

Text proposed by the Commission

Amendment

– competition, ***inter alia through*** diversification of supply sources, supplying counterparts and routes;

– competition ***through, among others,*** diversification of supply sources, supplying counterparts and routes;

Amendment 32

Proposal for a regulation

Article 4 – paragraph 2 – point d – indent 1

Text proposed by the Commission

– security of supply **reducing single** supply **source or route dependency**;

Amendment

– security of supply, **among others, through diversification of supply sources, supplying counterparts and routes**;

Justification

It is unclear why the security of supply criteria is different in oil and gas sector;

Amendment 33

Proposal for a regulation
Article 4 – paragraph 4

Text proposed by the Commission

4. **When ranking** projects contributing to the implementation of the same priority, due consideration shall **also** be given to the urgency of each proposed project in order to meet the energy policy targets of market integration and competition, sustainability and security of supply, the number of Member States affected by each project, and its complementarity with regard to other proposed projects. For projects falling under the category set out in point 1(e) of Annex II, due consideration shall also be given to the number of users affected by the project, the annual energy consumption and the share of generation from non dispatchable resources in the area covered by these users.

Amendment

4. **Each Group shall rank** projects contributing to the implementation of the same priority **corridors or areas. Each Group shall determine in its terms of reference a method of ranking and the relative weight of the criteria set out in the second subparagraph and in paragraph 2; ranking may therefore lead to a general grouping of projects.**

In this context, and whilst ensuring equal opportunities for projects involving peripheral Member States, due consideration shall be given to:

- (a)*** the urgency of each proposed project in order to meet the **Union's** energy policy targets of market integration and competition, sustainability and security of supply;
- (b)*** the number of Member States affected

by each project, and

(c) its complementarity with regard to other proposed projects.

For "**smart grids**" projects falling under the category set out in point 1(e) of Annex II, **ranking shall be done for those projects that affect the same two Member States, and** due consideration shall also be given to the number of users affected by the project, the annual energy consumption and the share of generation from non dispatchable resources in the area covered by these users.

Amendment 34

Proposal for a regulation Article 5 – paragraph 2

Text proposed by the Commission

2. The Agency and the Groups shall monitor the progress achieved in implementing the projects of common interest. The Groups may request additional information provided in accordance with paragraphs 3, 4 and 5, verify the provided information on site and convene meetings with the relevant parties. The Groups may also request the Agency to take measures to facilitate the implementation of projects of common interest.

Amendment

2. The Agency and the Groups shall monitor the progress achieved in implementing the projects of common interest. The Groups may request additional information provided in accordance with paragraphs 3, 4 and 5, verify the provided information on site and convene meetings with the relevant parties. The Groups may also request the Agency to take measures to facilitate the implementation of projects of common interest. ***These measures should be taken in close cooperation with relevant national regulatory authorities and transmission system operators.***

Amendment 35

Proposal for a regulation Article 5 – paragraph 3 – introductory part

Text proposed by the Commission

3. By the 31 March of each year following

Amendment

3. By the 31 March of each year following

the year of selection as project of common interest pursuant to Article 4, project promoters shall submit an annual report, for each project falling under the categories set out in points 1 and 2 of Annex II, to the Agency or, for projects falling under the categories set out in points 3 and 4 of Annex II, to the respective Group. This report shall detail:

the year of selection as project of common interest pursuant to Article 4, project promoters shall submit an annual report, for each project falling under the categories set out in points 1 and 2 of Annex II, to the Agency or, for projects falling under the categories set out in points 3 and 4 of Annex II, to the respective Group. ***The report shall be also submitted to the concerned competent authorities referred to in Article 9.*** This report shall detail:

Justification

This information should also go to the competent authorities as they are assigned the role of implementing the permitting of these projects, not the Groups or ACER.

Amendment 36

Proposal for a regulation

Article 5 – paragraph 3 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The Agency or respective Group may request that the report is produced or reviewed by an external independent expert before submission.

Amendment 37

Proposal for a regulation

Article 5 – paragraph 4

Text proposed by the Commission

Amendment

4. Within three months of the receipt of the annual reports, the Agency shall submit to the Groups a consolidated report for the projects of common interest falling under the categories set out in points 1 and 2 of Annex II, evaluating the progress achieved and proposing, where appropriate, measures to overcome the delays and difficulties encountered. The evaluation shall also include, in accordance with the

4. Within three months of the receipt of the annual reports, the Agency shall submit to the Groups a consolidated report for the projects of common interest falling under the categories set out in points 1 and 2 of Annex II, evaluating the progress achieved and proposing, where appropriate, measures to overcome the delays and difficulties encountered. ***These measures may include sanctions for any***

provisions of Article 6(8) and (9) of Regulation (EC) No 713/2009, the consistent implementation of the Union-wide network development plans with regard to the energy infrastructure priority corridors and areas set out in Annex I.

unnecessary delays caused by project promoters. The evaluation shall also include, in accordance with the provisions of Article 6(8) and (9) of Regulation (EC) No 713/2009, the consistent implementation of the Union-wide network development plans with regard to the energy infrastructure priority corridors and areas set out in Annex I.

Justification

It should also be possible to sanction promoters for delays which they cause.

Amendment 38

Proposal for a regulation

Article 5 – paragraph 6 – introductory part

Text proposed by the Commission

6. If the commissioning of a project of common interest is delayed ***by more than two years*** compared to the implementation plan ***without sufficient justification***:

Amendment

6. If the ***construction and*** commissioning of a project of common interest is delayed compared to the implementation plan, ***other than for overriding reasons beyond the control of the project promoter***:

(See amendments to the indents; All Amendments to this Paragraph should be voted as a bloc)

Justification

Taken from the Council position. This amendment is needed to clarify the public tender if a project is delay. The original text does not set out how the Commission would implement this process. Moreover it is the competent authority, not the Commission, who have the knowledge and ability to find a new promoter.

