



## Call for proposals concerning projects of common interest in the field of trans-European energy networks

### Call TEN Energy 2012

Title XVI of the Treaty on the Functioning of the European Union requires the European Union to contribute to the establishment and development of trans-European networks, including in the area of energy. In this context, the Commission is launching a call for proposals aiming to implement projects of common interest relating to trans-European energy networks.

#### 1. BASIC ACT

Regulation (EC) No 680/2007<sup>1</sup> 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**").

Decision 1364/2006/EC<sup>2</sup> of the European Parliament and of the Council of 6 September 2006 laying down a series of guidelines for trans-European energy networks (hereinafter "**TEN-E Guidelines**").

Regulation (EC, EURATOM) No 1605/2002<sup>3</sup> of the Council of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Union (hereinafter the "**Financial Regulation**").

Regulation (EC, Euratom) No 2342/2002<sup>4</sup> of the Commission of 23 December 2002 laying down detailed rules for the implementation of Regulation (EC, Euratom) No 1605/2002 of the Council of the 25 June 2002 on the Financial Regulation applicable to the general budget of the European Union (hereinafter "**Implementing Rules for the Financial Regulation**").

Commission Implementing Decision C(2011)8321 of 23 November 2011 establishing the 2012 annual work programme for grants in the field of the trans-European energy networks – area of energy infrastructures (hereafter "**annual work programme**").

#### 2. BUDGET HEADING

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<sup>1</sup> OJ L 162, 22.6.2007, p.1

<sup>2</sup> OJ L 262, 22.9.2006, p.1

<sup>3</sup> OJ L 248, 16.09.2002, p.1.

<sup>4</sup> OJ L 357, 31.12.2002, p.1

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

### **3. AIMS**

The 2012 annual work 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 reducing 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 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 Article 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
- (e) The safety, reliability and interoperability of interconnected networks.

### **4. PRIORITIES AND THE RESULTS EXPECTED**

The priorities for action by 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 Annex I shall have priority for the grant of 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 concerning 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. INDICATIVE AMOUNT

The indicative EU budget allocation available for this programme is **EUR 21,129.600 million** from the 2012 budget<sup>5</sup>.

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<sup>5</sup> Conditional on the adoption of the 2012 budget

## **6. ELIGIBILITY CRITERIA**

The eligibility criteria shall determine the conditions for participating in a call for proposals<sup>6</sup>.

### **6.1 Eligible applicants**

6.1.1 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) 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.

6.1.2 Project proposals submitted by natural persons are not eligible. Applicants (other than a Member State) must show that it exists as a legal person, by providing the form relative to legal entities as set out in the application form.

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

6.1.3 Grounds for exclusion<sup>7</sup>

1. Applications will not be considered for a grant if the applicants are, at the time of the grant award procedure, in any of the following situations:
  - a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
  - b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
  - c) they have been guilty of grave professional misconduct proven by any means which the authorising officer can justify;
  - d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the authorising officer or those of the country where the grant agreement is to be performed;

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<sup>6</sup> See Art. 114 of Financial Regulation and Art. 175a of Implementing Rules for the Financial Regulation

<sup>7</sup> See Art. 114 of Financial Regulation and Art. 174 Implementing Rules for the Financial Regulation

- e) they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the EU financial interests;
  - f) they are currently subject to an administrative penalty referred to in Article 96 of the Financial Regulation;
  - g) they are subject to a conflict of interest;
  - h) they have been guilty of misrepresentation in supplying the information required or have failed to supply this information.
2. The cases referred to in point 1. e) cover:
- a) cases of fraud as referred to in Article 1 of the Convention on the protection of the EU financial interests established by the Council Act of 26 July 1995<sup>8</sup>;
  - b) cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Union or officials of Member States of the European Union, established by the Council Act of 26 May 1997<sup>9</sup>;
  - c) cases of participation in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council<sup>10</sup>;
  - d) cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC<sup>11</sup>.
3. Applicants must certify that they are not in one of the situations listed in point 1.<sup>12</sup>

## **6.2 Eligible projects**

### **6.2.1 Common interest**

Only projects related to one or more of the projects of common interest identified in the TEN-E Guidelines<sup>13</sup> may receive EU financial aid.

