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powering people

Proposed Amendments for Connecting Europe Facility (MFF)

Eurelectric amendments

March 2026

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:
- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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Introduction

Eurelectric welcomes the increase of Connecting Europe Facility – Energy (CEF-E) to approximately 30bn EUR as a tangible signal of the Commission's commitment to the energy transition and, towards that end, of attention for the energy infrastructure.

Within an overall positive assessment of the proposal, we find it crucial to also recommend improvements by

- highlighting decarbonisation through electrification and, especially given the scope of CEF-E, system flexibility more explicitly among the Programme's objectives;
- devoting more attention to distribution grids and storage as strategic enablers of the Programme's goals.

These recommendations are implemented in the below amendment proposals.

Amendment Proposals

Amendment 01

Proposal for a regulation: Recital 9

Text proposed by the Commission	*Amendment proposal by Eurelectric*
(9) The expansion and upgrade of energy infrastructure is an essential condition for a genuine Energy Union that is complete and interconnected, ensuring the Union's energy security and independence, energy affordability, industrial competitiveness, while meeting the Union's climate and energy objectives towards 2030 and achieving climate neutrality by 2050. Energy grids are necessary for the uptake of additional generation of renewable energy, including offshore generation, for boosting industrial decarbonisation and electrification, and for ensuring a well-functioning and competitive internal energy market that delivers a secure and affordable supply of energy. The Draghi Report recognises also the importance of raising investments in energy infrastructure. The Draghi report pointed in particular to investment in energy grids and the need to rapidly increase the deployment of cross-	(9) The expansion and upgrade of energy infrastructure is an essential condition for a genuine Energy Union that is complete and interconnected, ensuring the Union's energy security and independence, energy affordability, industrial competitiveness, while meeting the Union's climate and energy objectives towards 2030 and achieving climate neutrality by 2050. Energy grids are necessary for the uptake of additional generation of renewable energy, including offshore generation, for boosting industrial decarbonisation ~~and~~ **through** electrification~~,~~ **and system flexibility** and for ensuring a well-functioning and competitive internal energy market that delivers a secure and affordable supply of energy. The Draghi Report recognises also the importance of raising investments in energy infrastructure. The Draghi report pointed in particular to investment in energy grids and the need to rapidly increase the

Text proposed by the Commission	Amendment proposal by Eurelectric
border energy infrastructure to ensure the integration of renewable energy into the European system and decarbonise Europe's industry. In the Clean Industrial Deal and the Action Plan for Affordable Energy, the Commission underlined the crucial role of completing the Energy Union by investing in energy infrastructure and cross-border grids for safeguarding the competitiveness of European industry and the prosperity of people as well as for the affordability and security of energy supply. The Action Plan for Affordable Energy indicates that every person, community, and business should benefit from the clean transition. According to the Monitoring Report on electricity infrastructure of the Agency for the Cooperation of Energy Regulators, cross-border capacity needs will amount to 66 GW by 2030, of which 32 GW currently remain unaddressed. The support of the Programme to cross-border projects will play an important part in addressing this gap.	deployment of cross-border energy infrastructure to ensure the integration of renewable energy into the European system and decarbonise Europe's industry. In the Clean Industrial Deal and the Action Plan for Affordable Energy, the Commission underlined the crucial role of completing the Energy Union by investing in energy infrastructure and cross-border grids for safeguarding the competitiveness of European industry and the prosperity of people as well as for the affordability and security of energy supply. The Action Plan for Affordable Energy indicates that every person, community, and business should benefit from the clean transition. According to the Monitoring Report on electricity infrastructure of the Agency for the Cooperation of Energy Regulators, cross-border capacity needs will amount to 66 GW by 2030, of which 32 GW currently remain unaddressed. The support of the Programme to cross-border projects will play an important part in addressing this gap.

Justification

To highlight electrification as a primary way to decarbonisation and system flexibility as a goal of the Programme.

