

Regulation (EC) No 663/2009 of the European Parliament and of the Council of 13 July 2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy

CHAPTER II

SUB-PROGRAMMES

SECTION I

Gas and electricity infrastructure projects

Article 4

Objectives

The Community shall promote gas and electricity infrastructure projects having the highest Community added value and contributing to the following objectives:

- (a) security and diversification of sources of energy, routes and supplies;
- (b) the optimisation of the capacity of the energy network and the integration of the internal energy market, in particular concerning cross-border sections;
- (c) the development of the network to strengthen economic and social cohesion by reducing the isolation of the least favoured regions or islands of the Community;
- (d) the connection and integration of renewable energy resources; and
- (e) the safety, reliability and interoperability of interconnected energy networks, including the ability to use multidirectional gas flows where necessary.

Article 5

Priorities

The EEPR shall serve urgently to adapt and develop energy networks of particular importance to the Community in support of the operation of the internal energy market and, in particular, to increase interconnection capacity, security and diversification of supply and to overcome environmental, technical and financial obstacles. Special Community support is necessary to develop energy networks more intensively and to accelerate their construction, notably where the diversity of routes and sources of supply is low.

Article 6

Granting of Community financial assistance

1 Financial assistance under the EEPR (EEPR assistance) for gas and electricity infrastructure projects shall be awarded for actions that implement the projects listed in Part A of the Annex or parts of such projects, and which contribute to the objectives laid down in Article 4.

2 The Commission shall call for proposals to identify the actions referred to in paragraph 1 and shall assess the compliance of those proposals with the eligibility criteria laid down in Article 7 and the selection and award criteria laid down in Article 8.

3 The Commission shall inform the beneficiaries of any EEPR assistance to be granted.

Article 7

Eligibility

1 Proposals shall be eligible for EEPR assistance only if they implement the projects listed in Part A of the Annex, do not exceed the maximum amount of EERP assistance laid down therein and fulfil the selection and award criteria under Article 8.

2 Proposals may be submitted:

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

3 Proposals submitted by natural persons shall not be eligible.

Article 8

Selection and award criteria

1 In assessing the proposals received under the call for proposals referred to in Article 6(2), the Commission shall apply the following selection criteria:

- a the soundness and technical adequacy of the approach;
- b the soundness of the financial package for the full investment phase of the action.

2 In assessing the proposals received under the call for proposals referred to in Article 6(2), the Commission shall apply the following award criteria:

- a maturity, defined as reaching the investment stage, and incurring substantial capital expenditure by the end of 2010;
- b the extent to which lack of access to finance is delaying the implementation of the action;
- c the extent to which EEPR assistance will stimulate public and private finance;
- d socioeconomic impacts;

- e environmental impacts;
- f the contribution to the continuity and interoperability of the energy network, and to the optimisation of its capacity;
- g the contribution to the improvement of service quality, safety and security;
- h the contribution to the creation of a well-integrated energy market.

Article 9

Funding conditions

- 1 EEPR assistance shall contribute to project-related expenditure for the implementation of the project, incurred by the beneficiaries or by third parties responsible for the implementation of a project.
- 2 EEPR assistance shall not exceed 50 % of the eligible costs.

Article 10

Instruments

- 1 Following the call for proposals referred to in Article 6(2), the Commission, acting in accordance with the management procedure referred to in Article 26(2), shall select the proposals to receive EEPR assistance and determine the amount of EEPR assistance to be granted. The Commission shall specify the conditions and methods for the implementation of the proposals.
- 2 EEPR assistance shall be granted on the basis of Commission decisions.

Article 11

Member States' financial responsibilities

- 1 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.
- 2 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.

SECTION 2

Offshore wind projects

Article 12

Granting of EEPR assistance

1 EEPR assistance for offshore wind projects shall be awarded following a call for proposals limited to the actions that implement the projects listed in Part B of the Annex.

2 The Commission shall call for proposals to identify the actions referred to in paragraph 1 and shall assess the compliance of these proposals with the eligibility criteria laid down in Article 13 and the selection and award criteria laid down in Article 14.

3 The Commission shall inform the beneficiaries of any EEPR assistance to be granted.

Article 13

Eligibility

1 Proposals shall be eligible for EEPR assistance only if they implement the projects listed in Part B of the Annex, do not exceed the maximum amount of EEPR assistance laid down therein and fulfil the selection and award criteria under Article 14. Those projects shall be led by a commercial undertaking.

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

3 Proposals submitted by natural persons shall not be eligible.

Article 14

Selection and award criteria

1 In assessing the proposals received under the call for proposals referred to in Article 12(1), the Commission shall apply the following selection criteria:

- a the soundness and technical adequacy of the approach;
- b the soundness of the financial package for the full investment phase of the project.

