



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.07.1996
COM(96)390 final

96/0203 (COD)

Proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

amending European Parliament and Council Decision No 1254/96/EC laying down a series of guidelines on trans-European energy networks

(presented by the Commission)

EXPLANATORY MEMORANDUM

I. INTRODUCTION

1. On 5 June 1996 the European Parliament and the Council adopted Decision No 1254/96/EC laying down a series of guidelines on trans-European energy networks.¹ This Decision contains in the Annex the indicative list of projects of common interest in the energy sector.
2. For a number of reasons, to do mainly with the time that has elapsed since the Commission's proposal laying down guidelines, commitments agreed during the discussion of the projects as part of these guidelines, due consideration in terms of energy networks of accession by Austria, Finland and Sweden, the growing trend towards extending interconnected networks at European continent level and, finally, rapid developments in the market, mainly the natural gas market, the European Commission feels that the indicative list of projects of common interest attached to Decision No 1254/96/EC should be updated.

II. NEED TO UPDATE THE LIST OF PROJECTS OF COMMON INTEREST IN THE ENERGY SECTOR

3. The Commission adopted its proposal laying down guidelines on trans-European networks (TEN) in the energy sector in January 1994². This proposal reflected the investigations and consultations carried out by the Commission over the period 1992-93. It contained a list of 69 projects which were candidates for identification as being of common interest.
4. Discussions were held in the Council on these projects in 1994, principally on the more advanced projects, which led to a final list of 43 projects being adopted by the European Parliament and the Council.

In these discussions the Council³ and the Commission⁴ expressed their willingness to re-examine the projects which were not retained from the initial list proposed by the Commission once the co-decision procedure regarding the guidelines for trans-European energy networks had been completed.

5. Accession to the European Community by Austria, Finland and Sweden took effect on 1 January 1995. Nevertheless, the list adopted by Parliament and the Council contains only a limited number of projects involving these three

¹ OJ No L 161, 29.6.1996

² COM(93)685 final, 19.1.1994.

³ cf. statement in the Energy Council minutes of November 1994.

⁴ cf. statement by the Commissioner responsible before the EP - Plenary session of October 1995 - second reading of the proposal laying down guidelines for trans-European energy networks.

Member States. In fact, the list contains only a few interconnection projects and not one internal project for these three countries.

6. The move towards interconnected energy networks at European continent level is on the increase, an important stage in this development being connection to the UCPTTE network (i.e. the principal interconnected electricity network operating in the Community) of the electricity networks of Poland, the Czech Republic, Slovakia and Hungary at the end of 1995. Further steps are being studied, e.g. connection to the UCPTTE network of the Balkan countries and the establishment of adequate electricity links (interface) to make for exchange between the (extended) UCPTTE network and the interconnected electricity network of CIS countries.
7. Finally, the rapid development of the market, in particular in the natural gas sector, has seen new projects emerge, some of which have been quick to reach an advanced stage.

III. PROJECTS SELECTED BY THE COMMISSION

8. At the beginning of 1996 the Commission consulted experts from the Member States, from gas and electricity companies in the Community and from bodies representing those companies in order to complete its information on trans-European network projects in the energy sector.
9. The projects set out below were selected by the Commission on the basis of this information. These projects meet the technical definitions, objectives, priorities and criteria set by Decision No 1254/96/EC¹ laying down guidelines on trans-European energy networks.
10. As regards the state of advancement, projects were chosen which were due to start being built over the next five years. Projects on which construction will only begin later than that should not be taken into account in this update if the guideline action on trans-European energy networks is to be effective and if consistency with other Community objectives, in particular those of growth, competitiveness and employment, is to be ensured.
11. Electricity network projects:

The projects are grouped in categories a, b, c, and d of the current indicative list, which tie in with the priorities set by Decision No 1254/96/EC¹ for electricity networks.

Projects which had already been proposed by the Commission in its proposal on guidelines for trans-European energy networks² are marked with an *. The other projects are new.