Amendment 02

Proposal for a regulation: Recital 10

Text proposed by the Commission	*Amendment proposal by Eurelectric*
(10) Special consideration should be given to cross-border energy interconnections, including complex projects such as hybrid interconnectors, including those necessary to reach the 15 % electricity interconnection target for 2030 established by Regulation (EU) 2018/1999 of the European Parliament and of the Council.	(10) Special consideration should be given to cross-border energy interconnections, including complex projects such as hybrid interconnectors, including those necessary to reach the 15 % electricity interconnection target for 2030 established by Regulation (EU) 2018/1999 of the European Parliament and of the Council. **In the Action Plan for affordable Energy, the Commission underlined that ambitious electrification of the energy system**

	<u>and expanding clean generation sources will increase energy efficiency and flexibility of the energy sector as a whole, help decarbonise industrial, mobility and heating and cooling sectors and support the uptake of clean and domestic energy production and announced the launch of an electrification Action Plan in 2026.</u>

Justification

To highlight the role of electrification in the Commission's agenda, with particular reference to the Action Plan on Affordable Energy.

Amendment 03

Proposal for a regulation: Recital 10a (new)

Text proposed by the Commission	*Amendment proposal by Eurelectric*
	<u>(10a) Special consideration should be given to distribution grids, which, especially through projects of smart electricity grids, deliver cross-border benefits. Distribution grids have a strategic role for decarbonisation, as they ensure both the intake of electricity from distributed renewable generation on one hand and the delivery of this electricity to end consumers on the other hand. Smart electricity grids also enhance system flexibility as they enable better hosting capacity and congestion management, reducing the likelihood of renewable-generation curtailment. Consequently, distribution grids also contribute to energy affordability as smart technologies let consumer optimise their demand. They also make it possible for prosumers to integrate their renewable generation into the system.</u>

Justification

To recognise the contribution of distribution grids to the enhanced interconnectedness of the EU power system. The role of distribution grids for decarbonisation and energy affordability is emphasised, also on account of their enabling of system flexibility.

Amendment 04

Proposal for a regulation: Recital 11

Text proposed by the Commission	*Amendment proposal by Eurelectric*
(11) Regulation (EU) 2022/869 of the European Parliament and of the Council lays down guidelines for the timely development and interoperability of trans-European energy infrastructure. It provides for the identification of projects of common interest and of projects of mutual interest and determines the conditions for eligibility of these projects for Union financial assistance. However, given their cross-border nature, projects of common interest and projects of mutual interest not only create significant positive externalities and foster solidarity, but also entail specific challenges for project promoters, due to their multi-jurisdictional nature, coordination challenges and an often asymmetrical distribution of costs and benefits. They therefore require Union level support.	(11) Regulation (EU) 2022/869 of the European Parliament and of the Council lays down guidelines for the timely development and interoperability of trans-European energy infrastructure. It provides for the identification of projects of common interest and of projects of mutual interest and determines the conditions for eligibility of these projects for Union financial assistance. However, given their cross-border nature, projects of common interest and projects of mutual interest not only create significant positive externalities and foster solidarity, but also entail specific challenges for project promoters, due to their multi-jurisdictional nature, coordination challenges and an often asymmetrical distribution of costs and benefits. They therefore require Union level support. **In addition, cross-border relevance should be acknowledged, and therefore support under the Programme granted, also to projects implemented within a single Member State that deliver system-wide benefits for the Union by enhancing resilience, flexibility or security of supply.**

Justification

The amendment acknowledges that the evolving energy system increasingly relies on infrastructure the strategic value of which extends beyond formal cross-border status. Certain nationally implemented projects can strengthen the Union's overall system performance by enhancing *resilience, flexibility or security of supply. Reflecting this in the recital ensures coherence with the Programme's objectives and provides a clear basis for targeted support where such projects deliver tangible European added value.*

Amendment 05

Proposal for a regulation: Recital 11a (new)

Text proposed by the Commission	*Amendment proposal by Eurelectric*
	<u>(11a) A criticality of previous Connecting Europe Facility rounds is that only a minor percentage of funding has reached distribution grids. On account of the benefits illustrated in Recital (10a), distribution grids should find more representation in the Programme. To facilitate better representation, the procedures under Regulation (EU) 2022/869 should be streamlined to reduce the time and workforce needed for applicants to achieve the status of projects of common interest.</u>

Justification

Historically, only 5% of CEF funding has reached distribution projects. This lack is also ascribed to the lengthy application procedures, by which applicants must first obtain the status of Project of Common Interest and then apply for CEF funds.