Amendment 39

Proposal for a regulation

Article 5 – paragraph 6 – point a

Text proposed by the Commission

(a) ***The project promoter of that project shall accept investments by one or several***

Amendment

(a) ***insofar as measures referred to in Article 22(7)(a), (b) or (c) of Directives***

other operators or investors to implement the project. The system operator, in whose area the investment is located, shall provide the implementing operator(s) or investor(s) with all information needed to realise the investment, shall connect new assets to the transmission network and shall generally make its best efforts to facilitate the implementation of the investment and the secure, reliable and efficient operation and maintenance of the project of common interest.

2009/72/EC and 2009/73/EC are applicable according to respective national laws, national regulatory authorities shall ensure that the investment is carried out.

(See amendment to introduction the paragraph; All Amendments to this Paragraph should be voted as a bloc)

Amendment 40

Proposal for a regulation

Article 5 – paragraph 6 – point b

Text proposed by the Commission

Amendment

(b) the Commission may launch a call for proposals open to any project promoter to build the project according to an agreed timeline.

(b) If the measures of national regulatory authorities according to point (a) of paragraph 6 are not sufficient to ensure that the investment is carried out, or are not applicable, the project promoter of that project shall choose a third party to finance or construct the project. The project promoter shall do so before the delay compared to the date of commissioning in the implementation plan exceeds two years.

(See amendment to introduction the paragraph; All Amendments to this Paragraph should be voted as a bloc)

Amendment 41

Proposal for a regulation

Article 5 – paragraph 6 – point b a (new)

Text proposed by the Commission

Amendment

(ba) If a third party is not chosen

according to point (b), the national regulatory authority or the Member State shall, within two months, designate a third party to finance or construct the project which the project promoter shall accept.

(See amendment to introduction the paragraph All Amendments to this Paragraph should be voted as a bloc)

Amendment 42

Proposal for a regulation

Article 5 – paragraph 6 – point b b (new)

Text proposed by the Commission

Amendment

(bb) If the delay compared to the date of commissioning in the implementation plan exceeds two years and two months, the concerned competent authority referred to in Article 9, may launch a call for proposals open to any project promoter to build the project according to an agreed timeline. Priority shall be given to the project promoters and investors from the Member States of the Regional Group where the respective project is being developed. National regulatory authorities may adopt, subject to the Commission approval and if necessary, additional incentives to those adopted under Article 14 as part of the call for proposals.

(See amendment to introduction the paragraph All Amendments to this Paragraph should be voted as a bloc)

Amendment 43

Proposal for a regulation

Article 5 – paragraph 6 – point b c (new)

Text proposed by the Commission

Amendment

(bc) When points (ba) or (bb) are applied,

the system operator, in whose area the investment is located, shall provide the implementing operator(s) or investor(s) or third party with all information needed to achieve the investment, shall connect new assets to the transmission network and shall generally make its best efforts to facilitate the implementation of the investment and the secure, reliable and efficient operation and maintenance of the project of common interest;

(See amendment to introduction the paragraph All Amendments to this Paragraph should be voted as a bloc)

Amendment 44

Proposal for a regulation

Article 5 – paragraph 7 – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

A project of common interest may be removed from the Union-wide list of projects of common interest according to the procedure set in the second sentence of Article 3 **(1)** if:

A project of common interest may be removed from the Union-wide list of projects of common interest according to the procedure set in the second sentence of Article 3 **(6a)** if:

(See Amendment [n+X], moving the first paragraph of article 3)

Amendment 45

Proposal for a regulation

Article 5 – paragraph 7 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) The energy system-wide cost-benefit analysis carried out by the ENTSOs in accordance with point 6 of Annex III does not yield a positive result for the project;

deleted

Amendment 46

Proposal for a regulation

Article 5 – paragraph 7 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) The project is no longer included in the ten-year network development plan; ***deleted***

Justification

Being listed in the ten-year network development plan should not be a condition for a project to be of common interest. The base for selection of PCIs should be whether the projects fulfil all relevant criteria of this regulation and show sufficient socio-economic benefits in an EU-wide perspective, not whether they are a part of ENTSO-Es plan.

Amendment 47

Proposal for a regulation

Article 5 – paragraph 7 – subparagraph 2

Text proposed by the Commission

Amendment

Projects, which are withdrawn from the Union-wide list, lose all rights and obligations arising from this Regulation for projects of common interest. This article shall be without prejudice to any Union financing paid to the project prior to the withdrawal decision.

Projects, which are withdrawn from the Union-wide list, lose all rights and obligations arising from this Regulation for projects of common interest. This article shall be without prejudice to any Union financing paid to the project prior to the withdrawal decision ***unless the decision was based on wilful deception under point (c) of the first subparagraph.***

Amendment 48

Proposal for a regulation

Article 6 – paragraph 1

Text proposed by the Commission

Amendment

1. When a project of common interest encounters significant implementation difficulties, the Commission may designate a European coordinator for a period of up to one year renewable twice.

1. When a project of common interest encounters significant implementation difficulties, the Commission may designate, ***in agreement with the Member States concerned,*** a European coordinator for a period of up to one year renewable twice.