- a. A project connecting isolated electricity networks to European interconnected networks: United Kingdom (connection to the Isle of Man).
- b. Five projects developing interconnections between Member States: France-Germany*, Spain-Portugal, Ireland-UK (Northern Ireland), Austria-Germany* and Netherlands-UK.
- c. Five projects developing internal connections necessary to make the best use of interconnections between Member States: in Italy, Ireland, Spain, Sweden and Germany.
- d. Five projects developing interconnections with third countries in Europe and the Mediterranean Basin helping to improve the reliability, security and supply of Community electricity networks: Greece-Balkan countries*, UK-Norway*, Sweden-Norway, Germany-Poland* and European Union-Belarus-Russia-Ukraine.

12. Gas network projects:

The projects are grouped in categories e, f, g and h of the current indicative list, which tie in with the priorities set by Decision No 1254/96/EC¹ for gas networks.

Projects which had already been proposed by the Commission in its proposal on guidelines for trans-European energy networks² are marked with an *. The other projects are new.

- e. A project introducing natural gas into new regions: construction of an LNG terminal in Portugal* .
- f. Seven projects connecting isolated gas networks to European interconnected networks, including the necessary improvement of the existing networks, and connection of separate natural gas networks: France-Spain*, France (connection between the networks of the south-west and the south), Austria-Germany, Austria-Hungary, Austria-Slovakia, Austria (connection between gas pipelines linking Austria to Germany and Italy, respectively) and Greece-Albania.
- g. Three projects increasing reception (LNG) and storage capacities necessary to satisfy demand and diversification of supply sources and routes for natural gas: France (extension of existing underground storage capacities)*, Spain (development of new underground storage capacities) and Austria (extension of an existing underground storage capacity and development of a new underground storage capacity).
- h. Four projects increasing transmission capacity (gas delivery pipelines) necessary to meet demand and diversification of supply sources and routes for natural gas: Norway-France ("Norfrapipe" project), Norway-Denmark-

Sweden-Finland-Russia-Baltic States ("Nordic gas grid" project)*, Germany-Czech Republic-Austria-Italy ("Penta" project) and Russia-Ukraine-Slovakia-Hungary-Slovenia-Italy ("Volta" project).

13. A total of 31 projects were selected by the Commission, including nine which were already part of the Commission's proposals concerning guidelines for trans-European energy networks².

IV. CONCLUSION

14. To meet commitments undertaken during the discussion of the current indicative list of projects of common interest and in the light of developments in trans-European energy networks, the Commission takes the view that the indicative list of projects of common interest attached to European Parliament and Council Decision No 1254/96/EC laying down a series of guidelines on trans-European energy networks¹ should be updated by adding projects which have since reached an advanced stage of development and meet the criteria laid down in that Decision.
15. This is the purpose of the attached proposal for a European Parliament and Council Decision, the legal basis for which is Article 129d, first paragraph, of the Treaty establishing the European Community.

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Proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

amending European Parliament and Council Decision No 1254/96/EC laying down a series of guidelines on trans-European energy networks¹

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular the first paragraph of Article 129d thereof,

Having regard to the proposal from the Commission, ²

Having regard to the opinion of the Economic and Social Committee,³

Having regard to the opinion of the Committee of the Regions, ⁴

Acting in accordance with the procedure laid down in Article 189b of the Treaty,

Whereas the list of projects of common interest needs to be updated periodically in line with developments in interconnected energy networks inside the European Community and outside and in the light of the process of enlargement and, more generally, the strengthening of energy links with third countries,

¹ OJ No L 161, 29.6.1996

² ...

³ ...

⁴ ...

HAVE ADOPTED THIS DECISION:

Article 1

The projects listed in the Annex to this Decision shall be added to the indicative list of projects of common interest contained in the Annex to European Parliament and Council Decision No 1254/96/EC laying down a series of guidelines on trans-European energy networks¹.

Article 2

This Decision shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.

Article 3

This Decision is addressed to the Member States.

Done at Brussels, ...