Amendment 06

Proposal for a regulation: Recital 12

Text proposed by the Commission	*Amendment proposal by Eurelectric*
(12) In the field of energy, the Programme aims to contribute to the development of projects of common interest and projects of mutual	(12) In the field of energy, the Programme aims to contribute to the development of projects of common interest and projects of mutual

interest, with a view to promoting energy market integration and interoperability of energy networks across borders. Furthermore, the Programme aims to facilitate decarbonisation, promoting energy efficiency and ensuring security of supply, and facilitating cross-border cooperation in the field of energy including renewable energy generation, as well as storage facilities that are not fulfilling the eligibility criteria of Regulation (EU) 2022/869. In doing so the interests of all stakeholders liable to be affected should be taken into account.	interest, with a view to promoting energy market integration and interoperability of energy networks across borders. Furthermore, the Programme aims to facilitate decarbonisation, promoting energy efficiency, **<u>system flexibility</u>** and ensuring security of supply, and facilitating cross-border cooperation in the field of energy including renewable energy generation, as well as storage facilities ~~that are not fulfilling the eligibility criteria of Regulation (EU) 2022/869~~. In doing so the interests of all stakeholders liable to be affected should be taken into account.

Justification

While we may understand the rationale to devote CB-RES (which is capped to 5% of CEF Energy) to other projects than large-scale storage under TEN-E, an exclusion as formulated in this recital would lend itself to the distorted interpretation of excluding large-scale storage from CEF Energy altogether. In addition, system flexibility should be included among the goals.

Amendment 07

Proposal for a regulation: Recital 14

Text proposed by the Commission	*Amendment proposal by Eurelectric*
(14) Cross-border projects in the field of renewable energy should provide cost savings for the deployment of renewable energy across the Union or other benefits for system integration, security of supply, competitiveness or innovation, in comparison to a similar project implemented by one of the participating Member States or third country alone. When selecting the projects, the Commission should particularly consider their contribution to the further integration of the Union internal energy market and endeavour to take, where possible, into consideration geographical balance. In case of grants for works, the applicant should demonstrate the need to overcome market failures or financial obstacles such as insufficient commercial	(12) Cross-border projects in the field of renewable energy should provide cost savings for the deployment **<u>and integration</u>** of renewable energy across the Union or other benefits for **<u>decarbonisation through electrification,</u>** system integration**<u>, storage and system flexibility</u>**, security of supply, competitiveness or innovation~~, in comparison to a similar project implemented by one of the participating Member States or third country alone~~. When selecting the projects, the Commission should particularly consider their contribution to the further integration of the Union internal energy market and endeavour to take, where possible, into consideration geographical balance. **<u>Arrangements for cross-border storage projects in the field of</u>**

viability, high upfront costs or the lack of market finance.	**renewable energy should not be limited to adjacent Member States and physical delivery of energy or flexibility services.** In case of grants for works, the applicant should demonstrate the need to overcome market failures or financial obstacles such as insufficient commercial viability, high upfront costs or the lack of market finance.

Justification

To better emphasise the Programme's goals of system integration, decarbonisation through electrification, system flexibility. Also to facilitate the usage of the Programme by alleviating constraints on the cost comparison to domestic equivalents and on the arrangements for cross-border storage projects.