Amendment 49

Proposal for a regulation

Article 6 – paragraph 2 – point a

Text proposed by the Commission

(a) promote the project(s), for which he or she has been designated European coordinator and the cross-border dialogue between the project promoters and all concerned stakeholders;

Amendment

(a) promote the project(s), for which he or she has been designated European coordinator and the cross-border dialogue between the project promoters and all concerned stakeholders, ***which specifically include regional, local or autonomous authorities***;

Amendment 50

Proposal for a regulation

Article 6 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) advise project promoters on the financial package for the project;

Amendment 51

Proposal for a regulation

Article 8 – paragraph 2

Text proposed by the Commission

Amendment

2. The adoption of the Union-wide list of projects of common interest shall establish the public interest and necessity of these projects within the Member States concerned and shall be acknowledged as such by all parties concerned.

2. The adoption of the Union-wide list of projects of common interest shall establish the public interest and necessity of these projects within the Member States concerned and shall be acknowledged as such by all parties concerned, ***which specifically include regional and local authorities representing citizens affected by the measures.***

Amendment 52

Proposal for a regulation
Article 8 – paragraph 4 – subparagraph 2

Text proposed by the Commission

The Commission shall, within three months of the entry into force of this Regulation, issue guidance to support Member States in defining adequate measures and to ensure the coherent application of environmental assessment procedures required under EU legislation for projects of common interest.

Amendment

The Commission shall, within three months of the entry into force of this Regulation, issue guidance to support Member States in defining ***and implementing*** adequate measures and to ensure the coherent application of environmental assessment procedures required under EU legislation for projects of common interest, ***and shall monitor its application.***

Amendment 53

Proposal for a regulation
Article 9 – paragraph 4

Text proposed by the Commission

4. Member States shall endeavour to ensure that appeals challenging the substantive or procedural legality of a comprehensive decision are handled in the most efficient way possible.

Amendment

4. Member States shall endeavour to ensure that appeals challenging the substantive or procedural legality of a comprehensive decision are handled in the most efficient way possible ***and are given priority in the administrative or judicial systems.***

Amendment 54

Proposal for a regulation
Article 10 – paragraph 3

Text proposed by the Commission

3. The project promoter shall, within three months of the start of the permit granting process pursuant to paragraph 1(a) of Article 11, elaborate and submit a concept for public participation to the competent authority. The competent authority shall request modifications or approve the concept for public participation within one month. The concept shall at least include

Amendment

3. The project promoter shall, within three months of the start of the permit granting process pursuant to paragraph 1(a) of Article 11, elaborate and submit a concept for public participation to the competent authority. The competent authority shall request modifications or approve the concept for public participation within one month. The concept shall at least include

the information specified in point 3 of Annex VI.

the information specified in point 3 of Annex VI. ***The project promoter shall inform any significant changes of an approved concept to competent authority which may request modifications.***

Amendment 55

Proposal for a regulation

Article 10 – paragraph 7 – subparagraph 2

Text proposed by the Commission

Project promoters shall, in addition, publish relevant information by other appropriate information means, to which the public has open access.

Amendment

Project promoters shall, in addition, publish relevant information by other appropriate information means, to which the public has open access. ***This shall include, subject to the legislation of the Member State concerned, publication in the largest, in terms of distribution, newspapers in the regions and towns on the project's possible routes, according to point 4 (a) of Annex VI.***

Amendment 56

Proposal for a regulation

Article 11 – paragraph 3 – subparagraph 1 – point b

Text proposed by the Commission

(b) the authorities, stakeholders, and the public likely to be concerned;

Amendment

(b) the ***relevant national and regional*** authorities, stakeholders, and the public likely to be concerned;

Amendment 57

Proposal for a regulation

Article 11 – paragraph 4

Text proposed by the Commission

4. The project promoter shall ensure the completeness and adequate quality of the application file and seek the competent

Amendment

4. The project promoter shall ensure the completeness and adequate quality of the application file and seek the competent

authority's opinion on this as early as possible during the pre-application procedure. The project promoter shall cooperate with the competent authority to meet deadlines and comply with the detailed schedule as defined in paragraph 3.

authority's opinion on this as early as possible during the pre-application procedure. The project promoter shall **fully** cooperate with the competent authority to meet deadlines and comply with the detailed schedule as defined in paragraph 3.

Amendment 58

Proposal for a regulation

Article 12 – paragraph 1

Text proposed by the Commission

1. Within one month of the entry into force of this Regulation, the ENTSO for Electricity and the ENTSO for Gas shall submit to the Agency and the Commission their respective methodology, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level for projects of common interest falling under the categories set out in points 1(a) to (d) and 2 of Annex II. The methodology shall be elaborated in line with the principles laid down in Annex V.

Amendment

1. Within one month of the entry into force of this Regulation, the ENTSO for Electricity and the ENTSO for Gas shall submit to the Agency and the Commission their respective methodology, including on network and market modelling, for a harmonised energy system-wide cost-benefit analysis at Union-wide level for projects of common interest falling under the categories set out in points 1(a) to (d) and 2 of Annex II. The methodology shall be elaborated in line with the principles laid down in Annex V **and shall include, in particular, the consultation of relevant regional authorities, other infrastructure operators and the respective organisations representing them.**

Amendment 59

Proposal for a regulation

Article 13 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

After the adoption of the first ten-year network development plans based on the methodology pursuant to Article 12(7), point (a) shall include an updated version of the ENTSO cost-benefit analysis results based on any developments since its

publication. The promoter(s) may also include their remarks to the ENTSO cost-benefit analysis results or additional data not covered by the ENTSO analysis.

