

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM (75) 420 final

Brussels, 23 July 1975

DRAFT COUNCIL REGULATION  
AMENDING COUNCIL REGULATION No 1056/72  
ON NOTIFYING THE COMMISSION OF INVESTMENT PROJECTS  
OF INTEREST TO THE COMMUNITY IN THE PETROLEUM,  
NATURAL GAS AND ELECTRICITY SECTORS

---

(Presented by the Commission to the Council)



MOTIVATION

1. The need for modification of Council Regulation No 1056/72

In the approval of the existing Council Regulation No 1056/72 and further in its Resolutions of 17 December 1974 and 13 February 1975 relating to the establishment of a Community energy policy, the Council has clearly recognized the importance of the availability to the Commission of the most accurate and timely information possible on investment projects in the energy field.

From the experience obtained in the implementation of the provisions of Council Regulation No 1056/72, in particular in respect to the petroleum and electricity sectors, and of adding to the information received further information relating to the nuclear sector under Articles 41 and 42 of the Euratom Treaty, the Commission has found that the total information does not meet its requirements in carrying out the tasks, relating to the Community energy policy, placed upon it by the Council.

It is considered that the problems encountered, relating to the communication of investments in specific sectors, can be effectively overcome by modifications to some of the Articles of Council Regulation No 1056/72 without in any way departing from the expressed aims of this Regulation.

2. Appreciation of the significance of investment projects

In order to appreciate the significance of the investment projects in the energy sectors, the Commission require to be informed as to the stage reached in the decision-making process of the projects and the relation of the projects to national planning. These indications are also a prerequisite for appreciating the degree of regularity in power plant ordering by the electricity producers, the necessity of which is

stressed under point 57 of the Communication by the Commission to the Council concerning "Orientation for the electricity sector in the Community" (COM (74) 1970 final) and in Chapter 3.5 of the Commission document on the "Situation and prospects of the industries producing heavy electrical engineering and nuclear equipment for electricity generating in the Community", which will be sent separately to the Council (see Doc. SEC (75) 2770).

3. Investment projects in the electricity sector

Experience has demonstrated that in the electricity sector, the technical, financial, industrial and social aspects of investment projects increasingly lead to the formulation of investment plans at least five years before the expected commencement of work, and that investment projects exist which are not communicated to the Commission if one or more of the major features, such as siting, capacity, type of equipment, etc. of the projects are subject to further review. It is therefore essential that investment projects be communicated on which work is expected to commence within five years and that communications are made with qualifications, when appropriate, as to any major features which may be subject to further review.

The information currently available to the Commission pursuant to Council Regulation No 1056/72 does not include any reference to electricity generating plant equipped with nuclear reactors. It is consequently not possible from this information to determine the total projected investment projects relating to electricity generation, which requirement is fundamental to work associated with the development of the Community energy policy. Information on investment projects relating to nuclear power stations is available to the Commission pursuant to Articles 41 and 42 of the Treaty establishing the European Atomic Energy Community, which Articles provide for the individual communication to the Commission of all kinds of nuclear investment projects but only at the stage when they are sufficiently well advanced as to permit signature of contract or the start of work within three months, and on the initiative of and at a time chosen by the persons or undertakings making the investments. Furthermore such information is extremely detailed, much more so than required for the

purposes of the Commission in relation to Council Regulation No 1056/72 and is clearly intended to enable the Commission to establish whether each of the communicated investments conforms to the nuclear energy policy which is outlined in the indicative nuclear programme of the Commission. The information is communicated on a case by case basis and does not permit the overall picture to be clearly established. Such information is received by the Commission too late to be used for energy forecasts in general and for information, especially for the purposes of the heavy electrical equipment manufacturing industry; for this industry in fact, a perspective of the market for a period of at least ten years ahead would be useful. It is thus necessary for the appropriate information relating to electricity generating plant equipped with nuclear reactors to be supplied to the Commission on the same time scale as for other investment projects in the electricity sector.

Investment projects concerning high voltage transmission lines, the major links in the electricity systems of the Community, are already communicated to the Commission under Council Regulation No 1056/72. However, the accession of Denmark, Ireland and the United Kingdom has increased the existing importance of high voltage underground and underwater cables in the continuing development of the electricity systems of the Community. It is important that existing communications relating to vital links in the electricity systems of the Community should be supplemented by information relating to major national and international links by means of high voltage underground or undersea cables.

#### 4. Investment projects in the petroleum sector

In view of the considerable importance attached within the Community to questions of environmental interest and in particular to pollution control, investment projects relating to desulphurisation plants for residue/gas-oil/

feedstock are of increasing interest to the Community. Such investment projects should therefore be included in the refining area projects currently communicated to the Commission.

