

Batteries in zero-emission vessels (Batteri i nullutslippsskip)

State aid Reference no.: GBER 45/2024/ENV

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i. Description of the aid measure

1. State

Norway

The following programme provides the legal cover for award of support in line with the General Block Exemption Regulation. The programme does not provide any additional funding or budget.

2. Aid granting Authority

Enova SF¹ is the authorized body to implement the Scheme.

3. Objective of the aid scheme and eligible activities

The aid scheme “Batteri i nullutslipsskip” (hereby the Scheme) aims to contribute to the introduction and uptake of batteries as a technology both for zero-emission vessels and as an energy-efficiency measure, which will contribute to a faster green transition in shipping. The scheme aims to contribute to cost reduction through industrial learning and economy of scale effects. The Programme shall demonstrate battery electrification as a zero-emission technology in vessel segments where it is not yet common.

Eligible for aid under the Scheme will be investments in the acquisition of clean or zero-emission vessels or the retrofitting of existing vessels to qualify as clean or zero emission vessels. Investments in vessels powered fully or partially by batteries will be supported under the Scheme.

4. Scope of the Scheme

The Scheme is open to large undertakings and SMEs that are registered in the Norwegian Register of Business Enterprises². The projects receiving aid under the Scheme must be realized in Norway or within the Norwegian economic zone or be registered under NOR or NIS flag state.

5. Legal Basis

The national legal basis for Enova SF as aid grantor is:

- Parliamentary Decision of 5 April 2001³ on the basis of a proposition by the Ministry of Petroleum and Energy of 21 December 2000⁴ The Parliamentary Decision amends the Energy Act of 29 June 1990 No 50 (Energiloven)
- the Agreement⁵ (Avtalen) between Enova and the Ministry of Climate and Environment⁶, on the management of the funds derived from Enova’s budget.

Aid granted under this Scheme will comply with Commission Regulation (EU) No 651/2014⁷, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation or GBER), and the following articles: GBER 36b.

¹ <https://www.enova.no/about-enova/>

² <https://www.brreg.no/en/>

³ Odelstingets vedtak til lov om endringer i lov 29. juni 1990 nr. 50 om produksjon, omforming, overføring, omsetning og fordeling av energi m.m. (energilova). (Besl.O.nr.75 (2000-2001), jf. Innst.O.nr.59 (2000-2001) og Ot.prp.nr.35 (2000-2001)).

⁴ Ot.prp.nr.35 (2000-2001)

⁵ The agreement can be found in: <https://www.enova.no/om-enova/om-organisasjonen/oppdragsbrev-og-avtaler/>

⁶ On the 1st May 2018 the ownership of Enova (and the Agreement) was transferred from the Ministry of Oil and Energy to the Ministry of Climate and Environment. Reference is made to the letter of assignment (Oppdrags brev 2019) of Enova’s ownership.

https://www.regjeringen.no/contentassets/051d75e38a4743c3a29f2bb169a4443d/enova_2019.pdf

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0651-20230701>

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The national legal basis for aid granted under this Scheme⁸ is the programme specific regulations found in the programme criteria for Batteries in zero-emission vessels (Programkriterier for Batterier i nullutslippsskip) and the present document describing the Scheme's compliance under Commission Regulation (EU) No 651/2014.

In order to ensure compliance with the Commission Regulation (EU) No 651/2014 (GBER), aid under the Scheme must fulfil the relevant requirements set in GBER in chapters I, II and III.

ii. Compliance with the general rules in GBER (art.1-12)

6. Aid Category and Definitions

Aid under the Scheme falls under the following categories of aid in line with article 1 of GBER:

- Aid for environmental protection (art. 1(c) GBER)

For the purpose of the Scheme the definitions laid down in Chapter 1 Article 2 of the General Block Exemption Regulation (GBER) are applied by Enova SF.

Aid under the Scheme will be compliant with the scope of application of the GBER as described in the paragraphs of article 1 GBER.

Aid will not be granted to undertakings that are in difficulty or subject to a pending recovery order in line with article 1 §4(a) - (c) and article 2 §18 of GBER.