Amendment 60

Proposal for a regulation Article 14 – paragraph 1

Text proposed by the Commission

1. Where a project promoter incurs higher risks for the development, construction, operation or maintenance of a project of common interest falling under the categories set out in points 1 and 2 of Annex II, except for hydro-pumped electricity storage projects, compared to the risks normally incurred by a comparable infrastructure project, and where such risks are not covered under an exemption pursuant to Article 36 of Directive 2009/73/EC or Article 17 of Regulation (EC) No 714/2009, national regulatory authorities shall ensure that appropriate incentives are granted to that project when applying Article 37(8) of Directive 2009/72/EC, Article 41(8) of Directive 2009/73/EC, Article 14 of Regulation (EC) No 714/2009, and Article 13 of Regulation (EC) No 715/2009.

Amendment

1. Where a project promoter incurs higher risks for the development, construction, operation or maintenance of a project of common interest falling under the categories set out in points 1 and 2 of Annex II, except for hydro-pumped electricity storage projects, compared to the risks normally incurred by a comparable infrastructure project, and where such risks are not covered under an exemption pursuant to Article 36 of Directive 2009/73/EC or Article 17 of Regulation (EC) No 714/2009, ***and taking into account anticipated future costs for energy consumers***, national regulatory authorities shall ensure that appropriate incentives are granted to that project when applying Article 37(8) of Directive 2009/72/EC, Article 41(8) of Directive 2009/73/EC, Article 14 of Regulation (EC) No 714/2009, and Article 13 of Regulation (EC) No 715/2009.

Amendment 61

Proposal for a regulation Article 14 – paragraph 3 – introductory part

Text proposed by the Commission

3. The incentive granted by the decision shall take account of the specific nature of the risk incurred and cover:

Amendment

3. The incentive granted by the decision shall take account of the specific nature of the risk incurred and cover, ***among others***:

Amendment 62

Proposal for a regulation

Article 14 – paragraph 3 – point d

Text proposed by the Commission

(d) any other measure deemed necessary and appropriate.

Amendment

(d) any other measure deemed necessary and appropriate, ***including mitigation of the risk of higher operational costs of implemented energy infrastructure projects.***

Justification

In order to facilitate the investment process for private entrepreneurs engaged in development of energy infrastructure projects, the list of available incentives should not be limited to those specified in Article 14.3 and should cover also the risk of anticipated higher operational costs after the infrastructural projects are implemented.

Amendment 63

Proposal for a regulation

Article 14 – paragraph 5

Text proposed by the Commission

5. By 31 July 2013, each national regulatory authority shall publish its methodology and the criteria used to evaluate investments in electricity and gas transmission projects and the higher risks incurred by them.

Amendment

5. By 31 July 2013, each national regulatory authority, ***which made a decision on providing additional incentives,*** shall publish its methodology and the criteria used to evaluate investments in electricity and gas transmission projects and the higher risks incurred by them.

Amendment 64

Proposal for a regulation

Article 15 – paragraph 1

Text proposed by the Commission

1. Projects of common interest ***falling***

Amendment

1. Projects of common interest are eligible

under the categories set out in points 1, 2 and 4 of Annex II are eligible for Union financial support in the form of grants for studies and financial instruments in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility].

for Union financial support in the form of grants for studies and financial instruments in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility].

Amendment 65

Proposal for a regulation

Article 15 – paragraph 2 – introductory part

Text proposed by the Commission

2. Projects of common interest falling under the categories set out in points 1(a) to (d) and 2 of Annex II, except for hydro-pumped electricity storage projects, shall be also eligible for Union financial support in the form of grants for works in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility], if they are carried out according to the procedure referred to in paragraph 6(b) of Article 5 or if they fulfil the following criteria:

Amendment

2. Projects of common interest falling under the categories set out in points 1(a) to (d), **2 and 3** of Annex II, except for hydro-pumped electricity storage projects, shall be also eligible for Union financial support in the form of grants for works in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility], if they are carried out according to the procedure referred to in paragraph 6 point (b) of Article 5 or if they fulfil the following criteria:

Justification

There is no logic to exclude oil pipelines from financial support

Amendment 66

Proposal for a regulation

Article 15 – paragraph 2 – point a

Text proposed by the Commission

(a) the project specific cost-benefit analysis pursuant to paragraph 4(a) of Article 13 provides evidence concerning the existence of significant positive externalities, such as

Amendment

(a) the project specific cost-benefit analysis pursuant to paragraph 4(a) of Article 13 provides evidence concerning the existence of significant positive externalities, such as

security of supply, solidarity *or* innovation;
and

security of supply, solidarity, innovation,
environmental and social benefits; and

Justification

The first two criteria for projects of common interest listed in Article 15.2 are already complex enough to enable a just and sensible selection. Therefore, reception of a cross-border cost allocation decision should not constitute an obligatory criterium.

Amendment 67

Proposal for a regulation

Article 15 – paragraph 2 – point b

Text proposed by the Commission

(b) the project is commercially not viable according to the business plan and other assessments carried out, notably by possible investors or creditors. The decision on incentives and its justification referred to in paragraph 3 of Article 14 shall be taken into account when assessing the project's commercial viability; *and*

Amendment

(b) the project is commercially not viable according to the business plan and other assessments carried out, notably by possible investors or creditors. The decision on incentives and its justification referred to in paragraph 3 of Article 14 shall be taken into account when assessing the project's commercial viability;

Justification

The first two criteria for projects of common interest listed in Article 15.2 are already complex enough to enable a just and sensible selection. Therefore, reception of a cross-border cost allocation decision should not constitute an obligatory criterium.

