



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY AND TRANSPORT
DIRECTORATE C - Security of supply and energy markets
Energy policy and & security of supply

**CALL FOR PROPOSALS
CONCERNING A PROGRAMME TO AID ECONOMIC
RECOVERY BY GRANTING COMMUNITY FINANCIAL
ASSISTANCE TO PROJECTS IN THE FIELD OF ENERGY**

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1. INTRODUCTION

Regulation (EC) of the European Parliament and of the Council establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (hereinafter "**EEPR**" regulation) was recently agreed between the Commission, the Parliament and the Council. The official text will only be available in July 2009 following linguistic revision, translation into all Community languages, formal adoption by the Council and publication in the Official Journal of the European Community. This official text will be the legal basis for implementing this call for proposals. Annex I to this call for proposals contains the provisional text (a non-official working document) of the Regulation,.

The European Energy Programme for Recovery is a unique opportunity to respond to the key energy challenges facing Europe today. It will help the EU to strengthen its energy market in terms of security of supply, competitiveness, innovation and the development of renewable energy. At the same time, it is an important stimulus for the European economy in this very difficult period.

2. AIMS

The EEPR regulation establishes a financing instrument for the development of projects in the field of energy in the EU. By providing a financial impulse it will contribute to economic recovery, the security of energy supply and the reduction of greenhouse gas emissions.

It establishes sub-programmes to advance these objectives in the fields of:

- (a) gas and electricity infrastructures; (hereinafter "Interconnections")
- (b) offshore wind energy; (hereinafter "OWE")and
- (c) carbon capture and storage (hereinafter "CCS").

In addition, it identifies projects to be financed under each sub-programme and lays down criteria for identifying and implementing actions to realise them. The specific projects to be financed are detailed in the Annex of the EEPR Regulation.

1 - Interconnections

This is the main priority of the Regulation. The selected projects cover the gas (interconnections - LNG terminals and storage facilities) and electricity (interconnections) sectors. The projects are a careful balance between those addressing the EU's major security of supply issues and those ready to be started with major investments in the short to medium term. They also meet the requirements in the recently adopted Second Strategic Energy Review and will contribute to strengthening the EU's energy market. EU support to these projects also aims to help overcome financial difficulties. Their implementation should therefore also create a strong stimulus to the EU's economy by generating direct demand for equipment and provide employment opportunities in their construction. In addition to the specific projects identified in the EEPR Regulation (Annex Part A), gas reverse flow projects are also included to contribute to reducing the impacts of gas supply disruption.

2 - OWE

Wind energy is now produced on an industrial scale in the EU, and the rate of installed capacity has been growing extremely fast. Nevertheless, in many countries, environmental and other concerns continue to limit wind farm developments so attention is shifting to offshore sites which are possibly less contentious and where the quality of wind resources is higher. The development of offshore wind energy production is therefore an opportunity for industry. It increases the diversity of the energy mix and the security of electricity supply. By the same token, it will help reach the EU's objectives for renewables and for the reduction of greenhouse gases emissions, and, in particular, the binding targets for 2020. Within the framework of SET Plan¹, offshore wind and wind-grid integration have been identified as a key driving force to achieve these targets, particularly through European Industrial Initiatives. For these reasons, the EEPR also covers this promising sector and several important cluster activities have been identified to receive support. In this context, the EEPR brings together a number of Member States for international offshore wind connections. In addition, it complies with the priorities identified under the guidelines for the Trans-European Energy Network.

3 - CCS

Although CCS is not currently deployed on a large scale or commercial basis, these technologies represent a promising and potentially very powerful instrument for fighting climate change. The next milestone on the way to the widespread use of CCS is to demonstrate its application in commercial large-scale power generation or industrial installations. In this context, the EEPR funding for CCS is designed to be fully complementary to the funding that will be made available in the future through the ETS (Emission Trading System). The EEPR can finance proposals that are already very mature and will allow these first movers to go ahead with their projects already in 2009/2010.

3. LEGAL BASIS

As previously mentioned, main legal basis for this programme is Regulation (EC) N° XXX/2009² of the European Parliament and of the Council establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy.

In addition, Regulation (EC, Euratom) No 1605/2002³ of the Council of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, as last amended by Regulation (EC, Euratom) No 1995/2006⁴ of the Council of 13 December 2006 (hereinafter the "**Financial Regulation**") shall apply (see Annex 5 of this Call for proposals).

Regulation (EC, Euratom) No 2342/2002⁵ of the Commission of 23 December 2002 laying down detailed rules for the implementation of Regulation (EC, Euratom) No 1605/2002 of the Council of the 25 June 2002 on the Financial Regulation applicable

¹ COM(2007) 723

²

³ OJ L 248, 16.9.2002, p.1

⁴ OJ L 390, 30.12.2006, p.1

⁵ OJ L 357, 31.12.2002, p.1

to the general budget of the European Communities as last amended by Regulation (EC, Euratom) No 478/2007⁶ of the Commission of the 23 April 2007 (hereinafter "**Implementing Rules for the Financial Regulation**") also applies (see Annex 5 of this Call for proposals).