7. Notification thresholds, duration of the Scheme and total budget for aid under the Scheme

In line with article 4 GBER, aid under the Scheme shall not exceed the following thresholds (also in cases when it is cumulated with other aid, ref. article 8 GBER):

In the case of investment aid for environmental protection, unless otherwise specified: EUR 30 million per undertaking per investment project;

The thresholds set out or referred to above shall not be circumvented by artificially splitting up the aid schemes or aid projects.

The Scheme will run from **April 10th 2024 until December 31st 2026**.

The annual budget for the Scheme is estimated to maximum **200 MNOK**.

Should the budget for the Scheme increase Enova will inform the EFTA Surveillance Authority.

8. Transparency of aid

All aid awarded under the Scheme will be transparent and in line with criteria set out in Article 5 of the GBER.

Aid under the Scheme may be awarded by way of grants.

⁸ As a rule, Enova's programmes are authorized by Enova's board, before being published on Enova's website.

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9. Incentive effect of the aid

The Scheme concerns aid that has an incentive effect, in line with the criteria set out in article 6 of the GBER.

Aid recipients must demonstrate that the aid is required for projects to proceed by submitting a written application before work on the project or activity has started. The application will as a minimum contain the following information (Art 6 GBER):

- (a) Name and size of the undertaking receiving the aid;
- (b) Description of the project, including its start and end dates;
- (c) Location of the project;
- (d) List of project costs;
- (e) Type of aid (for example grant) and amount of public funding needed for the project

10. Aid Intensity and eligible costs

In line with article 7 GBER, for the purposes of calculating aid intensity and eligible costs, all figures used shall be taken before any deduction of tax or other charge. Value added tax charged on eligible costs or expenses that is refundable under the applicable national tax law shall, however, not be taken into account for calculating aid intensity and eligible costs. The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary. Aid payable in the future, including aid payable in several instalments, shall be discounted to its value at the moment it is granted. The eligible costs shall be discounted to their value at the moment the aid is granted. The interest rate to be used for discounting purposes shall be the discount rate applicable at the moment the aid is granted.

11. Cumulation

According to article 8 of the GBER, in determining whether the notification thresholds and the maximum aid intensities are respected, the total amount of State aid for the activity or project shall be taken into account. The total amount of State aid may be comprised of local, regional, national or other funds managed and controlled by Norway as a contracting party to the EEA Agreement.

EU funding that is understood as centrally managed by the institutions, agencies, joint undertakings or other bodies of the EU and outside the direct and indirect control of Norway will not be regarded as state aid and will thus not be taken into account when determining whether notification thresholds and maximum aid intensities or maximum aid amounts are respected.

The total amount of public funding, which includes State aid and EU funding together and is granted in relation to the same eligible costs should not exceed the most favourable funding rate⁹ laid down in the applicable rules of EU/EEA Law.

⁹ The term "funding rate" is broader than "aid intensity". It refers to the ratio of the total amount of public funding (State aid and EU funding together) to the eligible costs for a specific project.

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Aid under the Scheme that is granted based on identifiable eligible costs may be cumulated with

- any other State aid, as long as those measures concern different identifiable eligible costs;
- any other State aid, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity or aid amount applicable to this aid under GBER.

Aid provided under this Scheme will not be cumulated with any de minimis aid in respect of the same eligible costs, if such cumulation would breach the applicable aid intensities.

In all cases, cumulation of aid under the Scheme will respect the rules set out in article 8 of GBER.

12. Publication and Information

In accordance with article 9 GBER, Enova will ensure the publication on Norway's national State aid register of:

- The summary information about each aid measure exempted under GBER in the standardised format laid down in Annex II of the GBER (ref. GBER information sheet), or a link providing access to it
- The full text of each aid measure, including its amendments (ref. the Scheme), or a link providing access to it
- The information referred to in Annex III of the GBER on each individual aid award exceeding EUR 100 000

In particular, the information on each individual aid award shall be organised and accessible in a standardised manner, as described Annex III of GBER, and shall allow for effective search and download functions.

All the above information shall be published within 6 months from the date the aid was granted and shall be available for at least 10 years from the date on which the aid was granted.

