



EUROPEAN COMMISSION

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COMMISSION IMPLEMENTING DECISION

of XXX

establishing the 2012 annual work programme for grants in the field of trans-European networks (TEN) - area of energy infrastructures (TEN-E)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Regulation (EC) No 680/2007¹ of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of EU financial aid in the field of trans-European networks (hereinafter "**TEN Regulation**"), and in particular Article 8 thereof,

Having regard to Decision 1364/2006/EC² of the European Parliament and of the Council of 6 September 2006 laying down guidelines for trans-European energy networks (hereinafter "**TEN-E Guidelines**"),

Having regard to Council Regulation (EC, EURATOM) No 1605/2002³ of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Union (hereinafter the "**Financial Regulation**") and in particular Article 75 thereof,

Having regard to Commission Regulation (EC, EURATOM) No 2342/2002⁴ of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, EURATOM) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Union (hereinafter "**Implementing Rules for the Financial Regulation**") and in particular Article 90 thereof,

Whereas:

- (1) In accordance with Article 75 of the Financial Regulation and Article 90(1) of the Implementing Rules, the commitment of expenditure from the budget of the European Union shall be preceded by a financing decision setting out the essential elements of the action involving expenditure and adopted by the institution or the authorities to which powers have been delegated by the institution.
- (2) In accordance with Article 110 of the Financial Regulation and Article 8 of the TEN Regulation, an annual work programme must be adopted for grants with the assistance of a Committee in accordance with the procedure laid down in Article 15(2) of the TEN Regulation.

¹ OJ L 162, 22.6.2007, p.1.

² OJ L 262, 22.9.2006, p.1.

³ OJ L 248, 16.09.2002, p.1.

⁴ OJ L 357, 31.12.2002, p.1

- (3) The 2012 work programme being a sufficiently detailed framework in the meaning of Article 90(2) and (3) of the Implementing Rules, the present decision constitutes a financing decision for the expenditure provided for in the work programme for grants.
- (4) This financing decision may also cover the payment of interest due for late payment on the basis of Articles 83 of the Financial Regulation and 106(5) of the Implementing Rules.
- (5) For the application of this Decision, it is appropriate to define the term 'substantial change' within the meaning of Article 90(4) of Regulation (EC, Euratom) No 2342/2002.
- (6) In accordance with the procedure referred to in Article 15(2) of TEN Regulation, the Committee was consulted and delivered a favourable opinion on the work programme for 2012.

HAS DECIDED AS FOLLOWS:

Article 1

The 2012 annual work programme for grants in the field of Trans-European Energy networks as set out in Annex 1 is hereby adopted. It constitutes a financing decision in the meaning of Article 75 of the Financial Regulation.

Article 2

The maximum contribution authorised by this Decision for the implementation of the Programme is set at € 21,129,600⁵, to be financed from the budget line 32 03 02 of the General Budget of the European Union for 2012.

This may also cover interest due for late payment.

The implementation of this Decision is subject to the adoption of the budget for 2012 according to Article 314 of the Treaty on the Functioning of the European Union, or the availability of appropriations in 2012 according to the system of provisional twelfths referred to in Article 315 of the Treaty on the Functioning of the European Union..

Article 3

If additional funds are available in the course of the year, this work programme can cover commitments up to 20 % above this amount. The authorising officer responsible may adopt such changes in accordance with the principle of sound financial management and principle of proportionality.

⁵ This amount may be increased to include appropriations corresponding to assigned revenue, if they are available at the time the financing decision is adopted.

Done at Brussels,

*For the Commission
Günther Oettinger
Member of the Commission*

ANNEX I

2012 annual work programme for grants in the field of trans-European networks (TEN) - area of energy infrastructures (TEN-E)

1. BASIC ACT

Council Regulation (EC) No 680/2007⁶, laying down general rules for the granting of EU financial aid in the field of trans-European networks (hereinafter "**TEN Regulation**").

Decision 1364/2006/EC⁷ of the European Parliament and of the Council of 6 September 2006 laying down guidelines for trans-European energy networks and repealing Decision n° 96/391/EC and Decision n° 1229/2003/EC (hereinafter "**TEN-E Guidelines**").