### **6.2.2 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 Regulation<sup>14</sup>.

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<sup>8</sup> OJ C 316, 27.11.1995, p. 48

<sup>9</sup> OJ C 195, 25.6.1997, p. 1

<sup>10</sup> OJ L 351, 29.12.1998, p.1 Joint Action of 21 December 1998 on making it a criminal offence to participate in a criminal organisation in the Member States of the European Union

<sup>11</sup> OJ L 309, 25.11.2005, p. 15. Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing

<sup>12</sup> See Art. 174 of Implementing Rules for the Financial Regulation

<sup>13</sup> Art. 6 TEN-E guidelines identifies “projects of common interest” which meet the abovementioned aims

<sup>14</sup> Art. 12 TEN Regulation

### **6.2.3 Other sources of financing**

The project must involve co-financing and shall not have the purpose or effect of producing a profit for the beneficiary<sup>15</sup>.

No EU financial aid shall be awarded to actions receiving funds from other sources of EU financing<sup>16</sup>. The same costs shall not be financed twice by the budget<sup>17</sup>.

### **6.3 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 completed, as set out in Article 112 of the Financial Regulation.

## **7. SELECTION CRITERIA<sup>18</sup>**

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.

### **7.1 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 organisations<sup>19</sup>.

### **7.2 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.

**Project proposals which fail to comply with the selection criteria will not be further evaluated.**

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<sup>15</sup> According to article 109 of the Financial Regulation

<sup>16</sup> Including Euratom

<sup>17</sup> According to Article 111 of the Financial Regulation

<sup>18</sup> See Art 115 of Financial Regulation

<sup>19</sup> Article 176(4) of Implementing Rules for the Financial Regulation

## 8. AWARD CRITERIA

8.1 According to the level of contribution to the objectives and priorities as stated above, only proposals compliant with the eligibility, exclusion and selection criteria will be evaluated on the basis of the following general award criteria whose main objective is to assess the quality of proposals. Each proposal will be evaluated in an equal manner against the following criteria, set out in Art. 5 of the TEN Regulation:

- Maturity

*Reflecting the status of preparation of the activities subject to the application, in order to establish the capacity for their implementation in accordance with the foreseen time plan and technical specifications;*

- The need to overcome financial obstacles

*Taking into account particularly the negative impact of the absence of TEN-E funding;*

- The stimulating effect of the EU intervention on public and private finance

*In terms of reinforcing the commitment of potential investors to funding the project;*

- The soundness of the financial package

*Based on elements such as the commitments made regarding the different public and private financing sources involved (amounts committed and their nature/legal status), decisions made regarding public-private partnership approaches etc.; the budget for the action attached to the application must have revenue and expenditure in balance and show clearly the costs which are eligible for financing from the EU budget. Therefore, applicants must provide a detailed breakdown of all expenditure related to their proposal;*

- Socio-economic effects

*Reflected in the results of social cost-benefit analyses or ex-ante evaluation;*

- Environmental consequences

*Reflected in the expected impact of the project on nature, emissions, noise, land use etc. and in the measures to reduce or compensate any negative impacts;*

- 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

*In terms of its completeness and clarity, in relation to the call for proposals and the evaluation requirements.*

8.2 The evaluation of eligible proposals which fulfil the selection criteria is carried out by an Evaluation Committee composed of internal experts of the concerned Directorates of DG ENER or of other Directorates-General, which meets under the chairmanship of a Head of Unit. This Committee draws up a list of projects for which a support is proposed, on the grounds of all evaluation criteria.