13. Reporting and Monitoring

Enova will follow the requirements on reporting and monitoring as they are described in articles 11 and 12 of the GBER.

Detailed records with the necessary information and supporting documentation will be maintained for 10 years from the date of the last award of aid under the Scheme.

Enova will provide the EFTA Surveillance Authority with all the information and supporting documentation it considers necessary to monitor the application of the GBER within 20 working days of such request from the Authority.

iii. Compliance with Chapter 3 GBER

The costs of the project must be transparent and directly and exclusively related to the project. The eligible costs must also be specified at the time of application.

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There is no automatic entitlement to support from the Scheme. All support is subject to rigorous due diligence appraisal and internal approval by Enova and all projects shall be assessed against the conditions of the Scheme and the criteria set out by Enova (Programkriterier for Hydrogen i fartøy).

14. Aid for environmental protection

Aid under the Scheme aimed at promoting environmental protection will be granted in line with the conditions set out in article 36b GBER.

Aid under article 36b GBER

Scope

Investment aid for the acquisition of clean vehicles or zero-emission vehicles for road, railway, inland waterway and maritime transport and for the retrofitting of vehicles other than aircraft to qualify as clean vehicles or as zero-emission vehicles will be granted in line with article 36b GBER.

Aid shall be granted for the purchase or the leasing for a duration of at least 12 months of clean vehicles powered at least partially by electricity or by hydrogen or zero-emission vehicles and for the retrofitting of vehicles allowing them to qualify as clean vehicles or zero-emission vehicles.

Eligible costs and Aid Intensity

The eligible costs shall be the following:

(a) for investments consisting in the purchase of clean vehicles or zero-emission vehicles, the extra costs of purchasing the clean vehicle or the zero-emission vehicle. Those shall be calculated as the difference between the investment costs of purchasing the clean vehicle or the zero-emission vehicle and the investment costs of purchasing a vehicle of the same category that complies with applicable Union standards already in force and would have been acquired without the aid;

(b) for investments consisting in the leasing of clean vehicles or zero-emission vehicles, the extra costs of leasing the clean vehicle or the zero-emission vehicle. Those shall be calculated as the difference between the net present value of leasing the clean vehicle or the zero-emission vehicle and the net present value of leasing a vehicle of the same category that complies with applicable Union standards already in force and would have been leased without the aid. For the purposes of determining the eligible costs, the operating costs linked to the operation of the vehicle, including energy costs, insurance costs and maintenance costs, shall not be taken into account, irrespective of whether they are included in the leasing contract;

(c) for investments consisting in the retrofitting of vehicles allowing them to qualify as clean vehicles or zero-emission vehicles, the costs of the investment in the retrofitting.

Aid shall be granted in a competitive bidding process, which fulfils all of the following conditions in addition to those laid down in Article 2, point (38) GBER:

(a) the aid award shall be based on objective, clear, transparent and non-discriminatory eligibility and selection criteria, defined ex ante and published at least 6 weeks in advance of the deadline for submitting applications, to enable effective competition;

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(b) during the implementation of a scheme, in case of a bidding process where all bidders receive aid, the design of said process shall be corrected to restore effective competition in the subsequent bidding processes, for example, by reducing the budget or volume;

(c) ex post adjustments to the bidding process outcome (such as subsequent negotiations on bid results) shall be excluded;

(d) at least 70 % of the total selection criteria used for ranking bids and, ultimately, for allocating the aid in the competitive bidding process shall be defined in terms of aid in relation to the project's contribution to the environmental objectives of the measure for example aid requested per clean or zero-emission vehicle.

Supported activity	Maximum Aid Intensity for Large Company*	Maximum Aid Intensity for Medium Company*	Maximum Aid Intensity for Small Company*
Aid for the purchase or the leasing of zero-emission vehicles or the retrofitting of vehicles allowing them to qualify as zero-emission vehicles	80% if competitive bidding	80% if competitive bidding	80% if competitive bidding
Aid for the purchase or the leasing of clean vehicles, or of the retrofitting of vehicles allowing them to qualify as clean vehicles	80% if competitive bidding	80% if competitive bidding	80% if competitive bidding