4. SUSPENSIVE CLAUSES

Final award of the Community financial assistance under this call for proposals is subject to the basic act (i.e. EEP Regulation) being adopted and entering into force and the necessary budget being allocated by the budgetary authority.

5. BUDGET HEADING, INDICATIVE AMOUNT

The financial envelope for the implementation of the EEP Regulation for 2009 and 2010 is **EUR 3,980 million**⁷, allocated as follow:

- (a) gas and electricity infrastructure projects: EUR 2,365 million;
- (b) offshore wind energy projects: EUR 565 million;
- (c) projects for carbon capture and storage: EUR 1,050 million.

6. ELIGIBLE COSTS

6.1. LEGAL COMMITMENTS

As stated in the relevant articles of the EEP Regulation, Community assistance shall be granted through individual Commission decisions for Interconnections proposals and through grant agreements for OWE and CCS proposals. The language of the contractual documents will be English.

Draft models of the individual Commission decisions and grant agreements are included in the Annexes to this call for proposals (Annex 2 for Interconnections, Annex 3 for OWE and Annex 4 for CCS).

6.2. ELIGIBLE COST

Eligible costs for the submitted proposals are those defined by article 172a of Implementing Rules for the Financial Regulation and Article 113 of the Financial Regulation.

Only costs incurred after the signature by both parties of the grant agreement or the notification of the individual commission decision will be eligible. Following a specific request from the applicant(s), costs incurred no earlier than the submission of the grant application, , may exceptionally be considered eligible if duly justified in the proposal and accepted by the Evaluation committee.

⁶ OJ L 111, 28.4.2007, p.13

⁷ All individual legal commitments (Individual Commission Decisions or grant agreements) implementing the budgetary commitments made in 2009 and 2010 shall be concluded by 31 December 2010 at the latest.

For interconnections, detailed information on eligible costs is described in Annex III, of the draft model of an individual Commission Decision granting financial aid for an action, which is available in Annex 2 to this call for proposals.

For OWE and CCS, detailed information on eligible costs is given in Annex II of the draft model for grant agreements, which is available in Annexes 3 and 4 to this call for proposals.

7. COMPLIANCE WITH THE COMMUNITY LAW

Projects and actions financed under EEPR shall be carried out in conformity with Community law and shall take into account any relevant Community policies, in particular those relating to competition, including the applicable state aid rules, the protection of the environment, health, sustainable development and public procurement as provided for by the relevant article of the EEPR Regulation.

8. EXCLUSION CRITERIA

Grants may not be awarded to applicants who are, at the time of a grant award procedure, in one of the situations referred to in Articles 93(1), 94 and 96(2)(a) of the Financial Regulation. Applicants must certify that they are not in one of such situations by signing the relevant declaration on honour included in the application forms.

Administrative and financial penalties which are effective, proportionate and dissuasive may be imposed on applicants by the authorising officer, in accordance with Article 96.

Such penalties may also be imposed on beneficiaries who at the moment of the submission of the application or during the implementation of the grant, have made false declarations in supplying the information required by the authorising officer or fail to supply this information.

9. EARLY WARNING SYSTEM CLAUSE

Applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- the Commission Decision of 16.12.2008 on the Early Warning System (hereafter "**EWS**") for the use of authorising officers of the Commission and the executive agencies⁸, or
- the Commission Regulation of 17.12.2008 on the Central Exclusion Database – CED,⁹

their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and

⁸ OJ, L 344, 20.12.2008, p. 125

⁹ OJ L 344, 20.12.2008, p. 12

Regulation, in relation to the award or the execution of a procurement contract or a grant agreement or decision.

10. DATA PROTECTION RULES

The follow-up of responses to the call for proposals will require the recording and further processing of personal data (e.g. name, address, CV, etc.). These data will be processed in accordance with the requirements of Regulation (EC) n° 45/2001 on the protection of individuals with regard to the processing of personal data by Community institutions and bodies and on the free movement of such data. Unless otherwise stated, replies to questions and personal data requested are necessary for the purpose of assessing the proposal (according to the specifications of the call for proposals) and will only be processed within DG TREN as data controller, for this purpose. For the purposes of safeguarding the financial interests of the Communities, the personal data may also be transferred to internal audit services, to the European Court of Auditors, to the Financial Irregularities Panel or to the European Anti-Fraud Office ('OLAF').¹⁰

The proposers may, upon request, have their personal data sent to them and rectify any inaccurate or incomplete particulars. Should proposers have any queries concerning the processing of personal data, they should be addressed to the entity acting as data controller within DG TREN. As regards the processing of personal data, proposers have the right to bring the matter before the European Data Protection Supervisor at any time.

