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.

Zero emission construction machinery (Utslippsfrie anleggsmaskiner)

State aid Reference no.: this will be entered once the scheme has been registered

Contents

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 SF[1] is the authorized body to implement the Scheme.

3. Objective of the aid scheme and eligible activities

The Scheme Zero emission construction machinery aims at reducing the CO_2 emissions from building and construction sites. The objective is further to increase the use of and develop the market for this machineries.

4. Scope of the scheme

The Scheme is open to large undertakings and SMEs that are registered in the Norwegian Register of Business Enterprises[2]. 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 2001[3] on the basis of a proposition by the Ministry of Petroleum and Energy of 21 December 2000[4] The Parliamentary Decision amends the Energy Act of 29 June 1990 No 50 (Energiloven)
- the Agreement[5] (Avtalen) between Enova and the Ministry of Climate and Environment[6], on the management of the funds derived from Enova's budget

Aid granted under this Scheme will comply with Commission Regulation (EU) No 651/2014[7], 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 36.

The national legal basis for aid granted under this Scheme is the present document[8] describing the Scheme's compliance under Commission Regulation (EU) No 651/2014 and the specific terms and conditions set by Enova.

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[1] https://www.enova.no/about-enova/
[2] https://www.brreg.no/en/
[3] Odelstingets vedtak til lov om endringar 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
[8] https://www.enova.no/om-enova/drift/rettslig-grunnlag-for-enovas-stotteordninger/

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.

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 June 10st 2024 until December 31st 2027.

The annual budget for the Scheme is estimated to maximum 400 MNOK.

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 rate[9] 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.

[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.

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.

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 environmental protection

Aid under the Scheme aimed at promoting environmental protection will be granted in line with the conditions set out in articles 49 GBER.

Aid under article 36 GBER

Scope

Aid for environmental protection, including decarbonisation, will be granted in line with article 36 GBER.

No aid shall be granted to investments in equipment, machinery and industrial production facilities using fossil fuels, including those using natural gas. This is without prejudice to the possibility to grant aid for the installation of add-on components improving the level of environmental protection of existing equipment, machinery and industrial production facilities, in which case the investment shall result neither in the expansion of the production capacity nor higher consumption of fossil fuels.
Aid shall not be granted where investments are undertaken to ensure that undertakings merely comply with the Union standards in force. Aid enabling undertakings to comply with Union standards that have been adopted but not yet in force may be granted under this Article provided that the investment for which the aid is granted is implemented and finalised at least 18 months before the date of entry into force of the standard concerned.
When the aid aims at reducing or avoiding direct emissions, the aid must not merely displace the emissions concerned from one sector to another and must overall reduce the targeted emissions; in particular, when the aid aims at reducing greenhouse gas emissions, the aid must not merely displace these emissions from one sector to another and must reduce them overall.
Article 36 shall not apply to measures for which more specific rules are laid down in GBER Articles 36a, 36b and 38 to 48.

Aid under article 36 GBER may be granted for the realisation of investments in:

- **equipment** and **machinery using**, and **infrastructure transporting**, hydrogen to the extent that the hydrogen used or transported qualifies as renewable hydrogen
- **equipment** and **machinery using** hydrogen-derived fuels the energy content of which is derived from renewable sources other than biomass and that have been produced in accordance with the methodologies set out for renewable liquid and gaseous transport fuels of non-biological origin in Directive (EU) 2018/2001 and its implementing or delegated acts.
- **installations**, **equipment** and **machinery producing or using**, and **dedicated infrastructure** referred to in Article 2, point (130), last sentence, **transporting** hydrogen produced from electricity and which does not qualify as renewable hydrogen, to the extent that it can be demonstrated that the electricity-based hydrogen produced, used or transported achieves life-cycle greenhouse gas emissions savings of at least 70 % relative to a fossil fuel comparator of 94g CO_2eq/MJ. To determine the life-cycle greenhouse gas emissions savings under this subparagraph, the greenhouse gas emissions linked to the production of electricity used to produce hydrogen shall be determined by the marginal generation unit in the bidding zone where the electrolyser is located in the imbalance settlement periods when the electrolyser consumes electricity from the grid

The hydrogen in the above cases shall be used, transported or – where relevant – produced throughout the lifetime of the investment. Norway shall obtain a commitment to that effect.
To be eligible for aid for **environmental protection**, including aid for the reduction and removal of greenhouse gas emissions in line with article 36 GBER, the investment shall fulfil one of the following conditions:
(a) it shall enable the implementation of a project leading to an increase in the environmental protection of the activities of the beneficiary, beyond Union standards in force, irrespective of the presence of mandatory national standards that are more stringent than the Union standards; for projects linked to or involving dedicated infrastructure referred to in GBER

