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**COMMISSION IMPLEMENTING DECISION**

**of 8.7.2014**

**Award Decision under the second call for proposals of the NER 300 funding programme**

only the Greek, Danish, Estonian, Spanish, French, Croatian, English, Italian, Latvian,  
Portuguese, Swedish language versions are authentic

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## Award Decision under the second call for proposals of the NER 300 funding programme

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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/EC<sup>1</sup>,

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 CO<sub>2</sub> 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 Council<sup>2</sup>, 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 CO<sub>2</sub> (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: "NER 300 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 in November 2010. Further to the selection procedure carried out pursuant to Articles 5 to 8 of Commission Decision 2010/670/EU, in December 2012 the Commission adopted an Award Decision<sup>3</sup>, establishing a list of 22 projects to be funded. The Commission published a second call for proposals covering the proceeds of the remaining 100 million allowances and the unspent funds from the first round on 3 April 2013.

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<sup>1</sup> OJ L 275, 25.10.2003, p. 32.

<sup>2</sup> OJ L 290, 6.11.2010, p. 39.

<sup>3</sup> Commission Implementing Decision C(2012) 9432, as amended by C(2014) 383.

- (4) Pursuant to Article 5(3) of Commission Decision 2010/670/EU, Member States gathered funding applications, 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 European Investment Bank (hereinafter: "EIB") (by 3 July 2013). The projects covered by this Decision were verified by the Commission and found to meet the eligibility criteria.
- (5) As of 3 July 2013, 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 an initial 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 CO<sub>2</sub> 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) The final list of 19 projects awarded by this Decision was drawn up in accordance with the requirements set out in Article 8 of Commission Decision 2010/670/EU, following the confirmations, by Member States, of their 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 2 May 2014.
- (7) The CCS project was confirmed by the Member State concerned and could therefore be retained for award. Nearly all RES projects were confirmed, except those projects exceeding the limit of maximum three projects funded within one Member State under the two rounds of call for proposals.
- (8) € 1.0 billion were available for the co-funding of projects covered by this Decision from the monetisation of the remaining 100 million allowances and the unspent funds from the first round. The Commission checked, if the available funds were greater than the total funding request. As some excess funds were available, all confirmed projects by Member States could be added to the final list of projects in the CCS and RES groups. In addition, all projects from technology (sub-)categories which had not yet received an award in the first round were selected.
- (9) 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 €2.1 billion from the monetisation of the 300 million allowances, the corresponding 15 % limit is € 316 million. On the basis of the confirmed funding requests, the funding proportion between the two groups is in the second round 30 % (CCS)/70 % (RES).
- (10) 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 CO<sub>2</sub> stored for the CCS project, 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. 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.

(11) 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 1 are awarded funding under the NER 300 second call for proposals subject to the conditions specified in Annex 2 to this Decision.

*Article 2*

This Decision is addressed to the Republic of Cyprus, the Kingdom of Denmark, the Republic of Estonia, the Kingdom of Spain, the French Republic, the Croatian Republic, Ireland, the Italian Republic, the Republic of Latvia, the Portuguese Republic, the Kingdom of Sweden and the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 8.7.2014

*For the Commission*  
*Connie HEDEGAARD*  
*Member of the Commission*