11. SUB-PROGRAMMES

11.1. SECTION 1: INTERCONNECTIONS

The financial assistance for gas and electricity infrastructure projects shall be awarded to actions that realise the projects mentioned in part A of the Annex of the EEPR regulation. In particular, the policy priorities for these actions have been identified as follows:

1. For both electricity and gas networks:
 - (a) Adapting and developing the energy networks in support of the operation of the internal energy market and, in particular, solving the problems of bottlenecks, especially cross-border bottlenecks, congestion and missing links, and taking account of the needs arising from the functioning of the internal market for electricity and natural gas and the enlargement of the European Union;
 - (b) Establishing energy networks in island, isolated, peripheral and ultra-peripheral regions while promoting the diversification of energy sources and the use of renewable energy sources, together with the connection of those networks, where necessary.
2. For electricity networks

¹⁰ See Art.43a of the Implementing Rules of the Financial Regulation.

- (a) Adapting and developing networks to facilitate the integration and connection of renewable energy production;
 - (b) Ensuring interoperability of electricity networks within the European Union with those in the accession and candidate countries and other countries in Europe and in the Mediterranean and Black Sea basins.
3. For gas networks
- (a) Developing natural gas networks in order to meet the Community's natural gas consumption needs and to control its natural gas supply systems;
 - (b) Ensuring interoperability of natural gas networks within the Community and with those in accession and candidate countries and other countries in Europe, in the Mediterranean Sea, Black Sea and Caspian Sea basins, as well as in the Middle East and the Gulf regions, and diversification of natural gas sources and supply routes.

11.1.1. ELIGIBILITY

11.1.1.1. Eligible proposals

Proposals, which must be in writing, shall be eligible for EEPR assistance only if they implement the projects listed in Part A of the Annex of EEPR regulation, do not exceed the maximum amount of EEPR assistance laid down there and fulfil the selection and award criteria as detailed under the specific sub-programme of the EEPR regulation.

11.1.1.2. Eligible applicants

Proposals **may be** submitted , by one of the following types of applicants:

- one or several Member States acting jointly;
- with the agreement of all Member State(s) directly concerned by the project in question, by one or several public or private undertakings or bodies acting jointly;
- with the agreement of all Member States directly concerned by the project in question, by one or several international organisations acting jointly;
- with the agreement of all Member States directly concerned by the project in question, by a joint undertaking.

For cross-border projects (interconnections), a single application prepared jointly by the parties concerned is requested.

Proposals submitted by natural persons are not eligible.

11.1.2. OTHER SOURCES OF FINANCING

No Community financial aid shall be awarded to actions receiving funds from other sources of Community financing.¹¹ In addition, the non-profit rule as foreseen by article 109 of the Financial Regulation has to be respected.¹²

As provided for by the EEPR Regulation Community financial assistance shall not exceed 50% of the eligible cost of the action. Article 165 bis of the implementing rules for the Financial Regulation applies.¹³

11.1.3. SELECTION AND AWARD CRITERIA

11.1.3.1. Selection criteria

In assessing the proposals received under this call for proposals, the Commission shall apply the following selection criteria:¹⁴

- (a) Soundness and technical adequacy of the approach. The capability of the project promoter to demonstrate the validity of the proposed technical solution as well as of the work plans and the way all these are described, will be assessed.
- (b) Soundness of the financial package for the full investment phase of the action. The commitments of the different financing sources involved (amount committed and their nature/legal status) to implement the project will be assessed. In addition, the adequacy of the budget to the achievement of the project will be assessed.

11.1.3.2. Award criteria

In assessing the proposals received under this call for proposals, the Commission shall apply the award criteria mentioned below. Each submission is assessed against the applicable criteria independently, giving marks and providing comments. Proposals are evaluated on a point scale from 0 to 100 as follows:

- (a) maturity. The level of capital expenditure related to the action to be incurred by 31/12/2010 with respect to the total eligible cost of the project will be assessed. Particular attention will be given to the political, economic and administrative commitments. (Points 20/100)
- (b) the extent to which lack of access to finance is holding back the implementation of the action. The potential impact of EEPR funds to secure or accelerate the project will be assessed. Particular attention will be given to the ability to start the project earlier and to commit funds in 2009 and 2010. (Points 15/100)

¹¹ Article 111 of the Financial Regulation.

¹² Article 109.2 states that "*Grants may not have the purpose or effect of producing a profit for the beneficiary*".

¹³ Article 165 bis 1 states "*Co-financing shall require that part of the cost of an action or of the running costs of an entity is borne by the beneficiary of a grant, or by contributions other than the Community contribution.*"

¹⁴ See EEPR Regulation.

