COUNCIL REGULATION (EEC) No 2618/80

of 7 October 1980

instituting a specific Community regional development measure contributing to improving security of energy supply in certain Community regions by way of improved use of new techniques for hydro-electrical power and alternative energy sources

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund (1), as amended by Regulation (EEC) No 214/79 (2), and in particular Article 13 (3) thereof,

Having regard to the proposal from the Commission (3),

Having regard to the opinion of the European Parliament (4),

Having regard to the opinion of the Economic and Social Committee (5),

Whereas Article 13 of Regulation (EEC) No 724/75 (hereinafter referred to as the 'Fund Regulation') provided, independently of the national allocations of resources fixed by Article 2 (3) (a) of that Regulation, for participation by the Fund in financing specific Community regional development measures which are in particular linked with Community policies and with measures adopted by the Community in order to take better account of their regional dimension or to reduce their regional consequences;

Whereas the Member State concerned has provided the Commission with information on regional problems likely to be the subject of a Community specific measure;

Whereas the Fund's resources are allocated having due regard to the relative severity of regional imbalances within the Community;

Whereas the Council in its resolution of 17 September 1974 on a new Community energy policy (6) expressed its resolve to improve the security of energy supply;

Whereas the European Council, meeting at Strasbourg on 21 and 22 July 1979, expressed its resolve to continue and intensify efforts to limit the consumption of petroleum, and, via economies in energy, the development of indigenous resources and the progressive use of alternative energy sources, to limit, during the period 1980 to 1985, Community imports to an annual level equal to or below that of 1978;

Whereas limitation of petroleum imports is likely to affect particularly those Community Member States who have a substantial energy deficit and a heavy dependence on petroleum imports;

Whereas Italy is one of these Member States and that furthermore the installed electrical power reserves are particularly weak there, and that therefore the risks of power cuts during peak consumption periods are very great;

Whereas the development of the Mezzogiorno, and particularly of its mountain areas, requires the installation of new activities with consequent increased electricity consumption, and that power losses due to long-distance transmission of electricity produced in the north are high, and that therefore there is need to encourage the installation of new local production capacity;

Whereas it is necessary for the Community to reinforce national measures to improve natural supplies of energy in these areas by means of a specific Community regional development measure;

Whereas measures have already been taken in the field of the common agricultural policy, and other assistance from Community funds, capable of being usefully combined, should be given in these areas;

(1) OJ No L 73, 21. 3. 1975, p. 1.
(2) OJ No L 35, 9. 2. 1979, p. 1.
(3) OJ No C 285, 15. 11. 1979, p. 3.
(4) OJ No C 85, 8. 4. 1980, p. 24.
(5) OJ No C 83, 2. 4. 1980, p. 4.
(6) OJ No C 153, 9. 7. 1975, p. 1.

Whereas adoption by public authorities of improved technology (mini-turbines) allowing exploitation of the hitherto under-utilized natural, hydro-electric resources of these regions, and the utilization of alternative energy sources are likely to contribute to realizing these aims, whilst improving the relatively weak electricity distribution network;

Whereas private users with moderate requirements could have an interest in exploiting local sources of hydro-electric power and alternative energy themselves, in view of their own consumption needs, and that for this purpose an active information campaign should be undertaken, and that such users ought to be encouraged to set up the necessary installations;

Whereas the maintenance of these mini-turbines may provide a number of additional jobs for the local population;

Whereas the Community measure must be implemented in the form of a special multi-annual programme; whereas it is for the Commission, in approving this programme, to ensure that the operations planned thereunder comply with the provisions of this Regulation;

Whereas the special programme must respond to certain of the objectives encompassed by the regional development programme provided for under Article 6 of the Fund Regulation;

Whereas the Commission must verify that the special programme is properly carried out by examining the annual reports which the Member State concerned will present to it for this purpose;

Whereas, the Council, the European Parliament and the Economic and Social Committee must be informed regularly on the implementation of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

A special Community regional development measure (hereinafter referred to as a 'specific measure') within the meaning of Article 13 of the Fund Regulation, is hereby established contributing to improving security of energy supply in certain Community regions by way of improved use of new technologies for hydro-electrical power and of alternative energy sources.