Amendment 68

Proposal for a regulation

Article 15 – paragraph 2 – point c

Text proposed by the Commission

(c) the project has received a cross-border cost allocation decision pursuant to Article 13 or, for projects having received an exemption pursuant to Article 36 of Directive 2009/73/EC or Article 17 of Regulation (EC) No 714/2009, an opinion from the competent national regulatory authorities and the Agency on the

Amendment

(c) *optionally*, the project has received a cross-border cost allocation decision pursuant to Article 13 or, for projects having received an exemption pursuant to Article 36 of Directive 2009/73/EC or Article 17 of Regulation (EC) No 714/2009, an opinion from the competent national regulatory authorities and the

commercial viability of the project.

Agency on the commercial viability of the project.

Justification

The first two criteria for projects of common interest listed in Article 15.2 are already complex enough to enable a just and sensible selection. Therefore, reception of a cross-border cost allocation decision should not constitute an obligatory criterium.

Amendment 69

Proposal for a regulation

Article 15 – paragraph 3

Text proposed by the Commission

3. Projects of common interest falling under the categories set out in points 1(e) and 4 of Annex II shall be also eligible for Union financial support in the form of grants for works in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility], if the concerned project promoters can clearly demonstrate the significant positive externalities generated by the projects and their lack of commercial viability.

Amendment

3. Projects of common interest falling under the categories set out in points 1(e) and 4 of Annex II shall be also eligible for Union financial support in the form of grants for works in accordance with the provisions of [Regulation of the European Parliament and the Council establishing the Connecting Europe Facility], if the concerned project promoters can clearly demonstrate the significant positive externalities generated by the projects and their lack of commercial viability ***or elevated operational risk.***

Amendment 70

Proposal for a regulation

Article 16 – paragraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) the way in which the regional authorities are involved in the implementation of projects, with particular emphasis on their active participation in the stages at which investments are made in the regions concerned.

Amendment 71

Proposal for a regulation Article 17 – point c a (new)

Text proposed by the Commission

Amendment

(ca) links to project websites established by project promoters.

Amendment 72

Proposal for a regulation Article 17 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) the funds allocated and disbursed by the Union for each project of common interest;

Amendment 73

Proposal for a regulation Article 17 – paragraph 1 – point c b (new)

Text proposed by the Commission

Amendment

(cb) the way in which the regional authorities are involved in the implementation of projects, with particular emphasis on their active participation in the stages at which investments are made in the regions concerned;

Amendment 74

Proposal for a regulation Article 17 – paragraph 1 – point c c (new)

Text proposed by the Commission

Amendment

(cc) developments regarding the investments already made and possible

obstacles to projects of common interest which may prevent their normal implementation within the time limits agreed with the competent authorities.

Amendment 75

Proposal for a regulation

Annex 1 – part 1 – point 3 – introductory part

Text proposed by the Commission

(3) North-South electricity interconnections in Central Eastern and South Eastern Europe ('NSI East Electricity'): interconnections and internal lines in North-South and East-West directions to complete the internal market and integrate generation from renewable energy sources.

Amendment

(3) North-South electricity interconnections in Central Eastern and South Eastern Europe ("NSI East Electricity"): interconnections and internal lines in North-South and East-West directions **and with third countries** to complete the internal market and integrate generation from renewable energy sources.

Amendment 76

Proposal for a regulation

Annex I – part 2 – point 5

Text proposed by the Commission

(5) North-South gas interconnections in Western Europe ("NSI West Gas"): **interconnection capacities** for North-South gas flows in Western Europe to further diversify routes of supply and increase short-term gas deliverability.

Member States concerned: Belgium, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Spain, the United Kingdom;

Amendment

(5) North-South gas interconnections in Western Europe ("NSI West Gas"): **gas infrastructure** for North-South gas flows in Western Europe to further diversify routes of supply and increase short-term gas deliverability.

Member States concerned: Belgium, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Spain, the United Kingdom;

Justification

The definition of some gas corridors has to be reformulated in order to include all kind of infrastructure (underground storages and LNG terminals being also addressed by this regulation) and sound neutral. More generally, it is fundamental that investments which might be needed for cross-border capacity enhancements, such as system flexibility increase,

are not excluded.

Amendment 77

Proposal for a regulation Annex I – part 2 – point 6

Text proposed by the Commission

(6) *North-South gas interconnections in Central Eastern and South Eastern Europe ("NSI East Gas")*: regional gas **connections** between the Baltic Sea region, the Adriatic and Aegean Seas and the Black Sea, notably to enhance diversification and security of gas supply;

Member States concerned: Austria, Bulgaria, Cyprus, Czech Republic, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia;

Amendment

(6) *North-South gas interconnections in Central Eastern and South Eastern Europe ("NSI East Gas")*: regional gas **infrastructure** between the Baltic Sea region, the Adriatic and Aegean Seas and the Black Sea, notably to enhance diversification and security of gas supply;

Member States concerned: Austria, Bulgaria, Cyprus, Czech Republic, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Slovenia;

Justification

The definition of some gas corridors has to be reformulated in order to include all kind of infrastructure (underground storages and LNG terminals being also addressed by this regulation) and sound neutral. More generally, it is fundamental that investments which might be needed for cross-border capacity enhancements, such as system flexibility increase, are not excluded.

Amendment 78

Proposal for a regulation Annex I – part 2 – point 7

Text proposed by the Commission

(7) *Southern Gas Corridor ("SGC")*: **transmission of** gas from the Caspian Basin, Central Asia, the Middle East and the Eastern Mediterranean Basin to the Union **to enhance diversification of gas supply**.

