



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 26 April 2012**

**5520/3/12  
REV 3**

**ENER 18  
CADREFIN 89**

**NOTE**

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from: General Secretariat of the Council  
to: Delegations

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No. Cion prop.: 16196/11 CADREFIN 117 POLGEN 177 REGIO 111 ENER 345 TRANS 292  
TELECOM 161 COMPET 472 MI 533 ECO 129

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Subject: Proposal for a Regulation of the European Parliament and of the Council  
establishing the Connecting Europe Facility  
- *input from Energy Working Party to Budget Committee*

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Delegations will find in Annex the texts on which the Energy Working Party has been invited to submit input to the Budget Committee. These texts, having met with the support of delegations in the Energy Working Party, constitute the input of the Energy Working Party to the Budget Committee, without prejudice to the observations below.

It is to be noted that some delegations oppose the exclusion of the Priority Oil Corridor as reflected in the temporary footnote to Part II of the Annex to the CEF Regulation.

It is furthermore to be noted that some delegations wish to provide guidance to the Commission on the criteria for the selection of those individual projects (*among all eligible projects*) that will receive Union financial assistance. Currently, the text of Art. 17(6) CEF foresees that the Commission, when establishing sectoral annual work programmes, "*shall establish the selection and award criteria in line with the objectives and priorities laid down (..) [in the draft Regulation on Infrastructure]*".

The delegations concerned hold the view that there are no clear "objectives" or "priorities" in the draft Regulation on Infrastructure as far as the attribution of funding to individual projects of common interest (PCIs) is concerned. There are only "criteria" for obtaining the *status* of PCI and "criteria" for the *eligibility* of PCIs for Union financial assistance (Art. 4 and 15 of draft Regulation on Infrastructure).

Hence, these delegations consider that there is a need for further discussion on guidance for the Commission as regards the selection and award criteria that will govern the attribution of Union financial assistance for individual PCIs. This discussion will take place in the framework of the discussion on the draft Regulation on Infrastructure.

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*Article 4*  
*Specific Sectoral Objectives*

1. Further to the general objectives set out under Article 3, the Connecting Europe Facility should contribute to achieving the following sector specific objectives:

(...)

- (b) In the field of energy, the Connecting Europe Facility shall support projects of common interest pursuing one or more of the following objectives:
- (i) promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders.
  - (ii) Enhancing Union security of energy supply.
  - (iii) Contributing to sustainable development and protection of the environment.

The conditions for eligibility for Union financial assistance for projects of common interest are set out in Article 15 of Regulation (EU) No xxxx/2012 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC, whilst the selection criteria for projects of common interest are set out in Article 4 of that Regulation.

- (ba) (i) The achievement of the objective set out in point (b)(i) of this Article shall be measured *ex post* by:
- the number of projects effectively interconnecting Member states' networks and removing internal constraints;
  - the reduction or elimination of Member States' energy isolation;
  - the percentage of electricity cross border transmission power in relation to installed electricity generation capacity in the relevant Member States; and
  - the percentage of the highest peak demand of the two Member States concerned covered by reversible flow interconnections for gas.

- (ii) The achievement of the objective set out in point (b)(ii) of this Article shall be measured *ex post* by:
- the number of projects allowing diversification of supply sources, supplying counterparts and routes;
  - the number of projects increasing storage capacity;
  - the number of disruptions and their duration;
  - the amount of avoidable spillage of renewable energy due to a lack of crossborder connections;
  - the connections of isolated markets with more diversified supply sources.
- (iii) The achievement of the objective set out in point (b)(iii) of this Article shall be measured *ex post* by:
- the transmission of renewable electricity from generation to major consumption centers and storage sites;
  - the sum of CO2 emissions prevented by the construction of the projects which benefited from CEF.

These elements serve for the *ex post* measurement of the achievement of the objectives and shall not constitute selection or eligibility criteria for actions of support from the Connecting Europe Facility.

### *Article 7*

#### *Eligibility and conditions for financial assistance*

(...)

3. In the field of energy, all actions implementing those projects of common interest that relate to the priority corridors and areas referred to in Part II of the Annex to this Regulation are eligible for Union financial aid in the form of financial instruments and grants under this Regulation provided they meet the conditions set out in Article 15 of Regulation (EU) No XXXX/2012 [Guidelines for trans-European energy infrastructure].

(...)

*Article 20*  
*Delegated acts*

Subject to the second paragraph of Article 172 TFEU, the Commission shall be empowered to adopt delegated acts in accordance with Article 25 concerning the modification of Parts I and III of the Annex, to take account of changing financing priorities in the trans-European networks and of changes relating to projects of common interest identified in [Regulation (EU) No XXX/2012 [TEN-T Guidelines] and Regulation (EU) No XXX/2012 [ICT Guidelines]]. When amending Parts I and III of the Annex, the Commission shall ensure:

- (a) that the projects of common interest according to Regulation (EU) No XXX/2012 [TEN-T Guidelines] and Regulation (EU) No XXX/2012 [ICT Guidelines], are likely to be realised fully or partly under the Multiannual Financial Framework 2014-2020;
- (b) that the modifications comply with the eligibility criteria set out under Article 7 of this Regulation;
- (c) as regards Part I of the Annex, that all actions included in the list are large infrastructure projects whose realisation will necessitate their inclusion in a multiannual work programme under Article 17(3) of this Regulation, and that actions that Member States no longer envisage to propose for Union financial aid under Article 17(3) of this Regulation are excluded;
- (d) as regards Part III of the Annex, that new priorities and areas of intervention meet the criteria of Article 3 and Article 4(c) of this Regulation.<sup>1</sup>

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<sup>1</sup> Consistency between the Guidelines and the CEF to be assured.

## Annex to Annex

Parts I, II and III of the Annex stay.

To Part II (Energy), the following temporary footnote will be added:

"Note: before this Regulation is adopted, the text of Part II of the Annex will be aligned with the final text of the Annex I of Regulation XXXX on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC, with the exception of the Priority Oil Corridor."

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