2 In assessing the proposals received under the call for proposals referred to in Article 12(1), the Commission shall apply the following award criteria:

- a maturity, defined as reaching the investment stage, and incurring substantial capital expenditure by the end of 2010;
- b the extent to which lack of access to finance is delaying the implementation of the action;
- 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;
- d the extent to which the project includes the construction of full-size and industrial-scale installations and infrastructures, and addresses in particular the following matters:
 - (i) the balancing of the variability of wind electricity through integrative systems;
 - (ii) the existence of large-scale storage systems;

- (iii) the management of wind farms as virtual power plants (more than 1 GW);
- (iv) the existence of 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 project and the extent to which it will demonstrate the implementation of such features;
- f the impact of the project and its contribution to the Community's offshore wind grid system, including its replication potential;
- g the commitment demonstrated by the beneficiaries to disseminate to other European operators the results of technological advances made by the project in a manner compatible with Community law and in particular with the objectives and structures outlined in the Strategic Energy Technology Plan for Europe.

Article 15

Funding conditions

- 1 EEPR assistance shall contribute to project-related expenditure for the implementation of the project.
- 2 EEPR assistance shall not exceed 50 % of the eligible costs.

Article 16

Instruments

- 1 Following the call for proposals referred to in Article 12(1), the Commission, acting in accordance with the management procedure referred to in Article 26(2), shall select the proposals to receive EEPR assistance and determine the amount of funding to be granted. The Commission shall specify the conditions and methods for the implementation of the proposals.
- 2 EEPR assistance shall be granted on the basis of grant agreements.

SECTION 3

Carbon capture and storage projects

Article 17

Granting of EEPR assistance

- 1 EEPR assistance for carbon capture and storage projects shall be awarded to actions that implement the projects listed in Part C of the Annex.

2 The Commission shall call for proposals to identify the actions referred to in paragraph 1 of this Article and shall assess the compliance of the proposals with the eligibility criteria laid down in Article 18 and the selection and award criteria laid down in Article 19.

3 If several proposals from projects located in the same Member State comply with the eligibility criteria laid down in Article 18 and the selection criteria laid down in Article 19(1), the Commission shall select for EEPR assistance, on the basis of the award criteria in Article 19(2), no more than one proposal per Member State among those proposals.

4 The Commission shall inform the beneficiaries of any EEPR assistance to be granted.

Article 18

Eligibility

1 Proposals shall be eligible for EEPR assistance only if they implement the projects listed in Part C of the Annex, fulfil the selection and award criteria under Article 19 and the following conditions:

- a the projects demonstrate that they have the ability to capture at least 80 % of CO₂ in industrial installations and to transport and geologically store this CO₂ safely underground;
 - b in power installations, CO₂ capture is demonstrated on an installation of at least 250 MW electrical output or equivalent;
 - c project promoters 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.
- 2 Proposals shall be submitted by one or several undertakings, acting jointly.
- 3 Proposals submitted by natural persons shall not be eligible.

Article 19

Selection and award criteria

1 In assessing the proposals received under the call for proposals referred to in Article 17(2), the Commission shall apply the following selection criteria:

- a the soundness and technical adequacy of the approach;
 - 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;
 - c the soundness of the financial package for the full investment phase of the project;
 - d identification of all necessary permits required for construction and operation of the project at the proposed site(s) and the existence of a strategy to secure those permits.
- 2 In assessing the proposals received under the call for proposals referred to in Article 17(2), the Commission shall apply the following award criteria:
- a the extent to which lack of access to finance is delaying the implementation of the action;
 - b requested funding per tonne of CO₂ to be abated in the first five years of operation of the project;

- c the complexity of the project and level of innovation of the overall installation including other accompanying research activities and the commitment demonstrated by the beneficiaries to disseminate to other European operators the results of the technological advances made by the project in a manner compatible with Community law and in particular with the objectives and structures outlined in the Strategic Energy Technology Plan for Europe;
- d the soundness and adequacy of the management plan including, in relation to the scientific, engineering and technical information and data contained therein, demonstration of readiness of the proposed concept to achieve operation of the project by 31 December 2015.

Article 20

Funding conditions

- 1 EEPR assistance shall contribute only to project-related expenditure for the implementation of the project which is attributable to carbon capture, transport and storage, taking account of possible operating benefits.
- 2 EEPR assistance shall not exceed 80 % of total eligible investment costs.

Article 21

Instruments

- 1 Following the call for proposals referred to in Article 17(2), the Commission, acting in accordance with the management procedure referred to in Article 26(2), shall select the proposals to receive EEPR assistance and determine the amount of EEPR assistance to be granted. The Commission shall specify the conditions and methods for the implementation of the proposals.
- 2 EEPR assistance shall be granted on the basis of grant agreements.