Member States concerned: Austria, Bulgaria, Czech Republic, Cyprus, France, Germany, Hungary, Greece, Italy, Poland,

Amendment

(7) *Southern Gas Corridor ("SGC")*: gas **infrastructure to enhance diversification of gas supply** from the Caspian Basin, Central Asia, the Middle East and the Eastern Mediterranean Basin to the Union;

Member States concerned: Austria, Bulgaria, Czech Republic, Cyprus, France, Germany, Hungary, Greece, Italy, Poland,

Romania, Slovakia, Slovenia;

Romania, Slovakia, Slovenia;

Justification

The definition of some gas corridors has to be reformulated in order to include all kind of infrastructure (underground storages and LNG terminals being also addressed by this regulation) and sound neutral. More generally, it is fundamental that investments which might be needed for cross-border capacity enhancements, such as system flexibility increase, are not excluded.

Amendment 79

**Proposal for a regulation
Annex 1 – part 3 – point 9**

Text proposed by the Commission

(1) Oil supply **connections** in Central Eastern Europe ('OSC'): interoperability of the oil pipeline network in Central Eastern Europe to increase security of supply and reduce environmental risks.

Amendment

(1) Oil supply **diversification corridors** in **the** Central Eastern Europe ("OSC"): interoperability of the oil pipeline network in Central Eastern Europe to increase security of supply and reduce environmental risks.

Amendment 80

**Proposal for a regulation
Annex III – part 1 – point 1 - paragraph 1**

Text proposed by the Commission

For electricity projects falling under the categories set out in point 1 of Annex II, each Group shall be composed of representatives of the Member States, national regulatory authorities, transmission system operators following their obligation to cooperate on a regional level in accordance with Article 6 of Directive 2009/72/EC and Article 12 of Regulation (EC) No 714/2009 and project promoters concerned by each of the relevant priorities designated in Annex I, as well as the Commission, the Agency and the ENTSO for Electricity.

Amendment

For electricity projects falling under the categories set out in point 1 of Annex II, each Group shall be composed of representatives of the competent authorities of the Member States, national regulatory authorities, **relevant local, regional and autonomous authorities from all the Member States concerned**, transmission system operators following their obligation to cooperate on a regional level in accordance with Article 6 of Directive 2009/72/EC and Article 12 of Regulation (EC) No 714/2009 and project promoters concerned by each of the relevant priorities designated in Annex I, as well as the

Amendment 81

Proposal for a regulation

Annex III – part 1 – point 1 - paragraph 2

Text proposed by the Commission

For gas projects falling under the categories set out in point 2 of Annex II, each Group shall be composed of representatives of the Member States, national regulatory authorities, transmission system operators following their obligation to cooperate on a regional level in accordance with Article 7 of Directive 2009/73/EC and Article 12 of Regulation (EC) No 715/2009 and project promoters concerned by each of the relevant priorities designated in Annex 1, as well as the Commission, the Agency and the ENTSO for Gas.

Amendment

(1) For gas projects falling under the categories set out in point 2 of Annex II, each Group shall be composed of representatives of the Member States, national regulatory authorities, **relevant local, regional or autonomous authorities from all the Member States concerned**, transmission system operators following their obligation to cooperate on a regional level in accordance with Article 7 of Directive 2009/73/EC and Article 12 of Regulation (EC) No 715/2009, **all the infrastructure operators concerned and the respective organisations representing them** and project promoters concerned by each of the relevant priorities designated in Annex 1, as well as the Commission, the Agency and the ENTSO for Gas.

Justification

The proposed regulation should acknowledge the role that LNG terminals and underground storages play in providing flexibility for internal energy market. Accordingly, storage and LNG operators should have an official status as stakeholders in the PCI selection process and in the Cost Benefit Analysis; therefore these infrastructure operators and organisations representing them (GIE) should have an official status as stakeholder in the composition of the Groups as it is representing storage and LNG operators which are additionally projects promoters.

Amendment 82

Proposal for a regulation

Annex III – part 1 – point 1 - paragraph 3

Text proposed by the Commission

For oil and carbon dioxide transport projects falling under the categories referred to in Annex II(3) and (4), each Group shall be composed of the representatives of the Member States, project promoters concerned by each of the relevant priorities designated in Annex 1 and the Commission.

Amendment

For oil and carbon dioxide transport projects falling under the categories referred to in Annex II(3) and (4), each Group shall be composed of the representatives of the Member States, ***relevant local, regional or autonomous authorities from all the Member States concerned***, project promoters concerned by each of the relevant priorities designated in Annex 1 and the Commission.

Amendment 83

Proposal for a regulation

Annex III – part 1 – point 1 – paragraph 3a (new)

Text proposed by the Commission

Amendment

Project promoters and the Agency, while enjoying the other rights as members of a Group, shall not hold voting rights and may only attend the final adoption of a proposed list for submission according to Article 3(4) as observers.

Amendment 84

Proposal for a regulation

Annex III – part 2 – point 1

Text proposed by the Commission

Amendment

(1) Each project promoter shall submit an application for selection as project of common interest to the members of the respective Group, including an assessment of its project(s) with regard to the contribution to implementing the priorities set out in Annex I, the fulfilment of the

(1) Each project promoter shall submit an application for selection as project of common interest to the members of the respective Group, including an assessment of its project(s) with regard to the contribution to implementing the priorities set out in Annex I, the fulfilment of the

relevant criteria defined in Article 6, and any other relevant information for the evaluation of the project.

relevant criteria defined in Article 4, and any other relevant information for the evaluation of the project.

