Questions and Answers on the NER 300 programme and the first call for proposals (17/12/2010)

The below list of Questions and Answers continues the list of Questions and Answers on the NER 300 programme and the first call for proposals that was published as MEMO/10/549 (http://ec.europa.eu/clima/funding/ner300/docs/faq_en.pdf) and the list of Questions and Answers of 6 December 2010 (http://ec.europa.eu/clima/funding/ner300/docs/faq_2_en.pdf).

67) Will the EIB's Procedures Manual for the due diligence be made publicly available?

The Commission and the EIB intend to publish the Procedures Manual and it will be made available on the NER 300 website.

68) Can a project which is in development and part financed qualify for NER 300 funding?

Yes, a project which is in development (e.g. it has completed a FEED study) can qualify for NER 300 funding.

69) Can Member States provide more funding to a project which receives an award under NER 300 if the costs increase (e.g. following the completion of the FEED study)?

Yes, provided the additional Member State funding receives State aid approval.

70) Does the Commission intend to provide guidelines to Member States for NER 300 funded trans-boundary projects on how to deal with common concerns such as the transfer of CO2 from one Member State to another, whether and how to share risk associated with transport and storage of CO2 originating from another Member State?

Pursuant to Art. 24 of Directive 2009/31/EC on the geological storage of carbon dioxide (CCS-Directive) in cases of transboundary transport of CO2, transboundary storage sites or transboundary storage complexes, the competent authorities of the Member States concerned jointly need to ensure that the requirements of the CCS-Directive and of other relevant Community legislation is met. It is up to the Member States concerned to agree on questions of risk sharing in transboundary projects.

71) Does the level of Member State funding across different projects indicate funding priorities of that Member State?

The level of Member State funding may indicate priorities. However, under NER 300, Member States will only have to prioritise if and when they have to de-select projects for the purpose of geographical balancing (see Question 34).

72) How should reasonable expectation of entry into operation within four years of adoption of the respective award decision be demonstrated?

The Project Sponsor needs to demonstrate this by submitting a credible Project Programme as part of Application Form 4. Member States should review the information provided to establish confidence that the Project has received detailed consideration to ensure that this condition is met.

73) How are outstanding ratifications of international agreements such as the London Protocol and the OSPAR Convention taken into account?

Both the London Protocol and the OSPAR Convention have been amended to remove existing legal barriers to CCS. It is expected that all relevant amendments enter into force in time for all relevant national permits to be issued within 24 or 36 months upon adoption of the relevant award decisions as set out in Article 9 of the NER 300 Decision.

74) As for the Distributed Renewable Management project subcategories: what does "+" mean, and what will/can be financed?

"+" means "and"; project sponsors need to make a case for the level of funding required

75) Do transboundary projects have to have a common border?

No. Transboundary projects have to straddle national borders, but the Member States involved do not necessarily have to have common borders.

76) Is there flexibility in the SLBI regarding recovery of funds?

Article 10a(8) of the EU Emissions Trading Directive requires that projects are funded based on their performance, and the NER 300 Decision sets out the details of this approach. Article 11(5) of the Decision further specifies that any excess funds have to be returned to the EIB. No exception can be granted to this provision. Therefore Member States will have to claw back any excess upfront funding and return it to the EIB. The SLBI sets out the details for recovery in the various possible cases. As for the rest of the SLBI, Member States cannot deviate from these provisions in substance (see Question 51).

77) How many projects can a Member State submit to the EIB?

There is no limitation in how many projects a Member State can support and submit to the EIB.

78) Will the EIB only review full submissions or only those forms completed by Member States?

The EIB will assess the complete project proposals, including both application forms (including associated documentation; see Question 80) and submission forms.

79) What happens if a project cannot meet the 4 years deadline for entry into operation due to unforeseen circumstances?

The time window for the disbursement of NER 300 funding (except for upfront funding) will be shortened as it will start from the date of entry into operation as foreseen in the Award Decision. If the project enters into operation at a later date, it will therefore have a shorter time window for disbursement of the NER 300 funding.

80) Can additional information to those requested in the Application Forms be submitted if considered relevant for the evaluation?

