Completing the internal energy market: €100 million released to connect European energy networks

Brussels, 05 March 2015

Today the Commission is opening the call for proposals under the Connecting Europe Facility (CEF) to help finance key trans-European energy infrastructure projects. €100 million will be made available for projects aimed at ending energy isolation, eliminating energy bottlenecks and to complete the European energy market. This European money will also act as a catalyst for securing additional financing by private and public investors. With a total of €650 million for grants foreseen in 2015, this is the first of two calls planned for 2015. The deadline for applications is 29 April 2015. A decision on the selection of proposals to be funded is expected for mid-July.

A fully interconnected market is a top priority of the Juncker Commission. This call for proposals responds to this priority and follows up on the Energy Union strategy and the interconnections communication adopted on 25 February 2015 (see also: fact sheet).

EU Commissioner for Climate Action and Energy Miguel Arias Cañete said: "Reliable and well-connected energy networks are vital for achieving a resilient European Energy Union. We need major investments to make our energy grid fit for the future. This funding is an investment opportunity to build a competitive, sustainable and secure energy market, and ultimately bring the benefits into our homes and businesses."

In order to apply for a grant, a project has to be on the list of 'projects of common interest'. A first list of projects of common interest was adopted by the European Commission in October 2013. It consists of 248 key energy infrastructure projects which, when completed, would each ensure significant benefits for at least two Member States, enhance security of supply, contribute to market integration, increased competition as well as to sustainability. The list will be updated at the end of this year.

EU financing for energy infrastructure under the Connecting Europe Facility is €5.85 billion for the period 2014-2020. The bulk of this money will go to grants, whereas a part of this amount will be dedicated to setting up financial instruments for infrastructure development, including a contribution to the European Fund for Strategic Investments. These grants will contribute to carrying out both studies and works. Proposals for works can only receive grants if the project will deliver significant benefits in a macro-regional context, such as security of supply, solidarity between Member States or innovation, while not being commercially viable.

In general, the amount of EU support cannot exceed 50% of the eligible costs for both studies and works. In exceptional cases, when a project contributes significantly to the security of supply, enhances energy solidarity between Member States or offers highly innovative solutions, EU support may be increased to a maximum of 75% of the costs for works.

On 16 March the European Commission's Directorate-General for Energy, together with the Innovation and Networks Executive Agency, will organise an Info Day in Brussels to give project promoters more information about the funding opportunities, including practical details about how to apply for a CEF grant.

Background

The legal basis for this call for proposals is the Connecting Europe Facility Regulation (Regulation 1316/2013). The conditions under which projects are eligible for financial aid are laid down in the Regulation on guidelines for trans-European energy infrastructure (Regulation 347/2013).

The first call for proposals under CEF was organised in 2014. The first grants will invest €647 million into key energy infrastructure projects.

- Fact sheet: Financing trans-European energy infrastructure - the Connecting Europe Facility: MEMO/15/4554
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