



EUROPEAN
COMMISSION

Brussels, XXX
[...](2012) XXX draft

COMMISSION IMPLEMENTING DECISION
of XXX

Award Decision under the first call for proposals of the NER300 funding programme

French, German, English, Greek, Spanish, Italian, Hungarian, Dutch, Polish, Portuguese,
Finnish, Swedish

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC¹, and in particular Article 10a(8) thereof,

Having regard to Commission Decision 2010/670/EU of 3 November 2010 laying down criteria and measures for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community established by Directive 2003/87/EC of the European Parliament and of the Council², and in particular Article 5(5) thereof,

Having regard to Article 17(1) of the Treaty on European Union,

Whereas:

- (1) Article 10a(8) of Directive 2003/87/EC establishes a mechanism for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ (hereinafter: "CCS") and demonstration projects of innovative renewable energy technologies (hereinafter: "RES"), covering 300 million allowances from the new entrants reserve of the EU Emissions Trading System (hereinafter: "NER300 funding programme").
- (2) Commission Decision 2010/670/EU sets out the rules and criteria for the selection and implementation of those projects and the basic rules for the monetisation of allowances and for the management of revenues.
- (3) Pursuant to Article 5(1) of Commission Decision 2010/670/EU, the Commission published a first call for proposals covering the proceeds of 200 million allowances out of the 300 million allowances on 9 November 2010.
- (4) Pursuant to Article 5(3) of Commission Decision 2010/670/EU, Member States gathered funding applications (by 9 February 2011), assessed if the proposed projects met the eligibility criteria set out in Article 6 and Annex I of Commission Decision 2010/670/EU, and submitted those eligible projects they wished to support to the

¹ OJ L 275, 25.10.2003, p. 32.

² OJ L 290, 6.11.2010, p. 39.

European Investment Bank (hereinafter: "EIB"), (by 9 May 2011). The projects covered by this Decision were verified by the Commission and found to meet the eligibility criteria.

- (5) As of 9 May 2011, the EIB, acting on request of, on behalf of and for the account of the Commission, performed the financial and technical due diligence assessment of project proposals pursuant to Article 7 of Commission Decision 2010/670/EU. The EIB submitted a list of projects, ranked by their cost-per-unit performance (which is the total request for public funding plus the best estimate of the net present value of additional benefits, divided by the performance, i.e. the amount of CO₂ stored for CCS projects, and the amount of energy produced for RES projects) to the Commission. The Commission examined the information provided by the EIB and confirms its findings. It consequently considers that the projects covered by this Decision have all passed the due diligence assessment.
- (6) Pursuant to Article 8(1) of Commission Decision 2010/670/EU, where no more than two proposals were submitted in a given sub-category, the Commission assessed the possible impact of the limited number of proposals on the competition and found that all sub-categories were competitive.
- (7) A progress report, including lists of candidates for award decisions, as well as reserve lists of projects for award decisions, was published on 12 July 2012.³ The lists were drawn up by the Commission services based on the lists submitted by the EIB, and in line with the ranking and de-selection requirements set out in Article 8(2) and (3) of Commission Decision 2010/670/EU.
- (8) The final list of 24 projects covered by this Decision was drawn up in accordance with the requirements set out in Article 8(2) and (3) of Commission Decision 2010/670/EU, based on the list of the progress report, and following the confirmations, by Member States, of their candidate and reserve projects, including of the total public funding contribution based on the overall funding packages, pursuant to Article 5(5) of Commission Decision 2010/670/EU. The confirmation process was closed on 29 October 2012.
- (9) Nearly all RES projects were confirmed. Most CCS projects were, however, not confirmed by the Member State concerned, and could therefore not be retained. Member States were unable to confirm the projects for various reasons: in some cases there were funding gaps, while other CCS projects were not sufficiently mature to allow for such confirmation under the first call for proposals.
- (10) €1.5bn were available for the co-funding of projects covered by this Decision from the monetisation of the first 200 million allowances. Each project receives up to 50% of relevant costs, with a limit of 15% of the total available allowances over the two rounds of calls for proposals per project, as set out in Article 10a(8) of Directive 2003/87/EC. Given the available €1.5billion from the monetisation of the first 200 million allowances, the corresponding 15% limit is €337 million. On the basis of the confirmed funding requests, the funding proportion between the two groups was established as 18% (CCS)/82% (RES).
- (11) Funding should be disbursed in line with the award conditions set out in Annex 2 to this Decision, based on performance, i.e. the amount of CO₂ stored for CCS projects,

³ SW/D(2012) 224 final, see: http://ec.europa.eu/clima/news/articles/news_2012071201_en.htm.

and the amount of renewable energy produced for RES projects, and provided certain knowledge sharing requirements are met. Upfront funding was awarded where requested in the project submission and to the extent appropriate as of 1 January 2014 (date on which the revenues from the sales of the allowances are available). In case a project e.g. fails to enter into operation or ceases operation, Member States will have to recover and return any excess funding to the EIB.

(12) The measures provided for in this Decision are in accordance with the opinion of the Climate Change Committee.

HAS ADOPTED THIS DECISION:

Article 1

The projects listed in Annex I are awarded funding under the NER300 first call for proposals subject to the conditions specified in Annex 2 to this Decision.