- (c) the extent to which EEPR assistance will stimulate public and private finance. The commitment of potential investors to funding the action will be assessed. (Points 5/100)
- (d) socio-economic impacts. The results of the socio-economic cost-benefit analysis or ex-ante evaluation will be assessed. In addition, the expected number of jobs created during the implementation of the action as well as during the operation will be assessed. (Points 15/100)
- (e) environmental impacts. The impact of the action *inter alia* on nature, emissions, noise, land use and the measures to reduce or compensate any negative impacts will be assessed. (Points 10/100)
- (f) the contribution to the continuity and interoperability of the EU's energy network, as well as to the optimisation of its capacity (i.e. reverse flows). (Points 15/100)
- (g) the contribution to the improvement of service quality, safety and security. (Points 10/100)
- (h) the contribution to the creation of a well integrated energy market. (Points 10/100)

The evaluation of eligible proposals, which fulfil the selection criteria, will be carried out by an Evaluation Committee established by the Commission and assisted by external experts. The Evaluation Committee will use the experts' opinion as a basis for formulating its recommendation; however, it may deviate from their view. To receive EEPR funds, proposals must have a global result of at least 60/100 points.

11.1.4. MEMBER STATES' FINANCIAL RESPONSIBILITIES

As provided for by the EEPR Regulation, Member States shall undertake the technical monitoring and financial control of projects in close cooperation with the Commission and shall certify the amount and the conformity with this Regulation of the expenditure incurred in respect of projects or parts of projects. Member States may request the participation of the Commission during on-the-spot checks.

In addition, Member States shall inform the Commission of the measures taken under paragraph 1 and, in particular, shall supply a description of the control, management and monitoring systems established to ensure that projects are successfully completed.

11.2. SECTION 2: OWE

Financial assistance to OWE will, as a priority, be directed towards the innovation component of large scale projects with cross-border significance, which are built on well-established concepts to supply clean, reliable, indigenous electricity to meet future demand. They should be capable of being accelerated by a financial stimulus and should be in a position to progress substantially with development in 2009/2010.

The large-scale offshore projects should be situated in various locations of different Member States, possibly building on or up-scaling successful, closed, demonstration projects previously funded through the Framework Programme for research and technological development (FP). Such projects should include an integrative approach

for interconnecting offshore wind power to provide transmission capacity in view of trading electricity between Member States.

To reap the benefit from high wind resources potential while reducing visual impact proposals are expected to be located in deep waters and far from shorelines. Actions should be focused on increasing the size of turbine capacity, developing innovative systems, including efficient manufacturing and faster installation processes, and the grid integration of offshore wind energy.

11.2.1. ELIGIBILITY

11.2.1.1. Eligible proposals

Proposals, which must be in writing, shall be eligible for EEPR assistance only if they implement the projects listed in Part B of the Annex of the EEPR Regulation, do not exceed the maximum amount of EEPR assistance laid down there and fulfil the selection and award criteria under the specific sub-programme of the EEPR Regulation.

11.2.1.2. Eligible applicants

Proposals may be submitted by the following types of applicants:

1. One or several undertakings, acting jointly.
2. Proposals submitted by natural persons are not be eligible.
3. The corresponding projects shall be led by a commercial undertaking.

11.2.2. OTHER SOURCES OF FINANCING

No Community financial aid shall be awarded to actions receiving funds from other sources of Community financing.¹⁵ In addition, the non-profit rule as foreseen by article 109 of the Financial Regulation has to be respected.¹⁶

As provided for by the EEPR Regulation, Community financial assistance shall not exceed 50% of the eligible cost of the action. Article 165 bis of the implementing rules for the financial regulation applies.¹⁷

11.2.3. SELECTION AND AWARD CRITERIA

11.2.3.1. Selection Criteria

- (a) the soundness and technical adequacy of the approach. A detailed description of the work plan, including definition of milestones for the overall project, needs to be provided (for details see Annex 5, section 1.2 of the application form for OWE in Annex 3 of this call for proposals).

¹⁵ Article 111 of the Financial Regulation.

¹⁶ Article 109.2 states that "Grants may not have the purpose or effect of producing a profit for the beneficiary."

¹⁷ Article 165 bis 1 states "Co-financing shall require that part of the cost of an action or of the running costs of an entity is borne by the beneficiary of a grant, or by contributions other than the Community contribution."

- (b) the soundness of the financial package for the full investment phase of the project. A cost plan describing all investment-related expenditures for the project needs to be provided). Applicants need to commit to making their own financial contribution to the project and identify other financing sources in case their own resources and EEPR funding together is insufficient to fully finance the project.