Amendment 08

Proposal for a regulation: Recital 16a (new)

Text proposed by the Commission	*Amendment proposal by Eurelectric*
	(16a) The protection of critical transport and energy infrastructure is of urgency to ensure the Union's security and continuation of energy supply. In response to and for preparedness against emerging natural and adversarial threats, measures to protect critical energy infrastructure vary in scope, nature and urgency. While fully respecting the sovereignty of EU Member States over their national security interests, protective measures, including those related to cyber security, to ensure resilience and robustness in the project development and upgrading are of particular relevance for cross-border infrastructure projects in the Union and should be considered in relation to the development of Projects of Common Interest and Projects of Mutual Interest. Targeted reinforcement of networks in Member States located at the Union's external borders can reduce the heightened security risks affecting critical energy infrastructure and thus contribute to the stability of the internal

energy market and to the Union's overall preparedness.

Justification

To highlight the importance of energy-related spending also for security objectives.

Amendment 09

Proposal for a regulation: Recital 16b (new)

Text proposed by the Commission	*Amendment proposal by Eurelectric*
	(16b) Of particular relevance for security of supply are also distribution grids. Accordingly, the Programme should also fund, including operational expenditure, projects and activities for enhancing the robustness and resilience of distribution grids, including through reinforced physical protection and optimized solutions for cybersecurity and stockpiling of spare parts.

Justification

To emphasise, in particular, the importance of not overlooking the strategic role of distribution grids for security of supply. Operational expenditure for optimising digital technologies should also be eligible for funding in addition to iron-and-copper investments.

Amendment 10

Proposal for a regulation: Recital 16c (new)

Text proposed by the Commission	*Amendment proposal by Eurelectric*
	(16c) The expansion, reinforcement and availability of internal grid infrastructure and energy storage facilities is central to ensure an adequate and reliable utilisation of cross-

border interconnection capacity, address infrastructure bottlenecks such as structural congestions in national power grids, support further integration of the internal energy market and completion of energy corridors, ultimately contributing to the realisation of the Energy Union and affordable energy prices and supporting the competitiveness of the Union. In accordance with Regulation (EU) 2022/869, national infrastructure projects with a significant cross-border impact may be classified as a Project of Common Interest or Project of Mutual Interest, to effectively support and enable cross-border interconnectivity, without prejudice to cross-border cost allocation. These elements should be taken into consideration in the work programmes.

Justification

To emphasise, in particular, the importance of different elements to be taken into consideration in the work programmes.

Amendment 11

Proposal for a regulation: Recital 18

Text proposed by the Commission	*Amendment proposal by Eurelectric*
(18) In a rapidly changing economic, social and geopolitical environment, recent experience has shown the need for a more flexible multiannual financial framework and Union programmes. To that effect, and in line with the objectives of the CEF, the funding should duly consider the evolving policy needs and Union's priorities as identified in relevant documents published by the Commission, in Council conclusions and European Parliament resolutions while ensuring sufficient predictability for the budget implementation.	(18) In a rapidly changing economic, social and geopolitical environment, recent experience has shown the need for a more flexible multiannual financial framework and Union programmes. To that effect, and in line with the objectives of the CEF, the funding should duly consider the evolving policy needs and Union's priorities as identified in relevant documents published by the Commission, in Council conclusions and European Parliament resolutions while ensuring sufficient predictability for the budget implementation. **In the implementation of the energy specific objectives of the CEF through the work programmes, the estimated amounts for the**

specific objectives on energy should be indicated.

Justification

To help preserve a suitable allocation to the Energy part of the Programme, on account of the strategic importance of the energy-related objectives.