Article 2

This Decision is addressed to the Kingdom of Belgium, the Federal Republic of Germany, Ireland, the Hellenic Republic, the Kingdom of Spain, the French Republic, the Italian Republic, the Republic of Cyprus, Hungary, the Kingdom of the Netherlands, the Republic of Austria, the Republic of Poland, the Portuguese Republic, the Republic of Finland, the Kingdom of Sweden and the United Kingdom of Great Britain and Northern Ireland.
Done at Brussels,

*For the Commission
COM member*

ANNEX 1 – Awarded projects

1. CCS

Project	Status	Date of entry into operation	Long stop date	Maximum funding amount (EUR)	Funding rate/adjusted funding rate (EUR/ton CO₂)
FR CCSind Florange CCS demonstrator (ULCOS – BF)	As confirmed by letter of Member State received on 26.10.2012	31.12.2015	30.12.2025	264,540,385	48.31788

2. RES

Project	Status	Date of entry into operation	Long Stop Date	Maximum funding amount(EUR)	Funding rate/adjusted funding rate (EUR/MWh)
SE BIOa Pyrogrot	As confirmed by letter of Member State received on 18.10.2012	03.12.2015	02.12.2020	31.404,829	12.15610
SE BIOc Gobigas phase 2	As confirmed by letter of Member State received on 18.10.2012	31.12.2016	30.12.2021	58,797,168	20.36160

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Project	Status	Date of entry into operation	Long Stop Date	Maximum funding amount(EUR)	Funding rate/adjusted funding rate (EUR/MWh)
IT BIOg BEST	As confirmed by letter of Member state received on 15.10.2012	01.06.2013	31.05.2018	28,430,147	26.79768
SE WINf Windpark Blaiken	As confirmed by letter of Member State received on 18.10.2012	01.01.2015	31.12.2019	15,000,000	5.77701
FI BIOe Ajos BTL	As confirmed by letter of Member State received on 24.10.2012	31.12.2016	30.12.2021	88,486,580	17.38795
AT WINE Windpark Handalm	As confirmed by letter of Member State received on 10.10.2012	30.09.2016	29.09.2021	11,259,564	41.35745
FR BIOd UPM Stracel BTL	As confirmed by letter of Member State received on 26.10.2012	31.12.2015	30.12.2020	169,960,000	36.88385
DE WINa Innogy	As confirmed by letter of Member State received on 17.10.2012	31.12.2015	30.12.2020	70,000,000	15.40253

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Project	Status	Date of entry into operation	Long Stop Date	Maximum funding amount(EUR)	Funding rate/adjusted funding rate (EUR/MWh)
EL CSPc Minos	As confirmed by Letter of Member State received on 12.10.2012	31.12.2015	30.12.2020	42,041,991	114.98665
UK OCNb Sound of Islay	As confirmed by letter of Member State received on 16.10.2012	31.10.2016	30.10.2021	20,650,000	185.73861
BE DRMc SLim	As confirmed by letter of Member State received on 9.10.2012	31.12.2015	30.12.2020	8,165,192	12.23697
DE BIOh Verbiostraw	As confirmed by letter of Member State received on 17.10.2012	03.01.2014	02.01.2019	22,272,049	59.14538
HU GEOö South Hungarian Enhanced Geothermal System (EGS) Demonstration	As confirmed by letter of Member State received on 15.10.2012	31.12.2015	30.12.2020	39,295,008	141.47784
EL CSPe Maximus	As confirmed by letter of Member State received on 12.10.2012	01.06.2015	31.05.2020	44,550,000	99.82808

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Project	Status	Date of entry into operation	Long Stop Date	Maximum funding amount(EUR)	Funding rate/adjusted funding rate (EUR/MWh)
FR WIND Vertimed	As confirmed by letter of Member State received on 26.10.2012	31.12.2016	30.12.2021	39,316,460	127.12049
IE OCNa Westwave	As confirmed by letter of Member State received on 24.10.2012	31.12.2015	30.12.2020	19,828,000	429.60306
NL BIOd Woodspirit	As confirmed by letter of Member State received on 25.10.2012	28.11.2016	27.11.2021	199,000,000	The project will receive upfront funding as follows: 39,800,000 on 01.02.2014 39,800,000 on 01.02.2015 39,800,000 on 01.01.2016 This results in an adjusted funding rate of 16.72407

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Project	Status	Date of entry into operation	Long Stop Date	Maximum funding amount(EUR)	Funding rate/adjusted funding rate (EUR/MWh)
PL BIOg CEG Plant Goswinowice	As confirmed by letter of Member State received on 29.10.2012	1.7.2014	30.06.2019	30,875,015	29.40478
DE WINa Veja Mate	As confirmed by letter of Member State received on 17.10.2012	1.1.2016	31.12.2020	112,603,636	42.07065
ES CSPc PTC50-Alvarado	As confirmed by letter of Member State received on 16.10.2012	30.10.2016	29.10.2021	70,000,000	66.91243
CY CSPe HeliosPower	As confirmed by letter of Member State received on 16.10.2012	17.10.2014	16.10.2019	46,621,458	107.77261
UK OCNb Kyle Rhea Tidal Turbine Array	As confirmed by letter of Member State received on 16.10.2012	14.04.2015	13.04.2020	18,397,432	246.48964

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Project	Status	Date of entry into operation	Long Stop Date	Maximum funding amount(EUR)	Funding rate/adjusted funding rate (EUR/MWh)
PT WIND Windfloat	As confirmed by letters of Member State received on 29.10.2012 and on 9.11.2012 ⁴	31.12.2015	30.12.2020	29,990,526	109.70472

⁴ The confirmation was completed and clarified in a subsequent letter received on 9.11.2012.

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