11.2.3.2. Award Criteria

In assessing the proposals received under this call for proposals, the Commission shall apply the award criteria mentioned below. Each submission will be assessed against the applicable criteria independently, giving marks and providing comments. Proposals are evaluated on a points scale from 0 to 100 as follows:

- (a) maturity, defined as reaching the investment stage, and incurring substantial capital expenditure by the end of 2010. A detailed list of investment-related expenditure planned for 2010 needs to be provided (see Annex 5, section 3.2 of the application form for OWE in Annex 3 of this call for proposals). The work plan needs to demonstrate soundness of management (e.g. risk management plan including both technical and financial aspects as well as the granting permits) and to provide sufficient evidence that these expenditures can be realised by the end of 2010. A list of all permits and a strategy on how to obtain them needs to be provided (see Annex 5, section 1.2.5 of the application form for OWE in Annex 3 of this call for proposals) Applicants have to provide evidence that all necessary permits are already obtained or will be obtained shortly to allow for all planned expenditure in 2010.¹⁸ Particular attention should be given to the political, economic, administrative and environmental aspects of developing and deploying the project. (Points 20/100)
- (b) the extent to which lack of access to finance is holding back the implementation of the action. In the Business Plan, detail needs to be given on all investment costs and all co-funding schemes. Proposals have to show that there are insufficient other sources of financing available that would allow them to go ahead with the initial phase of the project. (Points 10/100)
- (c) the extent to which the project improves or increases the scale of installations and infrastructures that are already under construction, or are in the planning phase; Applicants need to describe the technical and economic impact of the proposal specificities subject to funding (see Annex 3 of the application form for OWE in Annex 3 of this call for proposals) on the up-scaling and/or the upgrading of the project. (Points 10/100)
- (d) the extent to which the project includes the construction of full-size and industrial-scale installations and infrastructures, and the extent to which it addresses in particular:
 - (i) balancing the variability of wind electricity through integrative systems;

¹⁸ This refers explicitly to permits required for the construction and operation of the project at the proposed site(s). For permits still to be obtained, an outline of the timing for the application and permit granting is requested.

- (ii) large-scale storage systems;
 - (iii) management of wind farms as virtual power plants (more than 1 GW);
 - (iv) turbines placed further from the shore or in deeper waters (20 to 50 m) than is currently standard;
 - (v) novel sub-structure designs; or
 - (vi) processes for assembly, installation, operation and decommissioning and testing of these processes in life-size projects;
- (e) the innovative features of the proposal and the extent to which it will demonstrate the implementation of such features. The applicants need to include a technical description and a cost description of the innovative or upgraded components of the project as well as all necessary milestones to achieve their installation and operation. For each proposal, only the costs relating to innovative items and components identified in Annex 3 of the application form for OWE in Annex 3 of this call for proposals can be subject to funding. The innovative character of items and components will be assessed on the basis of a comparative analysis with the state-of-the art of the relevant technology that the applicants need to provide. (Points 15/100)
- (f) the impact of the proposal and its contribution to the Community's offshore wind grid system, including its replication potential. The applicants need to explain in detail the contribution of the proposal to large scale penetration of wind farms into electricity networks.¹⁹ (Points 15/100)
- (g) the commitment demonstrated by the beneficiaries to diffuse the results of technological advances made by the project to other European operators in a manner compatible with Community law and in particular with the objectives and structures outlined in the Strategic Energy Technology Plan for Europe.²⁰ The applicants need to list and describe the measures for the dissemination of project results as well as the target audience. (Points 5/100)
- h) soundness and adequacy of the management plan. A detailed management and work plan (especially risk management in section 1.2.2) shall provide scientific, engineering, and technical information and data including a timetable of the different activities to achieve operation of the project. (Points 5/100)

11.3. SECTION 3: CCS

The objectives for CO₂ Capture and Storage technologies (CCS) are to promote its application in commercial, large-scale power generation and industrial installations.

Large-scale demonstration projects should address entire commercial-scale power plants or industrial installations using fossil fuels, and aiming at near-zero emissions through high-efficiency conversion technologies coupled with CO₂ capture and storage. These

¹⁹ Through the design, deployment, integration and validation of innovative solutions with a view to the establishment of a modern European offshore wind grid system.

²⁰ COM(2007) 723

projects need to be on stream by 2015 and incorporate the full chain of CO₂ capture, transport and safe geological storage. All projects are expected to join the network of CCS demonstration projects which will be set up by the European Commission and share experience and non-proprietary knowledge obtained through the demonstration through this network. The large-scale, fossil fuel-powered plants, projects to be funded are expected to be the first in Europe equipped with CCS elements with CO₂ capture covering at least 250 MW of installed capacity. Work should include the completion of a detailed engineering study (FEED study), as well as the construction/installation of the CCS equipment and CO₂ infrastructure. It can also include a test phase of the CCS technologies at smaller scale pilot installations, as well as CO₂ test injections in potential storage sites within an integrated project to build the large scale demonstration plant. The concept could either cover a newly built plant or the retrofitting of an existing plant with CCS.

11.3.1. ELIGIBILITY

11.3.1.1. Eligible proposals

Proposals, which must be in writing, shall be eligible for EEPR assistance only if they implement the projects listed in Part C of the Annex of the EEPR Regulation, do not exceed the maximum amount of EEPR assistance laid down there and fulfil the selection and award criteria under the specific sub-programme of the EEPR Regulation.