Amendment 12

Proposal for a regulation: Recital 25

Text proposed by the Commission	*Amendment proposal by Eurelectric*
(25) The support provided by the Programme should boost investment by addressing market failures or sub-optimal investment situations, in a proportionate manner avoiding duplication or crowding out and by incentivising private funding and should have a clear Union added-value. Without prejudice to the application of Articles 107 and 108 TFEU to national resources, this approach will ensure consistency between the actions under the Programme and the State aid rules, thereby avoiding undue distortions of competition in the internal market. Furthermore, the CEF and Savings and Investments Union measures can be mutually supportive, as public funding can be effective to de-risk large infrastructure projects and attract private investments in the EU, creating significant leverage effect. At the same time, the growing availability of efficient collective investment vehicles, like the European Long-term Investment Funds (ELTIFs), can efficiently catalyse long-term investments by institutional and other private investors towards infrastructure projects, thereby complementing and amplifying the funding available from CEF.	(25) The support provided by the Programme should boost investment by addressing market failures or sub-optimal investment situations, in a proportionate manner avoiding duplication or crowding out and by incentivising private funding and should have a clear Union added-value. Without prejudice to the application of Articles 107 and 108 TFEU to national resources, this approach will ensure consistency between the actions under the Programme and the State aid rules, thereby avoiding undue distortions of competition in the internal market. **Similarly, combinations with support schemes such as contracts for difference ("CfDs") should be possible if consistency with State aid rules is ensured and distortions of competition avoided.** Furthermore, the CEF and Savings and Investments Union measures can be mutually supportive, as public funding can be effective to de-risk large infrastructure projects and attract private investments in the EU, creating significant leverage effect. **For instance, the Programme should be open to public-private partnership projects.** At the same time, the growing availability of efficient collective investment vehicles, like the European Long-term Investment Funds (ELTIFs), can efficiently catalyse long-term investments by institutional and other private investors towards infrastructure projects, thereby

complementing and amplifying the funding available from CEF.

Justification

To facilitate the usage of the Programme by allowing combinations with CFDs (as long as state-aid rules are complied with) and public-private partnerships.

Amendment 13

Proposal for a regulation: Article 2(11):

Text proposed by the Commission	*Amendment proposal by Eurelectric*
'cross-border project in the field of renewable energy' means any of the following:	'cross-border project in the field of renewable energy' means any of the following:
(a) a project for the production of renewable energy which is included in a cooperation agreement within the meaning of Articles 8, 9, 11 or 13 of Directive (EU) 2018/2001	(a) a project for the production of renewable energy **and where applicable its connection to the distribution or transmission grid and its integration in the electricity system,** which is included in a cooperation agreement within the meaning of Articles 8, 9, 11 or 13 of Directive (EU) 2018/2001
(b) a storage project, including co-located energy storage within the meaning of Article 2, point (44d), of Directive (EU) 2018/2001, that supports the integration of renewable energy into the energy system of the Union, except for energy storage facilities within the meaning of Annex II, point (1)(c), of Regulation (EU) 2022/869 and that is included in a similar arrangement between two or more Member States, or between one or more Member States and one or more third countries.	(b) a storage project **and where applicable its connection to the distribution or transmission grid and its integration in the electricity system**, including co-located energy storage within the meaning of Article 2, point (44d), of Directive (EU) 2018/2001, that supports the integration of renewable energy into the energy system of the Union, ~~except for energy storage facilities within the meaning of Annex II, point (1)(c), of Regulation (EU) 2022/869~~ and that is included in a similar arrangement between two or more Member States, or between one or

more Member States and one or more third countries.

Justification

To emphasise the relevance and eligibility of grids, including distribution, to CB-RES funding. Moreover, while not questioning that CB-RES may not prioritise large-scale storage projects, it may be preferrable to remove their explicit exclusion and rather leave it to the work programmes in the energy sector to progressively optimise the resource allocation.

Amendment 14

Proposal for a regulation: Article 3(1) (CEF general objectives):

Text proposed by the Commission	*Amendment proposal by Eurelectric*
The general objectives of the Programme are to build, develop, secure, modernise and complete the trans-European networks in the transport and energy sectors, with the intention of supporting a functioning single market and fostering cohesion; to facilitate military mobility on the trans-European transport networks; to facilitate cross-border cooperation in the field of renewable energy; and to facilitate synergies among the transport and energy sectors.	The general objectives of the Programme are to build, develop, secure, modernise and complete the trans-European networks in the transport and energy sectors, with the intention of supporting a functioning single market**, decarbonised through electrification,** and fostering cohesion; to facilitate military mobility on the trans-European transport networks; to facilitate cross-border cooperation in the field of renewable energy**, particularly through technologies that enable system flexibility such as smart electricity grids and storage**; and to facilitate synergies among the transport and energy sectors.