For the European Parliament

The President

For the Council

The President

¹ OJ No L 161, 29.6.1996

TRANS-EUROPEAN ENERGY NETWORKS :

Projects to be added¹ to the

indicative list of projects of common interest annexed to decision N°1254/96/EC²

ELECTRICITY NETWORKS

- a) *Connection of isolated electricity networks to European interconnected networks*
- a7 United Kingdom : connection by submarine cable of the Isle of Man
- b) *Development of interconnections between Member States*
- b5 France-Germany : strengthening of the connections between the two countries.
- b10(a) Spain-Portugal : new connection between the two countries through the Southern region of Portugal and the South-West of Spain.
- b13 Ireland-United Kingdom (Northern Ireland) : strengthening of connections between Ireland and Northern Ireland.
- b14 Austria-Germany : strengthening of the connections between the two countries.
- b15 Netherlands-United Kingdom : connection by submarine cable between south-eastern England and central Netherlands.
- c) *Development of internal connections necessary to make the best use of interconnections between Member States.*
- c5(a) Italy : strengthening and development of connections on the East-West axis in the North-West of the country and on the North-South axis in the centre of the country.

¹ This decision is without prejudice to the assessment of the environmental impact of the projects.

² Decision n° 1254/96/EC of the European Parliament and the Council laying down a series of guidelines for trans-European energy networks, O.J.E.C. N° L 161, 29/06/1996.

- c9 Ireland: strengthening of connections in the North-West of the country.
- c10 Spain: strengthening and development of connections in the North-East and West of the country, in particular to connect to the network production capacities of electricity generated from wind-power.
- c11 Sweden: strengthening and development of internal connections.
- c12 Germany : development of connections in the North of the country.
- d) *Development of interconnections with third countries in Europe and the Mediterranean region helping to improve the reliability, security and supply of Community electricity networks.*
- d2 Germany-Poland : strengthening of the connections between the two countries.
- d8 Greece-Balkan countries: strengthening of connections between Greece and, respectively, Albania, Bulgaria and ex-Yugoslavia, including the restoration of the connections with the North of ex-Yugoslavia and the UCPTE network.
- d10 United Kingdom - Norway : connection by submarine cable between the North-eastern/eastern England and southern Norway (NORDEL).
- d15 Sweden-Norway : strengthening of the connections between the two countries.
- d16 EU-Belarus-Russia-Ukraine: development of connections and interface between the (extended) UCPTE network and the networks of third countries in Eastern Europe, including the relocation of the HVDC³ conversion stations operating previously between Austria and Hungary, Austria and the Czech Republic and Germany and the Czech Republic.

³ HVDC : High Voltage Direct Current

GAS NETWORKS

e) Introduction of natural gas into new regions.

e5a Portugal : construction of an LNG terminal on the Atlantic coast.

f) Connection of isolated gas networks to European interconnected networks, including the necessary improvement of the existing networks, and connection of separate natural gas networks.

f5 France-Spain: strengthening of transport capacity between the two countries.

f7 France: connection of the networks of the South-West and of the South of the country.

f8 Austria-Germany: strengthening of transport capacity between Austria and Bavaria.

f9 Austria-Hungary : connection between the networks of the two countries.

f10 Austria-Slovakia: connection of Austria to underground storage in Slovakia.

f11 Austria: connection between gas pipelines linking Austria to, respectively, Germany and Italy.

f12 Greece-Albania : connection between the networks of the two countries.

g) Increasing reception (LNG) and storage capacities necessary to satisfy demand, and diversification of supply sources and routes for natural gas.

g7 France: extension of underground storage capacities in the South-West of the country.

g8(a) Spain: development of underground storage capacities on the Mediterranean axis.

g13 Austria : extension and development of underground storage capacities.

h) Increasing transmission capacity (gas delivery pipelines) necessary to meet demand and diversification of supply sources and routes for natural gas.

h1 Norway-France: construction of a 4th gas pipeline from Norwegian resources (North Sea) to the Continent.

h3 Norway-Denmark-Sweden-Finland-Russia-Baltic States : creation and development of connections between the networks of these countries with a view to setting up an integrated gas network.

h13 Germany-Czech Republic-Austria-Italy : construction of a system of connecting pipelines between the German, Czech, Austrian and Italian gas networks.

h14 Russia-Ukraine-Slovakia-Hungary-Slovenia-Italy : construction of a new gas pipeline, from Russian resources, to Italy.

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COM(96) 390 final

DOCUMENTS

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Catalogue number : CB-CO-96-387-EN-C

ISBN 92-78-07424-1

Office for Official Publications of the European Communities

L-2985 Luxembourg