Proposals shall be eligible for EEPR assistance only if they fulfil the following conditions:

- (a) projects shall demonstrate that they have the ability to capture at least 80% of CO₂ produced in the industrial operation and the ability to transport and geologically store this CO₂ safely underground;
- (b) in power installations, CO₂ capture has to be demonstrated on an installation of at least 250 MW electrical output or equivalent (the full amount of flue gas emitted by this installation has to be treated by the capture installation);
- (c) project promoters shall make a binding declaration that the generic knowledge generated by the demonstration plant will be made available to the wider industry and to the Commission to contribute to the Strategic Energy Technology Plan for Europe.²¹

11.3.1.2. Eligible applicants

Proposals shall be submitted by one or several undertakings, acting jointly.

Proposals submitted by natural persons are not eligible.

²¹ COM(2007)723

11.3.2. OTHER SOURCES OF FINANCING

No Community financial aid shall be awarded for parts of projects receiving funds from other sources of Community financing.²² In addition, the non-profit rule as foreseen by article 109 of the Financial Regulation has to be respected.²³

As provided for by the EEP Regulation, Community financial assistance shall not exceed 80% of the eligible cost of the action. Article 165 bis of the implementing rules for the financial regulation applies²⁴.

11.3.3. SELECTION AND AWARD CRITERIA

11.3.3.1. Selection Criteria

- (a) the soundness and technical adequacy of the approach. To verify the soundness and technical adequacy of the approach, including the technical solution chosen, a detailed description of the workplan, including definition of milestones for the overall project needs to be provided. Proposals have to include details on how the proposed technical solutions are suitable for achieving the project's objectives (for details see chapter 1.2 in annex 5 of application forms in Annex 4 of this call for proposals).
- (b) maturity, defined as reaching the investment stage, which includes exploration and development of storage options, and incurring substantial investment-related expenditure for the project by the end of 2010. A detailed list of investment-related expenditure planned for 2010 needs to be provided (see chapter 3.2 of the application form). The workplan needs to provide sufficient evidence that the expenditure can be made by the end of 2010.
- (c) the soundness of the financial package for the full investment phase of the project. A cost plan listing all investment-related expenditure for the project needs to be provided (see chapter 3.1 of application forms). Applicants need to commit to making their own financial contribution to the incremental costs of CCS and identify other financing sources in case their own resources and EEP funding together is insufficient to fully finance the project (see chapter 3. of the application forms)
- (d) identification of all necessary permits required for the construction and operation of the project at the proposed site(s) and having a strategy to secure those permits. A list of all permits and a strategy on how to obtain them needs to be provided (see chapter 1.2.5 of application forms). Applicants have to provide evidence that all necessary permits are already obtained or will be obtained shortly to allow for all planned expenditures in 2010. This refers explicitly to granted permits related to the base installation that are indispensable for investment decisions in capture equipment.

²² Article 111 of the Financial Regulation

²³ Article 109.2 states that "*Grants may not have the purpose or effect of producing a profit for the beneficiary.*"

²⁴ Article 165 bis 1 states "*Co-financing shall require that part of the cost of an action or of the running costs of an entity is borne by the beneficiary of a grant, or by contributions other than the Community contribution.*"

11.3.3.2. Award Criteria

In assessing the proposals received under this call for proposals, the Commission shall apply the award criteria mentioned above. Each submission is assessed against the applicable criteria independently, giving marks and providing comments. Proposals are evaluated on a points scale from 0 to 100 as follows:

- (a) the extent to which lack of access to finance is holding back the implementation of the action. In the financing plan (see chapter 3.3 of application forms) detail is needed on the financing resources available to the project. Proposals have to show that there are no sufficient other sources of financing available that would allow them to go ahead with the initial phase of the action in the period of 2009/2010. (Points 35/100)
- (b) requested funding per tonne of CO₂ to be abated in the first 5 years of operation. A detailed calculation of the expected costs per tonne of CO₂ abated needs to be provided (see chapter 1.2 of application forms). (Points 15/100)
- (c) complexity of the project and level of innovation of the overall installation including other accompanying research activities as well as the commitment demonstrated by the beneficiaries to diffuse the results of the technological advances made by the project to other European operators. This must be compatible with Community law and in particular with the objectives and structures outlined in the Strategic Energy Technology Plan for Europe. In chapter 1.1 of annex 5 of the application forms a description of the innovation to be realised within the proposal has to be given Details of planned knowledge sharing and accompanying activities have also to be given(see chapter 1.2.5 of the application forms). (Points 15/100)
- (d) soundness and adequacy of the management plan. This includes, the scientific, engineering, and technical information and data that it contains and its readiness of the proposed concept to achieve operation of the project by 31 December 2015. The detailed management and workplan (especially risk management in chapter 1.2.2 of annex 5 of the application form in Annex 4 of this call for proposals) shall provide evidence that all components of the proposal (base installation, CO₂ capture, transport and storage) will be in place and that the project will be fully operational by the end of 2015, demonstrating the full chain from CO₂ capture to storage. (Points 35/100)