2. BUDGET HEADING

Article **32 03 02** – financial support for projects of common interest in the trans-European energy network.

3. AIMS

- The 2012 annual programme for grants in the field of trans-European networks (TEN) - area of energy infrastructures (TEN-E) - will encourage the effective operation and development of the internal market, reinforce the security of supplies and the diversification of energy suppliers and routes, facilitate the development and reduce the isolation of less-favoured regions, contribute to sustainable development and protection of the environment, inter alia by involving renewable energies.
- Furthermore, it will promote the interconnection, interoperability and development of trans-European energy networks and access to such networks in accordance with current EU law.
- Particular attention shall be given in accordance with the TEN Regulation art 5(3) to projects of European interest that contribute to:
 - (a) the development of the network to strengthen economic and social cohesion by reducing the isolation of the less-favoured and island regions of the Union;
 - (b) the optimisation of the capacity of the network and the integration of the internal energy market, in particular concerning cross-border section;
 - (c) the security of energy supply, diversification of sources of energy supplies and, in particular, interconnections with third countries;
 - (d) the connection of renewable energy resources; and

⁶ OJ L 162, 22.6.2007, p. 1.

⁷ OJ L 262, 22.9.06, p. 1.

- (e) the safety, reliability and interoperability of interconnected networks.

4. PRIORITIES AND THE RESULTS EXPECTED

The priorities for action by the EU on trans-European energy networks for 2012, shall be compatible with sustainable development and are defined in article 4 of the TEN-E guidelines. The projects of common interest referred to in Article 6 (3) of the TEN-E guidelines and covered by the axes for priority projects set out in its Annexe I shall have priority for the grant of the EU financial aid (see Article 7 (1) of the TEN-E guidelines).

4.1 For both electricity and gas networks

- (a) Adapting and developing the energy networks in support of the operation of the internal energy market and, in particular, solving the problems of bottlenecks especially transfrontier bottlenecks, congestion and missing links, and taking account of the needs arising from the functioning of the internal market for electricity and natural gas and the enlargement of the European Union;
- (b) Establishing energy networks in island, isolated, peripheral and ultra peripheral regions while promoting the diversification of energy sources and the use of renewable energy sources, together with the connection of those networks, where necessary;

4.2 For electricity networks

- (a) Adapting and developing networks to facilitate the integration and connection of renewable energy production;
- (b) Ensuring interoperability of electricity networks within the European Union with those in the accession and candidate countries and other countries in Europe and in the Mediterranean and Black Sea basins.

4.3 For gas networks

- (a) Developing natural gas networks in order to meet the EU's natural gas consumption needs and to control its natural gas supply systems;
- (b) Ensuring interoperability of natural gas networks within the EU and with those in accession and candidate countries and other countries in Europe, in the Mediterranean Sea, Black Sea and Caspian Sea basins, as well as in the Middle East and the Gulf regions, and diversification of natural gas sources and supply routes.

In particular and in order to continue the TEN - Energy programme, the Commission considers it important, in 2012, to focus the available funding on the projects to:

- Promote the diversification of energy sources and supply routes, aiming to enhance the EU's energy security of supply;
- Reduce the bottlenecks, congestion and missing links;
- Encourage the development and connection of renewable energy sources;

- Increase the underground storage capacity of natural gas;
- Increase the capacity of reception, storage and re-gasification for liquefied natural gas (LNG);
- Encourage the construction of high pressure gas pipelines for diversification of natural gas towards EU regions;
- Improve the flexibility of the existent gas network particularly through bi-directional physical flows.

5. SCHEDULE OF CALLS FOR PROPOSALS

A call for proposals is foreseen in January-February 2012.

6. INDICATIVE AMOUNT

The EU budget allocation available in 2012 for this programme is **EUR 21,129,600**⁸.

