



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR ENERGY AND TRANSPORT

DIRECTORATE B - Trans-European Energy & Transport Networks

TEN Project Management

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

Call TEN Energy 2005

Title XV of the Treaty establishing the European Community requires the European Community 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:

Council Regulation (EC) No 2236/95 (OJ L 228 of 23 September 1995, p.1), as amended by Regulation (EC) No 1655/1999 (OJ L 197 of 29 July 1999, p.1), Regulation (EC) No 788/2004 (OJ L 138 of 30 April 2004, p. 17) and Regulation (EC) No 807/2004 (OJ L 143 of 30 April 2004, p. 46) laying down general rules for the granting of Community financial aid in the field of trans-European networks (hereinafter referred to as “the TEN Regulation”).

Commission Decision No C(2005) 1168 of 19 April 2005 establishing the 2005 annual work programme for grants in the field of trans-European networks (TEN) – area of energy infrastructures (TEN-E)

2. BUDGET HEADING:

Article 06 03 02 (ex B57100) – financial support for projects of common interest in the trans-European energy network.

3. AIMS:

The 2005 programme for grants in the field of trans-European networks (TEN) - area of energy infrastructures (TEN-E) - will promote the interconnection, interoperability and development of trans-European energy networks and access to such networks in accordance with current Community law, with the aim of:

- encouraging effective operation of the internal market in general and of the internal energy market in particular, while encouraging the rational production, distribution and utilisation of energy resources and the development and connection of renewable energy resources, so as to reduce the cost of energy to the consumer and contribute to the diversification of energy sources;
- facilitating the development and reducing the isolation of the less favoured and island regions of the Community, thereby helping to strengthen economic and social cohesion;
- reinforcing the security of energy supplies, for example by strengthening relations with third countries in the energy sector in their mutual interest, in particular in the framework of the Energy Charter Treaty and cooperation agreements concluded by the Community.

4. THE RESULTS EXPECTED:

In particular and in order to continue the TEN - Energy programme, the Commission considers it important, in 2005, to focus the available funding on the projects concerning to:

- promote the diversification of energy sources
- 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 regaseification for liquefied natural gas (LNG)
- encourage the construction of high pressure gas pipelines for diversification of natural gas towards Community regions

5. PRIORITIES

The priorities for action by the Community on trans-European energy networks shall be compatible with sustainable development and shall be as follows:

5.1) 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 (in particular transfrontier ones), 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 Community;
- b) establishing energy networks in island, isolated, peripheral and ultraperipheral regions while promoting the diversification of energy sources and the use of

renewable energy sources, together with the connection of those networks, where necessary;

5.2) for electricity networks:

a) adapting and developing networks to facilitate the integration/connection of renewable energy production;

b) interoperability of electricity networks within the European Community with those in the accession candidate countries and other countries in Europe and the Mediterranean and Black Sea basins;

5.3) for gas networks:

The development of gas networks in order to meet the European Community's natural gas consumption needs, the control of its gas supply systems and the interoperability of gas networks with those in third countries in Europe and the Mediterranean and Black Sea basins, and the diversification of natural gas sources and supply routes.

6. INDICATIVE AMOUNT:

The indicative Community budget allocation available for this programme is **EUR 21.5 million** from the 2005 budget.

7. ELIGIBILITY CRITERIA:

Decision No 1229/2003/EC of the European Parliament and of the Council of 26 June 2003 laying down a series of guidelines for trans-European energy networks (OJ L 176 of 15 July 2003), hereinafter referred to as “the guidelines”, identifies “projects of common interest” which meet the abovementioned aims.

In the framework of the present programme, proposals are applications for financial aid under the TEN Regulation. They must relate to one or more of the “projects of common interest” identified in the guidelines and must obtain the agreement of the Member State concerned.

Community aid shall be granted, in principle, only if achievement of a project meets financial obstacles, and shall not exceed the minimum considered necessary to launch a project.

Article 8 of the TEN Regulation identifies applicants for financial assistance.

8. SELECTION CRITERIA

The public or private undertakings or bodies directly concerned implementing the project must have stable and sufficient sources of funding to maintain their activities throughout the period during which the action is being carried out or the activities for which

Community grants are awarded, and to participate in its funding. They must have the professional skills and qualifications required to complete the action.

Legal persons must be legally constituted and registered.

8.1) The financial capacity of the public or private undertakings or bodies directly concerned implementing the project

In cases where the undertaking or body directly concerned implementing the project is a private entity, the Commission draws the applicants' attention to Articles 93 to 96 and Article 114 of the Financial Regulation applicable to the general budget of the European Communities which entered into force on 1 January 2003 (Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 published in OJ L 248 of 16 September 2002, hereinafter referred to as "the Financial Regulation")¹, as well as to Article 133 of the rules for implementation of that Regulation (Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Financial Regulation No 1605/2002, hereinafter referred to as "the detailed rules for the implementation of the Financial Regulation")².

The public or private undertakings or bodies directly concerned implementing the project must certify that they are not in one of the situations listed in these articles.

The public or private undertakings or bodies directly concerned implementing the project must have the financial capacity to complete the action for which the grant is sought and must provide their annual accounts for the last financial year or, in the case of public bodies, their annual budget. These documents must be attached to the application for aid along with the declaration referred to in Article 173 of the detailed rules for the implementation of the Financial Regulation.