Justification

Error in the text

Amendment 85

**Proposal for a regulation
Annex III – part 2 – point 3**

Text proposed by the Commission

Amendment

(3) Proposed electricity transmission and storage projects falling under the categories set out in point 1(a) to (d) of Annex II shall be part of the latest available ten-year network development plan for electricity, developed by the ENTSO for Electricity pursuant Article 8 of Regulation (EC) 714/2009.

deleted

Justification

Being listed in the ten-year network development plan should not be a condition for a project to be of common interest. The base for selection of PCIs should be whether the projects fulfil all relevant criteria of this regulation and show sufficient socio-economic benefits in an EU-wide perspective, not whether they are a part of ENTSO-Es plan.

Amendment 86

**Proposal for a regulation
Annex III – part 2 – point 4**

Text proposed by the Commission

Amendment

(4) For all Union-wide lists of projects of common interest adopted after 1 August 2013, proposed gas transmission and storage projects falling under the categories set out in point 2 of Annex II shall be part of the latest available ten-year network development plan for gas, developed by the ENTSO for Gas pursuant Article 8 of

(4) For all Union-wide lists of projects of common interest adopted after 1 August 2013, proposed gas transmission reception, *regasification or decompression facilities for liquefied natural gas (LNG)* and storage projects falling under the categories set out in point 2 of Annex II shall be part of the latest available ten-year network

Regulation (EC) 715/2009.

development plan for gas, developed by the
ENTSO for Gas pursuant Article 8 of
Regulation (EC) 715/2009.

Justification

For consistency LNG terminals should be included as they are also mentioned in point 2 of Annex II.

Amendment 87

Proposal for a regulation

Annex IV – point 2 – paragraph 1 – point c

Text proposed by the Commission

(c) Interoperability and secure system operation shall be measured in line with the analysis made in the latest available ten-year network development plan in electricity, notably by assessing the impact of the project on the loss of load expectation for the area of analysis as defined in point 10 of Annex V in terms of generation and transmission adequacy for a set of characteristic load periods, taking into account expected changes in *climate-related* extreme weather events and their impact on infrastructure resilience.

Amendment

(c) Interoperability and secure system operation shall be measured in line with the analysis made in the latest available ten-year network development plan in electricity, notably by assessing the impact of the project on the loss of load expectation for the area of analysis as defined in point 10 of Annex V in terms of generation and transmission adequacy for a set of characteristic load periods, taking into account expected changes in extreme weather events and their impact on infrastructure resilience.

Amendment 88

Proposal for a regulation

Annex IV – point 3 – point d

Text proposed by the Commission

(d) Sustainability shall be measured as the contribution of a project to reduce emissions, to support the back-up of renewable electricity generation or power-to-gas and biogas transportation, taking into account expected changes in *climatic conditions*.

Amendment

(d) Sustainability shall be measured as the contribution of a project to reduce emissions, to support the back-up of renewable electricity generation or power-to-gas and biogas transportation, taking into account expected changes in *extreme weather events*.

Amendment 89

Proposal for a regulation Annex V – point 2

Text proposed by the Commission

(2) The data set shall reflect Union and national legislations in force at the date of analysis. The data sets used for electricity and gas respectively shall be compatible, notably with regard to assumptions on prices and volumes in each market. The data set shall be elaborated after formally consulting Member States and the organisations representing all relevant stakeholders. The Commission and the Agency shall ensure access to the required commercial data from third parties when applicable.

Amendment

(2) The data set shall reflect Union and national legislations in force at the date of analysis. The data sets used for electricity and gas respectively shall be compatible, notably with regard to assumptions on prices and volumes in each market. The data set shall be elaborated after formally consulting Member States and the organisations representing all relevant stakeholders ***including academia and environmental organisations, and shall be made available to the public.*** The Commission and the Agency shall ensure access to the required commercial data from third parties when applicable.

Amendment 90

Proposal for a regulation Annex V – point 5

Text proposed by the Commission

(5) The cost-benefit analysis shall at least take into account the following costs: capital expenditure, operational and maintenance expenditure over the technical lifecycle of the project and decommissioning and waste management costs, ***where relevant***. The methodology shall give guidance on discount rates to be used for the calculations.

Amendment

(5) The cost-benefit analysis shall at least take into account the following costs: capital expenditure, operational and maintenance expenditure over the technical lifecycle of the project and decommissioning and waste management costs, ***as well as other environmental externalities***. The methodology shall give guidance on discount rates to be used for the calculations.

Amendment 91

Proposal for a regulation Annex V – point 6 – introductory part

Text proposed by the Commission

(6) For electricity transmission and storage, the cost-benefit analysis shall at least take into account the impacts on the indicators defined in Annex **III**. In line with the methods applied for the elaboration of the latest available ten-year network development plan in electricity, it shall in addition notably take into account the impacts of the project on the following:

Amendment

(6) For electricity transmission and storage, the cost-benefit analysis shall at least take into account the impacts on the indicators defined in Annex **IV**. In line with the methods applied for the elaboration of the latest available ten-year network development plan in electricity, it shall in addition notably take into account the impacts of the project on the following:

Justification

Error in the text

Amendment 92

Proposal for a regulation
Annex VI – point 2 – point a

Text proposed by the Commission

(a) The stakeholders affected by a project of common interest, including relevant authorities, landowners and citizens living in the vicinity of the project, the general public and their associations, organisations or groups, shall be extensively informed and consulted at an early stage and in an open and transparent manner. Where relevant, the competent authority shall actively support the activities undertaken by the project promoter.

Amendment

(a) The stakeholders affected by a project of common interest, including relevant ***national, regional and local*** authorities, landowners and citizens living in the vicinity of the project, the general public and their associations, organisations or groups, shall be extensively informed and consulted at an early stage and in an open and transparent manner. Where relevant, the competent authority shall actively support the activities undertaken by the project promoter.