12. INFORMATION AND ASSISTANCE

All interested parties can address requests for information on this call for proposals to the Commission **before 1 July 2009 midnight** to the specific mail box:

- for Interconnections: TREN-EEPR-INTERCONNECTIONS@ec.europa.eu
- for Offshore Wind Energy: TREN-EEPR-WIND@ec.europa.eu
- for Carbon Capture and Storage: TREN-EEPR-CCS@ec.europa.eu

A frequently asked questions (hereafter "FAQ") document will be published and updated on a regular basis with the questions and answers of general relevance addressed to Commission services about this call for proposals. This document will only be available on the following web page

http://ec.europa.eu/energy/grants/2009_07_15_en.htm .

In addition, a dedicated **INFO DAY will be held in Brussels on 3 June 2009** in order to present the Call for proposals and answer beneficiaries' questions on the selection process. This event is addressed only to applicants of projects identified in the Annex of the EEPR regulation. Further information on this INFO DAY will be published on the EEPR Web page

<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=eeprinfoday&lang=en>

13. PROCEDURE AND CLOSING DATE FOR SUBMITTING PROPOSALS

The **closing date** for submission of proposals is **15 July 2009**.

In the interest of a harmonised presentation of applications and their objective evaluation, the **attached submission form for each specific sub-programme is to be used** for the submission of applications. Proposals **must be signed** by the applicant or his duly authorised representative and be perfectly **legible** so that there can be no doubt as to words and figures.

As the **working language** of the evaluators, as well as the language of the contract is **English**, it is recommended that proposals are prepared in English. If a proposal is not submitted in English, it is highly recommended to provide a synthesis of the proposal in English.

Applications must be:

a) **either sent by registered mail or by private courier**

The proposal must be sent by registered mail or by private courier, dispatched not later than **15 July 2009** (the postmark or the receipt issued by the courier service servicing as proof of the dispatch) to the following address:

By registered mail:

European Commission
Directorate-General for Energy and Transport (0/100 – Archives)
Rue De Mot, 28
B-1049 Brussels
Belgium

By private courier:

European Commission
Directorate-General for Energy and Transport – DM 28 – 0/110
Avenue du Bourget, 1
B-1140 Brussels (Evere)
Belgium

b) **or delivered by hand**

Proposals must be delivered by hand at the **Central Mail of the European Commission by 15 July 2009 not later than 16.00**(Brussels time), at the following address:

European Commission
Directorate-General Energy and Transport – DM 28/110
Avenue du Bourget, 1
B-1140 Brussels (Evere)
Belgium

In this case, a receipt must be obtained as proof of submission, signed and dated by the official in the Commission's central mail department who took delivery. The department is open from 8.00 to 17.00 Monday to Thursday, and from 8.00 to 16.00 on Fridays. It is closed on Saturdays, Sundays and Commission holidays.

Applications not respecting the closing date will not be evaluated.

It is the responsibility of the applicant to ensure that proposals are sent to the address set out in the call for proposals, and that they are sent within a time enabling them to arrive before the deadline. The Commission cannot be held responsible for consignments which are not addressed correctly or for proposals sent in several parts which are not clearly marked so as to enable them to be put together. If necessary, applicants must be able to present proof of postage.

Each proposal must be placed inside **two sealed envelopes**, one inside the other. The inner envelope must bear the words:

<p style="text-align: center;">Call for proposals</p> <p style="text-align: center;">[Please choose the relevant sector and delete the others]</p> <p style="text-align: center;">TREN/C1 –EEPR – Interconnections</p> <p style="text-align: center;">TREN/C3 –EEPR – CCS</p> <p style="text-align: center;">TREN/D2 –EEPR – Wind</p> <p style="text-align: center;">- Not to be opened by the Postal Service or the International Mail Department -</p> <p style="text-align: center;">DM 28, 0/110 Courrier/Archives</p>

14. ESTIMATED TIMETABLE

Closing date for submission of applications	15 July 2009
Date of opening of applications	23 July 2009
Estimated date for Report on Evaluation by Evaluation Committee	15 September 2009
Estimated date to start contract negotiations	September - October 2009
Estimated date of notification of results to applicants	October – November 2009
Estimated date for signature of EC contracts/decisions	End 2009 / beginning 2010

Annex 1: EEPR draft Regulation

See document attached

Annex 2: Interconnections for Gas and electricity

PART I: APPLICATION FORM

See document attached

PART II: MODEL OF INDIVIDUAL COMMISSION DECISIONS

See document attached

Annex 3: Specificities on OWE projects

Projects should be ready for implementation and reaching the investment stage: permits granted (or for permits still to be obtained, an outline of the timing for application and permit granting is requested), business plan adopted and co-funding secured.