Each submission is assessed against the applicable criteria independently, giving marks and providing comments. Projects are evaluated on a point scale from 0 to 100 as follows:

○ Maturity	20/100
○ The need to overcome financial obstacles	5/100
○ The stimulating effect of the EU intervention on public and private finance	5/100
○ The soundness of the financial package	10/100
○ Socio-economic effects	10/100
○ Environmental consequences	15/100
○ The degree of contribution to the continuity and interoperability of the network, as well as to the optimisation of its capacity	15/100
○ The degree of contribution to the improvement of service quality, safety and security	10/100
○ Quality of the application	10/100

To be selected, a project must have simultaneously: a) a global result of at least 70/100 points and b) a result for each criterion of at least 60% of the maximum points foreseen per criterion.

## 9. METHODS FOR IMPLEMENTATION, REPORTING AND AUDITS

The legal and administrative framework for implementing this programme is provided by existing measures under the TEN Regulation and the Financial Regulation.

9.1 For the selected projects, the Commission will decide the amount of financial aid to be granted in accordance with the procedure set out in Article 15 of the TEN Regulation.

9.2 Where a public or private undertaking or body or an international organisation or a joint undertaking is the beneficiary of the financial aid, the Member State is also an addressee of the decision.<sup>20</sup>

9.3 The EU contribution is allocated through adoption of a Commission decision granting aid<sup>21</sup> in the field of the trans-European energy network, the beneficiaries

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<sup>20</sup> See Art. 9 (2) TEN Regulation

<sup>21</sup> See Art. 9 (1) TEN Regulation

of which can be a Member State, a public or private undertaking, an international organisation or a joint undertaking.<sup>22</sup> The respective Commission decisions granting aid specify their implementation conditions and methods.

- 9.4 The beneficiary of the financial aid is obliged to submit reports on the implementation of the project in accordance with the provisions set out in the Commission decision granting aid.
- 9.5 The Member State(s) concerned are obliged to certify the reality and the conformity of the expenditure incurred.<sup>23</sup>

## **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.

## **11. GENERAL CONDITIONS FOR PAYING GRANTS**

In order to limit the financial risks connected with the payment of pre-financing, the authorising officer responsible may, on the basis of his risks assessment either require the beneficiary to lodge a guarantee in advance, for up to the same amount as the pre-financing, or split the payment into several instalments. Such guarantee may be replaced by a joint and several guarantee by the Member State concerned approving the project or (where there is more than one beneficiary) by the joint guarantee of the beneficiaries. The Commission may waive this obligation to lodge a guarantee in advance for public-sector bodies and international organisations.<sup>24</sup>

## **12. PROCEDURE AND CLOSING DATE FOR SUBMITTING PROPOSALS**

- 12.1 The **closing date** for submission of proposals is **29 February 2012**.
- 12.2 In the interest of a harmonised presentation of applications and their objective evaluation, the **attached application form is to be used** for the submission of applications. Proposals **must be signed** by the applicant or his duly authorised representative and be perfectly **legible** so that there can be no doubt as to words and figures.
- 12.3 Applications must be:
- a) **either sent by registered mail or by private courier**

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<sup>22</sup> See Art. 7 (2) TEN Regulation

<sup>23</sup> See Art. 11 (2) TEN Regulation

<sup>24</sup> See Art. 118 of Financial Regulation and Art. 182 of Implementing Rules of the Financial Regulation

The proposal must be sent by registered mail or by private courier, dispatched not later than **29 February 2012** (the postmark or the receipt issued by the courier service servicing as proof of the dispatch) to the following address:

**By registered mail:**

European Commission  
Directorate-General for Energy (0/100 – Archives)  
Rue De Mot, 28  
B-1049 Brussels  
Belgium

**By private courier:**

European Commission  
Directorate-General for Energy – DM 28 – 0/110  
Avenue du Bourget, 1  
B-1140 Brussels (Evere)  
Belgium

b) **or delivered by hand**

Proposals must be delivered by hand at the **Central Mail of the European Commission by 29 February 2012 not later than 4 p.m.** (Brussels time), at the following address:

European Commission  
Directorate-General Energy – DM 28/110  
Avenue du Bourget, 1  
B-1140 Brussels (Evere)  
Belgium

In this case, a receipt must be obtained as proof of submission, signed and dated by the official in the Commission's central mail department who took delivery. The department is open from 8.00 to 17.00 Monday to Thursday, and from 8.00 to 16.00 on Fridays. It is closed on Saturdays, Sundays and Commission holidays.