According to Section 11.2, para 112 of the Call for Proposals, "Project Sponsors should complete or respond to the information requests set out in the Application Forms.". The Project Sponsor may submit additional information if this is considered relevant for the evaluation. It is therefore not mandatory to incorporate all information into the relevant Application Form. Information could also be compiled and submitted in separate files/documents ((refer e.g. to Section 11.1, paras 107, 108) provided that the separately compiled information is clearly identifiable, linked to the number of the information request of the Application Form and structured. A file which contains separately compiled information should be named according to the file naming convention mentioned in §12.3.3 item 130 of the Call for Proposals

81) Can the same project by a Project Sponsor be submitted in several Member States?

By definition, the same project cannot be submitted in several Member States as, at least, the location would be different. It is however possible to submit a similar project in different Member States.

82) Will individual modules need to comply with the thresholds in Annex 1 of the NER 300 Decision and reproduced in Annexes 2 and 3 of the call?

It is considered sufficient that the aggregate capacity of all of the modules in a project satisfies the capacity thresholds; however, individual modules must comply with any specific requirements in Annex 1 of the NER 300 Decision (e.g., turbine size for wind projects) (see Question 65).

83) Can a Project Sponsor require potential project partners to commit in a non-disclosure agreement to not submitting an application for NER 300 funding themselves?

The situation is covered by points 2 and 3 of Section 12.7. of the Call on non-collusion. The Commission could hence disqualify a Project Sponsor making any such request on potential project partners.

84) Is it sufficient to implement a “commercially available” wind turbine in a complex mountain terrain to fulfil the requirements of this technology sub-category set out in the NER 300 Decision?

As clarified in the relevant part of Annex 3 of the Call specific to wind energy, if such a project does not include any substantial technological improvement or innovative features which is specific to the wind turbines, then the project will not be eligible for NER 300 funding. A commercially available wind turbine would at most be considered as current state of the art. Therefore it is unlikely to demonstrate any technology improvements as required by the NER 300 Decision and as further specified in the Call.

85) Could you provide more precise information on the item "unusual wind flow distortions" (Annex 3, p. 42 of the Call)?

The wind flow distortions should be of such magnitude and/or frequency to make the current commercially available turbines unsuitable for installing at the particular site.

86) If due to the specific feature of the chosen site, an innovative project cannot comply with all technical requirements set out in the NER 300 Decision and specified in the call, would this project be eligible?

No. The technical requirements set out in the NER 300 Decision and specified in the call have to be met.

87) Is it possible to apply the capacity thresholds for Distributed Renewable Management (smart grids) with some elasticity for each Member State (i.e., orders of magnitude)?

The capacity thresholds as set out in the NER 300 Decision are legally binding, and therefore no flexibility is possible on this parameter (see also Question 86). Nevertheless, pursuant to the clarifications included in the call on the meaning of MV and LV voltage networks, due to the large variety of distribution network voltage levels present in the EU, some flexibility is possible in the definition of both LV and MV voltage levels.

88) Regarding the requirements for modular projects (see Section 5.1.3.1 of the call), what does connection to the grid via a single connection mean?

All modules of the modular plant should share the same single connection to the grid. Virtual aggregation of several plants is excluded.

89) Given that multi-junction Si-thin-film photovoltaics power plants are already commercially available, is the technology eligible or not?

To be eligible, a project must satisfy the technical requirements set out in the NER 300 Decision and further specified in the call, including the innovation requirement set out in Article 6(1)(c) of the NER 300 Decision and further specified in Annex 6 Section II of the call.

Whereas the normal off-the-shelf product would most likely fail the innovation criteria, a substantially more performing version of the product could be considered sufficiently innovative, and therefore eligible.

90) Must the Project Sponsor be a private entity or can it also be a public entity (e.g. a Region, university, research centre)?

A "Project Sponsor" is defined in the call as "single entity, consortium of entities or members of a Special Purpose Vehicle as a Joint Venture or otherwise who submit a Proposal in respect of the proposed Project, including those providing finance to the Project". This definition does not exclude public entities from acting as Project Sponsor. Public entities can therefore be a Project Sponsor provided that their involvement is on commercial terms and in full compliance with EU State aid rules.