Justification

To better emphasise the Programme's goals of system integration, decarbonisation through electrification, system flexibility.

Amendment 15

Proposal for a regulation: Article 3(2)(b) (CEF specific objectives):

Text proposed by the Commission	*Amendment proposal by Eurelectric*
in the energy sector,	in the energy sector,
(i) to contribute to the development of projects of common interest and projects of mutual interest as set out in Article 18 of Regulation (EU) 2022/869, with a view to promoting the completion of the Energy Union, the integration of an efficient and competitive internal energy market, and the interoperability of networks across borders and sectors, to facilitating decarbonisation of the economy, to promoting energy efficiency and to ensuring resilience and security of supply;	(i) to contribute to the development of projects of common interest and projects of mutual interest as set out in Article 18 of Regulation (EU) 2022/869, with a view to promoting the completion of the Energy Union, the integration of an efficient and competitive internal energy market, and the interoperability of networks across borders and sectors, to facilitating decarbonisation **through electrification** of the economy, **to integrating distributed renewable generation into the power system, to facilitating the uptake of technologies that enable system flexibility, including hybrid systems combining renewable generation, storage and demand-side management,** to promoting energy efficiency and to ensuring ~~resilience and~~ security of supply **through the physical and cyber protection and resilience of energy infrastructure**;
(ii) to facilitate cross-border cooperation in the field of renewable energy, through the support of cross-border projects in the field of renewable energy or through competitive bidding for new renewable energy projects under the Union renewable energy financing mechanism established by Article 33 of Regulation (EU) 2018/1999, where the conditions referred to in of Article 11(5) of this Regulation are met, with a view to achieving the Union's objectives in terms of decarbonisation, competitiveness, completion of the internal energy market, resilience and security of supply in a cost-efficient manner.	(ii) to facilitate cross-border cooperation in the field of renewable energy, through the support of cross-border projects in the field of renewable energy or through competitive bidding for new renewable energy **and storage** projects, **including hybrid systems combining renewable generation, storage and demand-side management,** under the Union renewable

	energy financing mechanism established by Article 33 of Regulation (EU) 2018/1999, where the conditions referred to in of Article 11(5) of this Regulation are met, with a view to achieving the Union's objectives in terms of decarbonisation **through electrification**, **system integration and flexibility,** competitiveness, completion of the internal energy market, resilience and security of supply in a cost-efficient manner.

Justification

To better emphasise the Programme's goals of system integration, decarbonisation through electrification, system flexibility. Also to highlight that security shall not only be sought through resilience (i.e., recovery from loss of functionality), but also through protection of the infrastructure to minimise such loss in the first place. Moreover, storage should be included in CB-RES.

Amendment 16

Proposal for a regulation: Article 4(1), 4(2):

Text proposed by the Commission	*Amendment proposal by Eurelectric*
1. The indicative financial envelope for the implementation of the Programme for the period 2028- 2034 is set at EUR 81 428 000 000 in current prices.	1. The ~~indicative~~ financial envelope for the implementation of the Programme for the period 2028- 2034 is set at EUR 81 428 000 000 in current prices.
2. The distribution of the amount referred to in paragraph 1 shall be indicatively as follows:	2. The distribution of the amount referred to in paragraph 1 shall be ~~indicatively~~ as follows:
a) EUR 51 515 000 000 for the specific objectives on transport and military mobility referred to in Article 3(2), point (a);	c) EUR 51 515 000 000 for the specific objectives on transport and military mobility referred to in Article 3(2), point (a);
b) EUR 29 912 000 000 for the specific objectives on energy	(iii) EUR 29 912 000 000 for the specific objectives on energy

referred to in Article 3(2), point (b).	referred to in Article 3(2), point (b).

Justification

To help preserve the resources allocated to the Programme and, within it, to the Energy part, on account of the strategic importance of the energy-related objectives.