Article 2

The specific measure shall apply to the mountain areas of the regions of the Mezzogiorno within the meaning of Article 3 (3) of Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas [1], as defined by Council Directive 75/273/EEC of 28 April 1975, concerning the Community list of less-favoured farming areas within the meaning of Directive 75/268/EEC (Italy) [2].

Article 3

1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as 'special programme') to be presented to the Commission by Italy.

2. The aim of the special programme shall be to help improve the development conditions of the areas referred to in Article 2 by strengthening the security of their energy supplies. To this end it shall have as its objective a better use of hydro-electric resources by making possible, by the adoption of new techniques, the re-utilization of abandoned or obsolete works located on water courses with a low streamflow, and also a better use of alternative energy sources. It shall also, by carrying out an information campaign and by aiding feasibility studies, be aimed at encouraging private users themselves to exploit hydro-electric and alternative energy sources. Finally it shall be aimed at providing additional jobs linked to the upkeep of these installations.

3. The special programme shall fall within the framework of the regional development programmes mentioned in Article 6 of the Fund Regulation.

4. The special programme shall contain appropriate information, as specified in the Annex to this Regulation, analysing the situation and needs related to the objectives stated in paragraph 2, the operations proposed, the timetable for carrying them out and, in general, all factors necessary to enable its consistency with regional development objectives to be assessed.

5. The duration of the special programme shall be five years starting from the 60th day after the date on which this Regulation enters into force.

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(1) OJ No L 128, 19. 5. 1975, p. 1.
(2) OJ No L 128, 19. 5. 1975, p. 72.

6. The special programme shall be approved by the Commission after intervention by the Fund Committee in accordance with the procedure laid down in Article 16 of the Fund Regulation.

7. The Commission shall inform the European Parliament of the amounts adopted for the areas when the special programme is approved.

8. Once it has been approved by the Commission, the special programme shall be published for information in the *Official Journal of the European Communities.*

Article 4

The fund may participate, within the framework of the special programme, in the following operations:

1. Installing mini-turbines (standardized electrical generators using low-head falls) including preparation of existing sites and the related hydro-electric installations, and also wind-powered generators and equipment utilizing solar energy or enabling recovery of energy contained in biomass, particularly refuse, in so far as such installations have been technically perfected and do not qualify under Council Regulation (EEC) No 1302/78 of 12 June 1978 on the granting of financial support for projects to exploit alternative energy sources (1) or Council Regulation (EEC) No 727/79 of 9 April 1979 on the implementation in the solar energy sector of Council Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources (2).

2. Dissemination of information, including demonstrations, on the prospects offered by mini-turbines and alternative sources of energy. Feasibility studies for potential private users wishing to proceed themselves with installations related to such energy sources.

3. Organization of basic technical instruction to ensure additional local jobs linked to the maintenance of mini-turbines.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contributions from the Fund shall be provided within the framework of the appropriation entered for this purpose in the general budget of the European Communities. The Community participation is laid down as follows:

(a) operations for the installation of mini-turbines, wind-powered generators or other equipment, and studies for adapting materials to local conditions, under Article 4 (1): 50 % of expenditure, in cases where investments are made by public authorities. In other cases this shall be 30 % of the investment cost. The Community aid may be supplementary to the existing aid system;

(b) operations for dissemination of information and demonstrations under Article 4 (2): 70 % of the operating costs of bodies charged with this task;

(c) operations for feasibility studies under Article 4 (2): 70 % of the costs of these studies;

(d) operations for technical instruction under Article 4 (3): 70 % of public expenditure.

2. The categories of beneficiaries of Fund assistance in respect of operations provided for in paragraph 1 may be: public and local authorities, other bodies, undertakings or individuals. Where the aids referred to in paragraph 1 (c) directly benefit undertakings, they may not have the effect of reducing the share paid by such undertakings to less than 20 % of total expenditure.

3. The amount of the Fund's assistance in favour of the special programme may not exceed the amount fixed by the Commission at the time when this programme is approved under Article 3 (6).