Article 2, point (130), last sentence, for hydrogen within the meaning of paragraph 1b, waste heat or CO2 or including a connection to energy infrastructure for hydrogen within the meaning of paragraph 1b, waste heat or CO2, the increase in the environmental protection may also result from the activities of another entity involved in the infrastructure chain;
or
(b) it shall enable the implementation of a project leading to an increase in the environmental protection of the activities of the beneficiary in the absence of Union standards; for projects linked to or involving dedicated infrastructure referred to in Article 2, point (130), last sentence, for hydrogen within the meaning of paragraph 1b, waste heat or CO2 or including a connection to energy infrastructure for hydrogen within the meaning of paragraph 1b, waste heat or CO2, the increase in the environmental protection may also result from the activities of another entity involved in the infrastructure chain;
or
(c) it shall enable the implementation of a project leading to an increase in the environmental protection of the activities of the beneficiary to comply with Union standards that have been adopted but are not yet in force; for projects linked to or involving dedicated infrastructure referred to in Article 2, point (130), last sentence, for hydrogen within the meaning of paragraph 1b, waste heat or CO2 or including a connection to energy infrastructure for hydrogen within the meaning of paragraph 1b, waste heat or CO2, the increase in the environmental protection may also result from the activities of another entity involved in the infrastructure chain.

Eligible costs and Aid Intensity

The eligible costs shall be the extra investment costs determined by comparing the costs of the investment to those of a counterfactual scenario that would occur in the absence of the aid, as follows:
(a) where the counterfactual scenario consists in carrying out a less environmentally-friendly investment that corresponds to normal commercial practice in the sector or for the activity concerned, the eligible costs shall consist in the difference between the costs of the investment for which State aid is granted and the costs of the less environmentally-friendly investment;
(b) where the counterfactual scenario consists in carrying out the same investment at a later point in time, the eligible costs shall consist in the difference between the costs of the investment for which State aid is granted and the Net Present Value of the costs of the later investment, discounted to the point in time when the aided investment would be undertaken;
(c) where the counterfactual scenario consists in maintaining the existing installations and equipment in operation, the eligible costs shall consist in the difference between the costs of the investment for which State aid is granted and the Net Present Value of the investments in the maintenance, repair and modernisation of the existing installations and equipment, discounted to the point in time when the aided investment would be undertaken;
(d) in the case of equipment subject to leasing agreements, the eligible costs shall consist in the difference in Net Present Value between the leasing of equipment for which State aid is granted and the leasing of the less environmentally-friendly equipment that would be leased in the absence of the aid; the leasing costs shall not include costs relating to the operation of the equipment or installation (fuel costs, insurance, maintenance, other consumables), irrespective of whether they are part of the leasing contract.
In all cases, the counterfactual scenario shall correspond to an investment with comparable output capacity and lifetime that complies with Union standards already in force. The counterfactual scenario shall be credible in the light of legal requirements, market conditions and incentives generated by the EU ETS system.
The total investment costs will be eligible where aid is granted for:

- the installation of an add-on component to an already existing facility, for which there is no less environmentally-friendly counterfactual investment
- the construction of dedicated infrastructure referred to in Article 2, point (130), last sentence, for hydrogen within the meaning of paragraph 1b, waste heat or CO_2, that is necessary to enable the increase in the level of environmental protection as referred to in paragraphs 2 and 2a of article 36 GBER

The following costs are not eligible under Article 36 GBER:

- Costs for the construction or upgrade of storage facilities, with the exception of storage facilities for renewable hydrogen and hydrogen covered by paragraph 1b, second subparagraph Article 36 GBER
- Costs not directly linked to the achievement of a higher level of environmental protection

Supported activity	**Aid Intensity for Large Company**	**Aid Intensity for Medium Company**	**Aid Intensity for Small Company**
Investment aid for environmental protection	**40%**	**50%**	**50%**
Investment aid for environmental protection, not relying on use of biomass and resulting in a 100 % reduction of the direct greenhouse gas emissions	**50%**	**50%**	**50%**

iv. Terms and conditions set by Enova

15. Specific terms and conditions set by Enova

The terms and condition for aid under the scheme are set out in specific provisions for aid 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 former legal basis of an existing aid measure, ensuring compliance with the revised GBER.

The aid measure was approved by Enova’s CEO December 19th 2022.