DRAFT COUNCIL REGULATION AMENDING COUNCIL REGULATION No 1056/72

on notifying the Commission of investment projects of interest to the Community in the petroleum, natural gas and electricity sectors

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular to Articles 5 and 213 thereof;

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular to Articles 187 and 192 thereof;

Having regard to the draft submitted by the Commission;

Having regard to the Opinion of the European Parliament;

Having regard to the Opinion of the Economic and Social Committee;

Whereas Regulation No 1056/72/EEC provides that Member States shall communicate to the Commission at the beginning of each year information concerning investment projects relating to the production, transport, storage or distribution of petroleum, natural gas or electric power which are scheduled to start within three years from 1 January of the current year;

Whereas experience has demonstrated that, in the electricity sector, the technical, financial industrial and social aspects of investment projects increasingly lead to the formulation of investment plans at least five years before the expected commencement of work;

Whereas for such investment projects in the electric power sector provision should be made for the communication to the Commission of projects on which work is expected to commence within five years from 1 January of the current year;

Whereas experience has shown that investment projects exist which are not communicated to the Commission if one or more of the major features of the projects are subject to further review;

Whereas Article 2, paragraph 1 of Regulation No 1056/72/EEC provides that certain features of investment projects communicated to the Commission shall be indicated;

Whereas experience has shown that, in order to appreciate the significance of the investment projects, the Commission require to be informed as to the stage reached in the decision-making process of the projects and their relation to national planning;

Whereas experience has shown that the list of investment projects set out in the Annex to Regulation No 1056/72/EEC is not sufficiently comprehensive to ensure that the Commission is adequately informed to carry out its task in the field of the common energy policy of the Community, particularly in the areas of petroleum refining and electricity production and transport;

Whereas in the petroleum refining area investments in desulphurisation plants for residue, gas-oil and feedstock are of increasing importance in view of the strict quality standards to be adopted within the Community in the interests of pollution control;

Whereas Council Regulation No 1056/72 does not provide for investments in the electricity sector which concern nuclear electricity generating plant;

Whereas Articles 41 and 42 of the Treaty establishing the European Atomic Energy Community provide for the individual communication to the Commission of any kind of nuclear investment project sufficiently well advanced as to permit signature of contract or the beginning of work within three months, on the initiative of, and at a time chosen by, the person or undertaking making the investment;

Whereas the establishment of a common energy policy is one of the agreed objectives of the Community and the Commission has been charged with the task of proposing measures to be taken towards this objective and whereas the achievement of the objectives set out in the Council Resolution of 17 December 1974 and 13 February 1975 concerning the common energy policy for the Community, in particular in the nuclear sector;



Whereas, to assist the Community manufacturing industry in the accomplishment of its own investments and adaptations needed to provide the heavy equipment under the investment programmes related to electricity supply, the Commission must be informed of the projects under these programmes sufficiently far in advance of their realisation as to allow it to furnish to industry indications - of a kind which differentiate between degrees in which the construction plans are already binding - with a view to proper appreciation of the risks involved on the technical, financial and social levels;

Whereas in the electricity sector investment projects concerned with electricity transmission cables are not currently communicated to the Commission, whereas such investment projects concerned with transmission cables constituting essential links in national or international inter-connecting networks are of interest to the Community and information concerning such investment projects is necessary to the Commission to enable it to carry out its work in the electricity sector;

HAS ADOPTED THIS REGULATION:

#### Article 1

The following shall be substituted for Article 1, paragraph 1 of Regulation (EEC) No 1056/72:

"1. Member States shall, before 15 February of each year, communicate to the Commission information they have obtained on the basis of paragraph 2 concerning investment projects listed in the Annex which relate to the production, transport, storage or distribution of petroleum, natural gas or electric power and on which work is expected to commence within three years in the case of projects in the petroleum and natural gas sectors and within five years in the case of projects in the electricity sector, such communications shall include current modifications to the previous years communications.

Member States shall add to their communications any comments they may have."

Article 2

The following shall be added to Article 1 of Regulation (EEC) No 1056/72:

"5. The communications provided for in paragraphs 1 and 2 and 3 shall include investment projects of which one or more of the major features may be subject to further review."

Article 3

The following shall be added to Article 2 of Regulation (EEC) No 1056/72 after the 5th indent:

"As regards investment projects which are in the planning stage, the notification shall make the following references to the stage reached in the decision-making process of each project:

- whether or not firm decisions have been taken concerning all the major features of the project (site, constructor, undertaking, technical characteristics, etc.),
- the relationship of the project to national plans."

Article 4

The following shall be added to paragraph 1.1 of the Annex to Regulation (EEC) No 1056/72:

" - desulphurisation plants for residues/gas-oil/feedstock."

Article 5

The following shall be substituted for paragraph 3.1, 1st indent, of the Annex to Regulation (EEC) No 1056/72:

" - thermal power stations (generators with a unit capacity of 200 MW or more)."

Article 6

The following shall be added to paragraph 3.2 of the Annex to Regulation (EEC) No 1056/72:

" - transmission cables, if they have been designed for a voltage of 100 kV or more and constitute essential links in national or international interconnecting networks."

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