**Applications not respecting the closing date will not be evaluated.**

It is the responsibility of the applicant to ensure that proposals are sent to the address set out in the call for proposals, and that they are sent within a time enabling them to arrive before the deadline. The Commission cannot be held responsible for consignments which are not addressed correctly or for proposals sent in several parts which are not clearly marked so as to enable them to be put together. If necessary, applicants must be able to present proof of postage.

- 12.4 Each proposal must be placed inside two sealed envelopes, one inside the other. The inner envelope must bear the words:

<p><b>Call for proposals</b></p> <p><b>ENER/B1 – Call trans-European Energy network</b></p> <p><b>Annual work programme 2012</b></p> <p><b>- Not to be opened by the Postal Service or the International Mail Department –</b></p> <p><b>DM 28, 0/110 Courier/Archives</b></p>
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**If self-adhesive envelopes are used, they must be sealed with adhesive tape and the sender must sign across this tape.**

**Applications which fail to comply with the formal requirements set out under points 12.1-12.4 may not be evaluated further.**

12.5 With regard to the format of the proposals, one paper copy should be sent, comprising a signed original of the duly filled in application form, of its annexes and of the other related documents.

Additionally, applicants are requested to include an electronic version of the proposal on a CD or DVD-ROM or to send it by e-mail to the Commission department:

[ENER-Call-TEN-Energy@ec.europa.eu](mailto:ENER-Call-TEN-Energy@ec.europa.eu)

N.B: In any case, the paper copy of the proposals prevails.

12.6 The Commission may, on its own initiative, inform interested parties of any error, inaccuracy, omission or any other material shortcoming in the text of the documents<sup>25</sup>.

12.7 Applicants are invited to consult the website of Directorate Energy regularly until the deadline for submission.

- 12.8 Financial or administrative penalties**, or both, may be imposed on applicants
- who are guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the call or fail to supply this information or
  - who have been declared to be in serious breach of their obligations under decisions covered by the budget.<sup>26</sup>

**13. INDICATIVE SCHEDULE**

Reception of proposals by Commission	<b>29 February 2012</b>
Evaluation of project proposals (by Commission); consultation of programme committee; execution of scrutiny right by European Parliament; selection decision	March 2012 to September 2012
Adoption and notification of individual grant decisions	October 2012 to July 2013

<sup>25</sup> See Art.178 (2) of Implementing Rules for the Financial Regulation

<sup>26</sup> See Art. 114 (4), 96 (1) and 94 point b) of Financial Regulation

## 14. PROCESSING OF PERSONAL DATA

The follow-up of responses to the call for proposals will require the recording and further processing of personal data (e.g. name, address, CV, etc.). These data will be processed in accordance with the requirements of Regulation (EC) n° 45/2001 on the protection of individuals with regard to the processing of personal data by EU institutions and bodies and on the free movement of such data. Unless if otherwise stated, replies to questions and personal data requested are necessary for the purpose of assessing your application (according to the specifications of the call for proposals) and will only be processed within DG ENER as data controller, for this purpose. For the purposes of safeguarding the EU financial interests, the personal data may also be transferred to internal audit services, to the European Court of Auditors, to the Financial Irregularities Panel or to the European Anti-Fraud Office ('OLAF').<sup>27</sup>

You may, upon request, have your personal data sent to you and rectify any inaccurate or incomplete particulars. Should you have any queries concerning the processing of your personal data, please address them to the entity acting as data controller within DG ENER. As regards the processing of your personal data, you have the right to bring the matter before the European Data Protection Supervisor at any time.

### Annexes:

- (1) Application form
- (2) Commission Decision adopting the work programme on Energy
- (3) TEN Regulation (in all official EU languages)
- (4) TEN-E Guidelines (in all official EU languages)
- (5) Decision model text concerning the granting of EU financial aid for project of common interest

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<sup>27</sup> See Art.43a of the Implementing Rules of the Financial Regulation.