Amendment 17

Proposal for a regulation: Article 11:

Text proposed by the Commission	*Amendment proposal by Eurelectric*
1. The Commission shall conduct, at least once a year, a selection of cross-border projects in the field of renewable energy, based on the criteria and procedure set out in this Article, in the delegated act referred to in paragraph 4 of this Article and the related work programme referred to in Article 12.	1. The Commission shall conduct, at least once a year, a selection of cross-border projects in the field of renewable energy, based on the criteria and procedure set out in this Article, in the delegated act referred to in paragraph 4 of this Article and the related work programme referred to in Article 12.
2. Cross-border projects in the field of renewable energy should provide cost savings for the deployment of renewable energy across the Union or other benefits for system integration, security of supply, competitiveness or innovation, in comparison to a similar project implemented by one of the participating Member States or third country alone.	2. Cross-border projects in the field of renewable energy should provide cost savings for the deployment of renewable energy across the Union or other benefits for <u>**decarbonisation through electrification,**</u> system integration, <u>**system flexibility particularly through smart electricity grids and storage,**</u> security of supply, competitiveness or innovation~~, in comparison to a similar project implemented by one of the participating Member States or third country alone~~.
3. In case of grants for works, the applicant should demonstrate the need to overcome market failures or financial obstacles such as insufficient commercial viability, high upfront costs or the lack of market finance.	3. In case of grants for works, the applicant should demonstrate the need to overcome market failures or financial obstacles such as insufficient
4. By (day month year) (or 12 months after entry into force of this act), the	

Commission shall adopt a delegated act in accordance with Article 14 supplementing this Regulation by laying down the specific criteria and procedure for the selection of cross-border projects in the field of renewable energy.	commercial viability, high upfront costs or the lack of market finance.
	4. By (day month year) (or 12 months after entry into force of this act), the Commission shall adopt a delegated act in accordance with Article 14 supplementing this Regulation by laying down the specific criteria and procedure for the selection of cross-border projects in the field of renewable energy**, in consistency with the goals of decarbonisation through electrification and system flexibility under Article 3(2), point (b)(ii) of this Regulation**.
5. The Commission may decide to allocate the Programme budget envisaged for cross-border projects in the field of renewable energy to the Union renewable energy financing mechanism established by Article 33 of Regulation (EU) 2018/1999 where it can achieve the specific objective referred to in Article 3(2), point (b)(ii) of the Regulation, and where it can contribute to the reduction of the costs of capital for renewable energy projects. The total contribution made for the period from 1 January 2028 to 31 December 2034 shall not exceed 5% of the budget of this Programme envisaged for the specific objectives referred to in Article 3(2), point (b).	5. The Commission may decide to allocate the Programme budget envisaged for cross-border projects in the field of renewable energy to the Union renewable energy financing mechanism established by Article 33 of Regulation (EU) 2018/1999 where it can achieve the specific objective referred to in Article 3(2), point (b)(ii) of the Regulation, and where it can contribute to the reduction of the costs of capital for renewable energy projects. The total contribution made for the period from 1 January 2028 to 31 December 2034 shall not exceed 5% of the budget of this Programme envisaged for the specific objectives referred to in Article 3(2), point (b).

Justification

To better emphasise the Programme's goals of system integration, decarbonisation through electrification, system flexibility, also through CB-RES. Moreover, to facilitate the usage of the Programme by alleviating constraints on the cost comparison to domestic equivalents, in keeping with the amendment to Recital 14.

Amendment 18

Proposal for a regulation: Article 12, point 2a (new):

Text proposed by the Commission	*Amendment proposal by Eurelectric*
	2a. When adopting work programmes in the energy sector, the Commission shall give particular consideration to projects of common interest and projects of mutual interest and related actions that aim to further integrate the internal market for energy, ending energy isolation and eliminating electricity interconnection bottlenecks; the Commission shall also prioritize projects and actions that are focused on decarbonisation through electrification and system flexibility, serving competitiveness of the European economy and security of supply.

Justification

To better emphasise the role of projects and actions serving the Programme's goals, for improving the European energy system with further benefits for the European competitiveness.

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability

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