7. ELIGIBILITY CRITERIA

7.1 Eligible applicants

Eligible are project proposals which are submitted, in the form of a written grant application, by one of the following types of applicants:

- one or (jointly) several Member States
- one or (jointly) several public or private undertakings or bodies with the agreement of the Member State(s) directly concerned by the project in question or
- one or (jointly) by several international organisations with the agreement of all Member States directly concerned by the project in question
- A Joint Undertaking with the agreement of all Member States directly concerned by the project in question.

Project proposals submitted by natural persons are not eligible.

In no case, projects proposals submitted by third Countries or legal or natural persons established outside EU countries can be beneficiaries of the funds.

7.2 Eligible projects

7.2.1 Common interest

Only projects related to one or more of the projects of common interest identified in the TEN-E Guidelines⁹ may receive EU financial aid.

⁸ Conditional on the adoption of the 2012 budget

⁹ Article 6 of the TEN-E guidelines identifies “projects of common interest” which meet the abovementioned aims

7.2.2 Compliance with the EU Law

Projects and actions receiving EU financing in the field of trans-European networks shall be carried out in conformity with Union law and shall take into account any relevant Union policies, in particular those relating to competition, the protection of the environment and public procurement as provided for by the relevant article of the TEN Regulation¹⁰.

7.2.3 Other sources of financing

The project must involve co-financing and shall not have the purpose or effect of producing a profit for the beneficiary¹¹.

No EU financial aid shall be awarded to actions receiving funds from other sources of EU financing¹². The same costs shall not be financed twice by the budget¹³.

7.3 Prohibition of retroactive financing

Expenditure shall be eligible from the date on which an application for aid is lodged.

No EU financial aid may be awarded retrospectively for actions already completed¹⁴.

7.4 Grounds of exclusion

In the call for proposal the Commission will draw the applicants' attention to Articles 93 to 96 and Article 114 of the Financial Regulation, as well as to Article 133 of the Implementing Rules for the Financial Regulation.

8. SELECTION CRITERIA

The applicant must have access to solid and adequate funding sources, so as to be able to maintain activities for the period of the project funded and to help finance the project. The applicant must have the professional skills and qualifications required to complete the proposed action.

8.1 Financial capacity

The applicants must have the financial capacity to complete the action for which the grant is sought and will provide their annual accounts for the last financial year. These documents must be attached to the application for aid.

The demonstration of the financial capacity does not apply to Member states, public bodies, joint undertakings established under Article 187 of the Treaty on the functioning of the European Union and to international organisations¹⁵.

¹⁰ Article 12 of the TEN Regulation

¹¹ According to Article 109 of the Financial Regulation

¹² Including Euratom

¹³ According to Article 111 of the Financial Regulation

¹⁴ According to Article 112 of the Financial Regulation

¹⁵ Article 176(4) of the Implementing Rules for the Financial Regulation.

8.2 Technical capacity

The applicants must have the technical and operational capacity to complete the project for which the grant is sought and must provide appropriate documents attesting to that capacity (proof of the experience in carrying out actions of the type in question).

The demonstration of the technical capacity of applicants applies to all applicants. Information submitted by applicants who benefited from TEN-E aid as from 2004, may be taken into account in the evaluation of these applicants' technical capacity.

9. AWARD CRITERIA

Only proposals compliant with the eligibility, exclusion and selection criteria will be evaluated according to the following award criteria whose main objective is to assess the quality of the proposals. These criteria, set out in the TEN Regulation (Article 5), will be equally applied to all project proposals.

- Maturity
- The need to overcome financial obstacles
- The stimulating effect of the EU intervention on public and private finance
- The soundness of the financial package
- Socio-economic effects
- Environmental consequences
- The degree of contribution to the continuity and interoperability of the network, as well as to the optimisation of its capacity
- The degree of contribution to the improvement of service quality, safety and security
- Quality of the application

10. FORMS OF INTERVENTION

Successful proposals will be financed in accordance with the TEN Regulation laying down general rules for the granting of EU financial aid in the field of trans-European networks. The forms of EU financial aid are grants for studies and works.

EU financial aid granted may not exceed 50% of the eligible costs for studies and 10% for works.