

# Aid for biogas production (Støtte til biogass)

State aid Reference no.: GBER 73/2024/ENV

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## **i. Description of the aid measure**

### **1. State**

Norway

### **2. Aid granting Authority**

Enova SF<sup>1</sup> is the authorized body to implement the Scheme.

### **3. Objective of the aid scheme and eligible activities**

The Biogas Scheme (the Scheme) aims at supporting undertakings who wish to establish new, or expand existing, industrial production of biogas. The objective of the scheme is to contribute to the development and uptake of innovative technologies in the field of biogas production.

Eligible for aid under the Scheme will be investment in new production facilities, or the extension of existing production facilities for biogas. Investment aid will be considered for the following projects:

1. Production facilities for biogas inclusive facilities for upgrading to biomethane.
2. Facilities for the upgrade of biogas to biomethane.

Eligible for aid will also be environmental studies linked to the above mentioned investments.

### **4. Scope of the scheme**

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

Aid granted under this Programme will comply with Commission Regulation (EU) No 651/2014<sup>7</sup>, declaring certain categories of aid compatible with the internal market in

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<sup>1</sup> <https://www.enova.no/about-enova/>

<sup>2</sup> <https://www.brreg.no/en/>

<sup>3</sup> 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)).

<sup>4</sup> Ot.prp.nr.35 (2000-2001)

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

<sup>6</sup> 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](https://www.regjeringen.no/contentassets/051d75e38a4743c3a29f2bb169a4443d/enova_2019.pdf)

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

application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation or GBER), and the following article(s): GBER article 41 2. and 49.

The national legal basis for aid granted under this Scheme is the present document<sup>8</sup> 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 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 10th 2024 until December 31st 2028.

The annual budget for the Scheme is estimated to maximum 600 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.

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

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<sup>9</sup> 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;

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<sup>9</sup> 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.

- 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.

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 41 and 49 GBER.

### Aid under article 41 GBER

#### *Scope*

Aid for the promotion of energy from renewable sources, of renewable hydrogen and of high-efficiency cogeneration will be granted in line with article 41 GBER.

Aid shall be granted in respect of newly installed or refurbished capacities. The aid amount shall be independent from the output.

No aid will be granted for the promotion of electricity from renewable hydrogen.

Aid may be granted under article 41 GBER for investments in:

- the production and storage of biofuels, bioliquids, biogas (including biomethane) and biomass fuels to the extent that the aided fuels are compliant with the sustainability and greenhouse gases emissions saving criteria of Directive (EU) 2018/2001 and its implementing or delegated acts and are made from the feedstock listed in Annex IX to that Directive. The storage component shall obtain at least 75 % of its fuel content from directly connected biofuels, bioliquids, biogas (including biomethane) and biomass fuels production installations, on an annual basis. All investment components (production and storage) are considered to constitute a single integrated project for verification of compliance with the thresholds set out in Article 4 of GBER.

#### *Eligible costs and Aid Intensity*

The eligible costs shall be the total investment costs.

<b>Supported activity</b>	<b>Aid Intensity for Large Company</b>	<b>Aid Intensity for Medium Company</b>	<b>Aid Intensity for Small Company</b>
<b>Investment aid for the promotion of energy from renewable sources, including heat pumps compliant with Annex VII to Directive 2018/2001, renewable hydrogen and high-efficiency cogeneration based on renewable energy sources</b>	<b>45%</b>	<b>50%</b>	<b>50%</b>

### Aid under Article 49 GBER

#### *Scope*

Aid for studies and consultancy services on environmental protection and energy matters will be granted in accordance with the conditions set out in Article 49 GBER.

The Scheme supports investments in studies, or consultancy services, including energy audits, directly linked to investments referred to in Section 7 of the GBER. The eligible costs shall be the costs of the study or consultancy service. Where only part of the study or consultancy service concerns investments eligible for aid under Section 7 of the GBER, the eligible costs shall be the costs of the part of the study or consultancy service relating to those investments.

Aid shall be granted irrespective of whether the findings of the study or the consultancy service are followed by an investment eligible for aid under Section 7 of the GBER.

Aid shall not be granted to large undertakings for energy audits carried out to comply with Directive 2012/27/EU, unless the energy audit is carried out in addition to the mandatory energy audit under that Directive.

<b>Supported activity</b>	<b>Aid Intensity for Large Company</b>	<b>Aid Intensity for Medium Company</b>	<b>Aid Intensity for Small Company</b>
<b>Aid for environmental studies</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>

#### **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](http://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 former legal basis for an existing aid measure, ensuring compliance with the revised GBER.

The aid measure was approved by Enova’s CEO on 3rd of February 2022.