Amendment 93

Proposal for a regulation
Annex VI – point 2 – point a

Text proposed by the Commission

(a) The stakeholders affected by a project of common interest, including relevant

Amendment

(a) The stakeholders affected by a project of common interest, including relevant

authorities, landowners and citizens living in the vicinity of the project, the general public and their associations, organisations or groups, shall be extensively informed and consulted at an early stage and in an open and transparent manner. Where relevant, the competent authority shall actively support the activities undertaken by the project promoter.

authorities, landowners and citizens living in the vicinity of the project, the general public and their associations, organisations or groups, shall be extensively informed and consulted at an early stage – ***no later than the start of the permit granting procedure*** – and in an open and transparent manner. Where relevant, the competent authority shall actively support the activities undertaken by the project promoter.

Amendment 94

Proposal for a regulation Annex VI – point 2 – point a

Text proposed by the Commission

(a) The stakeholders affected by a project of common interest, including relevant authorities, landowners and citizens living in the vicinity of the project, the general public and their associations, organisations or groups, shall be extensively informed and consulted at an early stage and in an open and transparent manner. Where relevant, the competent authority shall actively support the activities undertaken by the project promoter.

Amendment

(a) The stakeholders affected by a project of common interest, including relevant ***local, regional and national*** authorities, landowners and citizens living in the vicinity of the project, the general public and their associations, organisations or groups, shall be extensively informed and consulted at an early stage and in an open and transparent manner. Where relevant, the competent authority shall actively support the activities undertaken by the project promoter.

Amendment 95

Proposal for a regulation Annex VI – point 3 – point b

Text proposed by the Commission

(b) the measures envisaged;

Amendment

(b) the measures envisaged, ***including proposed general locations and dates of dedicated meetings***;

Amendment 96

Proposal for a regulation
Annex VI – point 4 a (new)

Text proposed by the Commission

Amendment

(4a) The dedicated meetings referred in point (4 c) of this Annex shall take place in a location and at a time allowing the greatest number of stakeholders to take part. The competent authority may require project promoters to facilitate the attendance by stakeholders who would otherwise be unable to attend for financial or other reasons.

PROCEDURE

Title	Trans-European energy infrastructure, and repeal of Decision No 1364/2006/EC
References	COM(2011)0658 – C7-0371/2011 – 2011/0300(COD)
Committee responsible Date announced in plenary	ITRE 15.11.2011
Opinion by Date announced in plenary	REGI 15.11.2011
Rapporteur Date appointed	Wojciech Michał Olejniczak 23.11.2011
Discussed in committee	26.4.2012
Date adopted	29.5.2012
Result of final vote	+ : 38 - : 0 0 : 1
Members present for the final vote	François Alfonsi, Luís Paulo Alves, Jean-Paul Basset, Alain Cadec, Nikos Chrysogelos, Tamás Deutsch, Rosa Estaràs Ferragut, Danuta Maria Hübner, Vincenzo Iovine, María Irigoyen Pérez, Seán Kelly, Mojca Kleva, Constanze Angela Krehl, Petru Constantin Luhan, Ramona Nicole Mănescu, Vladimír Maňka, Riikka Manner, Iosif Matula, Erminia Mazzoni, Ana Miranda, Jan Olbrycht, Wojciech Michał Olejniczak, Markus Pieper, Tomasz Piotr Poreba, Monika Smolková, Ewald Stadler, Georgios Stavrakakis, Nuno Teixeira, Lambert van Nistelrooij, Oldřich Vlasák, Kerstin Westphal, Hermann Winkler, Joachim Zeller, Elżbieta Katarzyna Łukacijewska
Substitute(s) present for the final vote	Ivars Godmanis, Lena Kolarska-Bobińska, Ivari Padar, László Surján, Giommaria Uggiás

PROCEDURE

Title	Trans-European energy infrastructure, and repeal of Decision No 1364/2006/EC			
References	COM(2011)0658 – C7-0371/2011 – 2011/0300(COD)			
Date submitted to Parliament	19.10.2011			
Committee responsible Date announced in plenary	ITRE 15.11.2011			
Committee(s) asked for opinion(s) Date announced in plenary	ECON 15.11.2011	ENVI 15.11.2011	IMCO 15.11.2011	TRAN 15.11.2011
	REGI 15.11.2011			
Rapporteur(s) Date appointed	António Fernando Correia de Campos 14.12.2011			
Discussed in committee	20.10.2011	24.4.2012	30.5.2012	
Date adopted	18.12.2012			
Result of final vote	+: –: 0:	38 0 5		
Members present for the final vote	Gabriele Albertini, Amelia Andersdotter, Josefa Andrés Barea, Jean-Pierre Audy, Ivo Belet, Bendt Bendtsen, Maria Da Graça Carvalho, Giles Chichester, Pilar del Castillo Vera, Dimitrios Droutsas, Christian Ehler, Vicky Ford, Adam Gierek, Norbert Glante, András Gyürk, Fiona Hall, Jacky Hénin, Kent Johansson, Romana Jordan, Krišjānis Kariņš, Bogdan Kazimierz Marcinkiewicz, Angelika Niebler, Jaroslav Paška, Herbert Reul, Michèle Rivasi, Jens Rohde, Paul Rübig, Amalia Sartori, Salvador Sedó i Alabart, Francisco Sosa Wagner, Konrad Szymański, Britta Thomsen, Evžen Tošenovský, Claude Turmes, Marita Ulvskog, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras			
Substitute(s) present for the final vote	António Fernando Correia de Campos, Andrzej Grzyb, Roger Helmer, Vladimír Remek, Peter Skinner			
Date tabled	8.2.2013			