8.2) The technical capacity of the public or private undertakings or bodies directly concerned implementing the project

The public or private undertakings or bodies directly concerned implementing the project 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 of the public or private undertaking or body directly concerned implementing the project in carrying out actions of the type in question).

9. AWARD CRITERIA:

Award criteria are used to assess the quality of the proposals submitted. Actions are granted financial assistance according to their level of contribution to the stated objectives.

Under Article 6 of the TEN Regulation, actions will be evaluated according to:

¹ OJ L 248, 16.9.2002, p. 1.

² OJ L 357, 31.12.2002, p. 1.

- their interest to Community policy, particularly energy policy;
- the added value of Community funding;

In addition to this, the following issues will be taken into account:

9.1) If the action concerns a project:

- the maturity of the project;
- the stimulative effect of Community intervention on public and private finance;
- the soundness of the financial package of the project;
- the result of the "cost-benefit" analysis,
- the direct or indirect socio-economic effects, in particular on employment, competitiveness, growth³ and sustainable development;
- the environmental impact (having regard to the Community laws in force).
- the potential for integrating renewable energy sources in electrical networks

9.2) If the action concerns a study:

- the aim and purpose of the study;
- the proposed methodology;
- the maturity of the study;
- the intended techniques;
- the environmental impact, where appropriate (having regard to the Community laws in force).

10. METHODS FOR IMPLEMENTING THE PROGRAMME

The legal and administrative framework for implementing the present programme is the result of existing measures in the TEN Regulation and of the Financial Regulation.

11. FORMS OF INTERVENTION

Successful proposals will be financed in accordance with the TEN Regulation laying down general rules for the granting of Community financial aid in the field of trans-European networks.

Community aid may take one or more of the following forms:

- co-financing of studies related to projects. As a general rule, the Community contribution may not exceed 50% of the total cost of a study;

³ See, in particular, COM (2003) 690 of 11.11.03, Commission communication "A European initiative for growth - Investing in Networks and Knowledge for Growth and Jobs. Final Report to the European Council."

- subsidies of the interest on loans granted by the European Investment Bank or other public or private financial bodies. As a general rule, the duration of the subsidy shall not exceed five years;
- contributions towards fees for security on loans from the European Investment Fund or other financial institutions;
- direct grants to investments in duly justified cases;
- risk- capital participation for investment funds or comparable financial undertakings.

Regardless of the form of intervention chosen, the total amount of Community aid granted under this programme shall not exceed 10% of the total investment cost. However, the total amount of Community aid may exceptionally reach 20% of the total investment cost, in the cases listed in Article 5(3)(b) of the TEN Regulation.

12. PROCEDURE AND CLOSING DATE FOR SUBMITTING PROPOSALS

Applicants who meet the conditions laid down for this call are invited to submit their proposals:

- through the Member State concerned or
- with its agreement, if the proposal is sent directly to the Commission. The agreement from the Member State must be attached to the grant application in order to enable the Member State to assume its responsibility in accordance with the TEN-E Regulation.

In order to harmonise the presentation of applications and facilitate their evaluation, the application form which is attached in annex must be used, including the form for the declaration required by point 8 of this call for proposals.

As a rule, proposed actions must be for a substantial amount, with the Community financial aid not being less than €500 000 per selected action. In addition, the duration should not exceed three years.

The closing date for submission of proposals is 20 June 2005.

Applications may be submitted:

- a) by **registered letter** postmarked **no later than the closing date for submission**, addressed to:
 - European Commission
 - Directorate-General for Energy and Transport
 - DM 28, 0/91 Courier/archives
 - B-1049 Brussels
- b) **or by hand delivery to the European Commission's Central Mail Office** (personal delivery or delivery by any authorised representative of the applicant, including private delivery services) at the following address:
 - European Commission (**DM 28, 0/91 Courier/archives**)
 - Central Mail Office

Rue de Genève 1

B-1140 Brussels

by no later than **4 p.m.** (Brussels time) **on the closing date for submission.** In this case, proof of submission will be by means of a dated and signed receipt issued by the receiving official in the abovementioned department.

The Commission cannot be held responsible for wrongly addressed applications 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.

Applications received by the Commission after the closing date will not be taken into consideration.

Applications may not be delivered to the Directorate-General for Energy and Transport (whether personal delivery or delivery by any authorised representative of the applicant, including private delivery services).

Tenders must be placed inside two sealed envelopes. The inner envelope should be marked as follows:

Call for proposals

TREN/B3/ Call TEN Energy 2005

Trans-European energy networks programme

Not to be opened by the postal service

DM 28, 0/91 Courier/archives

If self-adhesive envelopes are used, they must be sealed with adhesive tape and the sender must sign across the edge of that tape.

Additionally, applicants are requested to send the application form by e-mail to the Commission department (sandra.gerds@cec.eu.int) after the closing date mentioned in point b). This e-mail is not obligatory.

Further information can be obtained from the Commission department specified in the application form.

In order to give as much information as possible to the bodies concerned, the following documents are included in annex:

1. Application form
2. Decision (EC) No 1229/2003 of the European Parliament and of the Council laying down a series of guidelines for trans-European energy networks;

3. Council Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks as amended by Regulation (EC) No 1655/1999, Regulation (EC) No 788/2004 of the European Parliament and of the Council of 21 April 2004 and Regulation (EC) No 807/2004 of the European Parliament and of the Council of 21 April 2004;