In particular, the projects should be focused on increased size of the turbines capacity, development of innovative systems including efficient manufacturing and faster installation processes, an integrative approach of interconnecting the offshore wind power, including large-scale storage systems. Projects shall demonstrate the soundness of the technical concept and of the financial package for the full investment phase of the project. In this respect, the project development plan, the contingency plan, as well as the appropriateness of the allocation and justification of the resources to be committed will be assessed.

Topic 1: Grid integration of offshore wind energy

Expected impact:

Substantial EU-wide improvement of the potential of large scale supply of offshore wind electricity up to the end-user at acceptable costs, while ensuring a more efficient, stable, reliable and secure grid.

1.1. BALTIC - KRIEGERS FLAG I, II, III

Projects should build on projects under development in order to pool offshore wind farms in several regions to contribute to a trans-European energy network, to balance the variability of wind electricity through an integrative approach of interconnecting wind farms, and to increase the global capacity factor.

The contribution will support in priority coordinated solutions to a joint interconnection of wind farms located in territorial waters of neighbouring Member States in the Baltic Sea (Kriegers Flak area). The integrative approach includes cross-border installations and the exploitation of HVDC and HVAC technologies for managing systems.

Community contribution: 150 Mio €

Number of projects: 1

1.2. NORTH SEA GRID

The projects should establish a large grid of sub-sea AC and DC cables for connecting all relevant countries in the North Sea/Irish Sea area with a view to integrate existing and future offshore wind farms.

Projects should result in increased proximity of the wind power generation infrastructure to the European electricity network and/or to the balancing capacity of large storage systems.

The contribution will support in priority the establishment of market driven connections currently under development or planned to be operational in the short term in the North Sea or Irish Sea providing transmission capacity for the trading of wind electricity between Member States. It is expected that electricity cable projects will be linked to areas with high potential for wind generation.

Support will also concern cross-border connections aiming at balancing the variability of wind power generated in those areas through an integrative approach of enhanced large scale storage systems as well as the integration of innovative systems into projects under development demonstrating adaptability and easy connectivity for the modular establishment of a future European Offshore Grid.

Community contribution: 165 Mio €

Maximum of 5 projects

Topic 2: New turbines, structures and components, optimisation of manufacturing capacities

Expected impact:

Increase the areas of potential sites, exploit the larger potential from offshore, reduce the number of turbines which have to be installed, tied-in and commissioned; tackle important bottlenecks of offshore wind, reduce the cost of offshore wind energy and ensure EU technology leadership.

Further automate and improve labour intensive manufacturing processes in order to reduce the costs and the manufacturing time, increase reliability, security, durability of turbines and their components.

2.1. BORKUM WEST II – BARD 1 – NORDSEE OST – GLOBAL TECH I

The projects should install large scale offshore power plants including the new generation of multi-MW size turbines and innovative structures for sites far from shore in deep waters.

The contribution will support in priority the installation and operation of innovative large scale wind energy systems including multi-MW-size wind energy converters, tower and foundation, electrical conversion systems, extensive operation and maintenance concepts, high-performance access systems as well as, the logistics, the management of the wind power plants and their grid integration.

Community contribution: 200 Mio €

Number of projects: 4

Estimated funding by project: 50 Mio €

2.2. ABERDEEN OFFSHORE WIND FARM

The project should test multi-MW turbines with innovative structures and substructures including optimisation of manufacturing capacities of offshore wind energy production equipment.

The contribution will support in priority the installation and the testing of innovative multi MW- turbines –from different manufacturers- and a variety of foundation designs. The facility should allow for the instrumentation and testing of individual mechanical and electrical components. Issues to address are in particular: (a) logistics and access; (b) operation and maintenance of turbines; (c) environmental impacts; (d) resource studies.

The project should also :

(a) establish links with EU manufacturers to ensure that automated production techniques can be trialled in the engineering of this facility;

(b) have the potential for future expansion to cover deep water installations (50 metres), and to develop floating wind turbine platforms;

(c) have the potential for future interconnection with other offshore wind farms, to create offshore networks at GW scale;

(d) act as a stepping stone to major European offshore wind programmes

Community contribution: 40 Mio €

Number of projects: 1

2.3. THORNTON BANK

The project should upscale multi-MW turbines (5-6 MW) in deep waters (up to 30 m) with low visual impact (up to 30 km from shore). This initiative should build on other projects currently under development.

The contribution will support in priority the installation and operation of innovative large scale wind energy systems including multi-MW-size wind energy converters, tower and foundation, electrical conversion systems, extensive operation and maintenance concepts, high-performance access systems as well as, the logistics, the management of the wind power plants and their grid integration.

Community contribution: 10 Mio €

Number of projects: 1

PART I: APPLICATION FORM

See document attached

PART II: MODEL OF GRANT AGREEMENTS

See document attached

Annex 4 CCS

PART I: APPLICATION FORM

See document attached

PART II: MODEL OF GRANT AGREEMENTS

See document attached

Annex 5:
Financial Regulation and its Implementing Rules

See document attached