4. Budgetary commitments relative to the implementation of the special programme shall be decided by annual tranche in accordance with progress made.

Article 6

1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid to the Member State concerned (or in accordance with the instructions the latter communicates to this end to the Commission) according to the following rules:

(a) expenditure incurred from the date of entry into force of this Regulation shall be eligible;

(1) OJ No L 158, 16. 6. 1978, p. 3.
(2) OJ No L 93, 12. 4. 1979, p. 3.

(b) when there is a financial contribution by the Member State, payments, other than advance payments referred to in (c), shall be made as far as possible in parallel with the payment of the Member State's contribution. In any other case, payments shall be made when the Member State certifies that the payment is due and may be paid by the Community.

Each request for payment shall be accompanied by a statement from the Member State certifying the operation and the existence of detailed supporting documents, and shall contain the following information:

— the nature of the operations covered by the payment claim;

— particulars of the amount and nature of expenditure paid in respect of the different operations during the period covered by the claim;

— confirmation that the operations described in the payment claim have been begun in accordance with the special programme;

(c) on production by the Member State concerned of written evidence that the special programme has already occasioned expenditure under an annual tranche, the Fund may, at the State's request, make an advance of 30 % of the appropriations committed. When the amount of this advance has been exhausted and when the Member State has forwarded to the Commission the certificate referred to in (b), further successive advance payments may be made, each of 30 % of the appropriations committed for each annual tranche.

2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required in the Annex to this Regulation. These reports should enable the Commission to satisfy itself that the special programme is being executed, to observe its effects and to establish that the different operations are being carried out in a coherent manner. They shall be forwarded to the Regional Policy Committee.

3. On the basis of these reports and the relevant decisions, the Commission shall report under the conditions laid down in Article 21 of the Fund Regulation.

4. Where major amendments are made to the special programme during implementation, the procedure provided for in Article 3 (6) shall apply.

5. When the special programme has been implemented, a report shall be presented by the Commission to the Regional Policy Committee.

6. Article 9, paragraphs 1 to 5, of the Fund Regulation shall apply, as required, to the specific measure provided for in this Regulation.

Article 7

This Regulation shall not prejudice the re-examination of the Fund Regulation provided for in Article 22 of that Regulation which is to take place before 1 January 1981, on a proposal from the Commission.

Article 8

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities.*

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

Done at Luxembourg, 7 October 1980.

For the Council

The President

G. THORN

ANNEX

The special programme shall include the following information in respect of the areas covered under Article 2:

1. (a) an analysis of the situation and needs with regard to the supply of electricity and the utilization of alternative energy sources, indicating priorities for extending and improving the existing system;

   (b) information on the economic viability of the installation of mini-turbines;

   (c) a description of public measures adopted to meet these needs, indicating the average amount of public expenditure involved.

2. **In relation to the operations envisaged under Article 4:**

   (a) a programme of installing mini-turbines on existing sites, their location, description of types of site preparation works, including linked hydraulic work, and estimate of resulting improvements in electricity supply;

   (b) a programme of installation of wind-powered generators or other equipment;

   (c) detailed rules governing the information campaign, the number of demonstration centres planned, the number and type of publications and feasibility studies envisaged;

   (d) the type of technical instruction planned, and the prospects for additional jobs.

3. **In respect of the totality of the special programme:**

   (a) a description, as far as possible with figures, of the objectives covered by the special programme, particularly regarding employment;

   (b) in so far as this information has not been identified with sufficient accuracy in the regional development programme, description of the existing or future public measures which it is intended to implement alongside the special programme and which will contribute towards improving the employment situation in the areas covered by Article 2;

   (c) intentions of the national authorities regarding the use of other resources deriving from Community structural funds;

   (d) the timetable for carrying it out;

   (e) estimates of the volume of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged;

   (f) designation of the bodies responsible for execution of the programme and of the various operations;

   (g) information measures planned to make the potential beneficiaries and the professional organizations aware of the possibilities offered by the programme, and of the role played by the Community in this respect;

   (h) description of other existing or intended public measures concerning encouragement of users themselves to exploit local energy sources, including relevant legislation.