

ENOVA

Promotion of energy from
renewable sources Scheme

State aid Reference no.:

25/2016/ENV

1. State

Norway

2. Title of aid scheme

Promotion of energy from renewable sources Scheme (The Scheme).

3. National legal basis

Parliamentary Decision of 5 April 2001¹ on the basis of a proposition by the Ministry of Petroleum and Energy of 21 December 2000² The Parliamentary Decision amends the Energy Act of 29 June 1990 No 50 (Energiloven).

¹ 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)).

² Ot.prp.nr.35 (2000-2001)

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4. EEA legal basis

All aid³ provided under this Scheme will be within the limits set out in Article 41 of Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation).

A full version of the Regulation can be found at:

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.187.01.0001.01.ENG

Summary information relating to the Scheme has been registered with the EFTA Surveillance Authority under reference SA 25/2016/ENV

5. Definitions

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.

6. Objective of the Scheme

The objective of the Scheme is to enable undertakings to increase the share of renewable sources of energy in total energy production and contribute thus to a higher level of environmental protection.

The increased use of renewable energy sources is expected to play an important role in meeting targets for the reduction of greenhouse gas emissions.

³ State aid granted by the EFTA States under the Act referred to in point 1j of Annex XV of the EEA Agreement

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Enova will grant state aid only where the cost of production of renewable energy is higher than the cost of production of less environmentally friendly sources and there are no national or Union mandatory standards concerning the share of energy from renewable sources for individual undertakings.

The Scheme is not sector specific and is technology neutral.

7. Eligible Costs

The costs of the project must be transparent and directly and exclusively related to the project.

The eligible costs shall be the extra investment costs necessary to promote the production of energy from renewable sources. They shall be determined as follows:

- Where the costs of investing in the production of energy from renewable source can be identified in the total investment cost as a separate investment, for instance as a readily identifiable add-on component to a pre-existing facility, this renewable energy-related cost shall constitute the eligible costs.
- Where the costs of investing in the production of energy from renewable sources can be identified by reference to a similar, less environmentally friendly investment that would have been credibly carried out without the aid, this difference between the costs of both investments identifies the renewable energy-related cost and constitutes the eligible costs.
- For certain small installations where a less environmentally friendly investment cannot be established as plants of a limited size do not exist, the total investment costs to achieve a higher level of environmental protection shall constitute the eligible costs

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The costs not directly linked to the achievement of a higher level of environmental protection shall not be eligible.

8. Aid Intensities

Aid intensity		
Large Enterprises	Where eligible costs are identified as a separate investment or a credible counterfactual scenario	45 %
	Where eligible costs are identified as the total eligible costs (small installations)	30 %
Medium- sized Enterprises	Where eligible costs are identified as a separate investment or a credible counterfactual scenario	55%
	Where eligible costs are identified as the total eligible costs (small installations)	40%
Small Enterprises	Where eligible costs are identified as a separate investment or a credible counterfactual scenario	65%
	Where eligible costs are identified as the total eligible costs (small installations)	50%

9. Notification Threshold

Aid awarded under this scheme will be granted up to EUR 15 million per undertaking per investment project.

10. Body authorized to implement the Scheme

Enova SF⁴ is the authorized body to implement the Scheme.

⁴ <https://www.enova.no/about-enova/about-enova/259/0/>

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11. Scope of the Scheme

The scheme will be open to undertakings that are registered in Norway and supports projects that are located in Norway or in the Norwegian economic zone.

Aid will not be granted to undertakings that are:

- Subjects to a pending recovery order at the time the application is submitted to Enova; or
- In financial difficulties at the time the application is submitted to Enova.

12. Duration of the Scheme

The scheme will run from 1st November 2016 until 31st December 2020.

13. Budget for Aid under the Scheme

The estimated annual budget for the Scheme will be maximum 500 million NOK.

Should the budget for this scheme increase, Enova will inform the EFTA Surveillance Authority.

14. Form 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 may be awarded by way of grants.

15. Eligible activities to be supported under the Scheme

The Scheme supports investments in measures within conversion to renewable energy or production of renewable energy.

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Under the Scheme aid shall not be granted for hydropower installations that do not comply with Directive 2000/60/EC of the European Parliament.

Aid will be granted to new installations only. No aid will be granted or paid out after the installation started operations and the aid will be independent from the output.

In particular, the Scheme supports the following activities:

- Investments in conversion to renewable energy or production of renewable energy in the field of industry and stand-alone facilities (industrial and non-industrial)
- Investments in heating and cooling production from renewable energy sources to individual heating plants in buildings
- Investments in the production of sustainable biofuels that are not food-based biofuels and are not subject to a supply or blending obligation
- Investments in conversion of existing food-based biofuel plants into advanced biofuel plants, provided that the food-based production would be reduced commensurate to the new capacity

16. Transparency

Only aid for which it is possible to calculate the precise amount of the aid at the point at which it is awarded will be provided under the Scheme (art 5 (1) GBER).

17. Incentive effect

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):

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- (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) Form of aid and amount of public funding needed for the project.

18. Cumulation

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 (Art 8 GBER). 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 Agreement⁵.

EU funding that is understood as centrally managed and outside the direct and indirect control of Norway will not be taken into account for the calculation of the notification thresholds and aid intensities.

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 rate⁶ laid down in the applicable rules of EU/EEA Law.

⁵ Ref. Structural Funds which qualify as State aid

⁶ 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 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.

19. Publication, Reporting and Monitoring requirements

Enova will ensure the publication on Norway's national State aid register (art 9 GBER) 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 500 000

In particular, the information on each individual aid award shall be organised and accessible in a standardised manner, as described Annex III, 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.

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.

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