

Aid for Technology for sustainable energy carriers and Piloting of innovative climate technologies (Støtte til teknologi for bærekraftige energibærere og pilotering av innovative klimateknologier)

State aid Reference no.: GBER 68/2024/R&D&I

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i. Description of the aid measure

1. State

Norway

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 to Technology for sustainable energy carriers and Piloting of ground-breaking climate technologies Scheme (hereby the Scheme) aims at speeding up the technology development and innovation that can contribute to decarbonization towards 2050 and innovation in the field of sustainable energy carriers.

Eligible for aid under the Scheme will be RDI-projects piloting new or significantly improved technology for biofuel, biogas and hydrogen-based energy carriers. The projects must be linked to the technology used upstream in the value chains. New technology for the use of sustainable energy carriers can be supported through other support programs in Enova.

Projects concerning technology for the production of carbon-containing fuels from hydrogen and CO₂ (so-called synthetic fuels/carbon-containing electrofuels), such as methane or methanol, will not qualify for support under the Scheme.

Eligible for aid will also be RDI-projects where innovative climate technology is to be tested as part of a plan for future full-scale use. The program can support technology development projects that bring forth and demonstrate new and groundbreaking climate technology.

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.

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)

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)

- 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 article: GBER article 25.

The national legal basis for aid granted under this Scheme is the present document⁸ describing the Scheme's compliance under Commission Regulation (EU) No 651/2014 and the specific terms and conditions set by Enova.

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 research and development and innovation (art. 1(d) 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 aid for research and development:

- if the project is predominantly industrial research: EUR 35 million per undertaking, per project; that is the case where more than half of the eligible costs of the project are incurred through activities which fall within the category of industrial research or within the categories of industrial research and fundamental research taken together;

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.

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

⁸ <https://www.enova.no/om-enova/drift/rettslig-grunnlag-for-enovas-stotteordninger/>

- if the project is predominantly experimental development: EUR 25 million per undertaking, per project; that is the case where more than half of the eligible costs of the project are incurred through activities which fall within the category of experimental development;
- aid for feasibility studies in preparation for research activities: EUR 8,25 million per study;

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 June 10th 2024 until December 31st 2027.

The annual budget for the Scheme is estimated to maximum 300 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.

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.

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.

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.

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.

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.

14. Aid for research and development and innovation

Aid under article 25 GBER

Aid under the Scheme aimed at promoting research and development will be granted in line with the conditions set out in article 25 GBER.

The aided part of the research and development project shall completely fall within one or more of the following categories:

- industrial research
- experimental development
- feasibility studies

The eligible costs allocated to the above-mentioned categories are the following:

(a) personnel costs: researchers, technicians and other supporting staff to the extent employed on the project;

(b) costs of instruments and equipment to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible.

(c) Costs for of buildings and land, to the extent and for the duration period used for the project. With regard to buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible.

(d) costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project;

(e) additional overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project;

The eligible costs for feasibility studies shall be the costs of the study.

The table below offers an overview of the applicable aid intensities:

Supported activity	Large Company	Medium Company	Small Company	Bonus if effective collaboration or wide dissemination of results¹⁰ (up to a maximum of 50%)
Industrial Research	50%	50%	50%	-
Experimental development	25%	35%	45%	15%
Feasibility Studies	50%	50%	50%	-

iv. Terms and conditions set by Enova

15. Specific terms and conditions set by Enova

More specific terms and conditions for aid under the Scheme are described for each measure under the Scheme and published at Enova's web page www.enova.no.

The eligibility for aid, maximum aid, aid intensity and duration of the aid measure might be more limited than what is set out in GBER and described in chapter II and III in this document.

The Scheme replaces the Schemes "Teknologi for bærekraftige energibærere" and "Pilotering av banebrytende klimateknologi» with

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Both Schemes was approved by Enova's Board of directors on 14th of December 2022.

¹⁰ The results of the project are widely disseminated through conferences, publication, open access repositories, or free or opensource software.