**Submission Form C**

**Financials**

Table of Contents

[Submission Form C 2](#_Toc350495105)

[Section 1: Relevant Costs 2](#_Toc350495106)

[Requirements of the Decision 2](#_Toc350495107)

[Calculation of Relevant Costs 3](#_Toc350495108)

[Confirmation of Relevant Costs 4](#_Toc350495109)

[Section 2: Best estimate NPV 7](#_Toc350495110)

[Requirements of the Decision 7](#_Toc350495111)

[Confirmation of best estimate NPV 8](#_Toc350495112)

[Section 3: Public Funding 10](#_Toc350495113)

[Confirmation of Public Funding Requirement 11](#_Toc350495114)

***Note:***

***Discount rate to be used***

*For the purpose of calculating the Net Present Value of the best estimate of Operating Costs and Operating Benefits (Part 1), and the best estimate of net present value of additional benefits resulting from support schemes (Part 2) the discount rate to be used must be based on the following guidance:*

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:014:0006:0009:EN:PDF>

*The discount rate to be applied has to be the reference rate published by the EC plus 100 basis points, as indicated by the EC*

*When calculating the Net Present Value of the best estimate of Operating Costs and Operating Benefits, and the best estimate of net present value of additional benefits resulting from support schemes the Operating Costs and Operating Benefits and the additional benefits must be discounted back to the year prior to commercial operation.*

*The above discount rate has to be applied to un-inflated cash-flows or, when this is not possible, the inflation assumption has to be added to the discount rate when it should be applied to inflated cash-flows.*

## Submission Form C

## Section 1: Relevant Costs

The purpose of this form is to identify and confirm the Relevant Costs, in Euro, for the particular Project submitted by a Member State. This section is to be completed by the relevant Member State with reference to Application Form C, Annex C.2.

## Requirements of the Decision

The sections of the Commission Decision which are relevant to the calculations to be undertaken by the Member State are as follows:-

*Article 3 (2) of the Commission Decision notes that:-*

Relevant costs of CCS demonstration projects shall be those Investment Costs which are borne by the project due to the application of CCS net of the Net Present Value of the best estimate of Operating Costs and Operating Benefits arising due to the application of CCS during the first 10 years of operation.

*Article 3 (3) of the Commission Decision notes that:-*

Relevant Costs of RES demonstration projects shall be those extra Investment Costs which are borne by the project due to the application of an innovative renewable energy technology net of the Net Present Value of the best estimate of Operating Costs and Operating Benefits arising during the first 5 years compared to a conventional production with the same capacity in terms of effective production of energy.

*Article 3.5 of the Commission Decision notes that:-*

The net Operating Costs and Operating Benefits referred to in paragraphs 2 and 3 shall be based on the best estimate of operating expenses borne by the project regarding production costs and take into account any additional benefits resulting from support schemes even if they do not constitute State aid within the meaning of Article 107(1) of the Treaty, avoided costs and existing tax incentive measures.

**Note**: In the case of pre-combustion application CCS demonstration plant, where the project involves the construction of a new Integrated Gasification Combined Cycle power plant, the Relevant Costs should be considered as those extra Investment Costs of that proportion of the Integrated Gasification Combined Cycle to which CO2 capture, transport and storage has been fitted, compared to the corresponding costs of a supercritical coal–fired power plant without CO2 capture, transport and storage, sized on an equivalent output basis, net of the Net Present Value of the best estimate of Operating Costs and Operating Benefits of that proportion of the Integrated Gasification Combined Cycle to which CO2 capture, transport and storage has been fitted arising during the first 10 years, as compared to the corresponding costs of a supercritical coal-fired power plant, without CO2 capture, transport and storage, sized on an equivalent output basis.

## Calculation of Relevant Costs

While the Member State is responsible for the calculation and submission of the Relevant Costs and the determination of the appropriate Reference Plant (other than as described above), it is expected that Relevant Costs will have to be determined in association with the Project Sponsor.

The Costs of each project should be identified on a spread sheet (‘Summary RC & CPUP’) to be included in the Project’s Financial Model of the Project Sponsor to be submitted with Annex C.2 of Application Form C. Annex C.2 of Application Form C contains a second spread sheet (‘SummaryInput Data for RC & CPUP’) which also identifies the Operating Costs and Operating Benefits of each project. For installations for which a Reference Plant is to be specified (CCSpre and RES), the details of the Reference Plant identified by the Member State shall be recorded in in the same spread sheet ‘SummaryInput Data for RC & CPUP’ of Annex C.2 of Application Form C. A more comprehensive breakdown of the costs of the Reference Plant shall be provided in the spread sheet ‘RefPlant’ of Annex C.2 of Application Form C. The relevant spread sheets of Annex C.2 of Application Form C are repeated as Annex C.1 to this Submission Form C.

The requested data in the spread sheets of Annex C.2 of Application Form C should be completed by linking the data cells of the spread sheets to the relevant data cells of the Project’s Financial Model. A printed, signed and scanned version of the spread sheets ‘(‘Summary RC & CPUP’, ‘SummaryInput Data for RC & CPUP’ and ‘RefPlant (for CCSpre or RES)’ should be attached by the Member State to this Submission Form C as Annex C.1.

## Confirmation of Relevant Costs

1. [*The Member State*] confirms that the Relevant Cost for [*Project name*] is [*EUR*].

**For CCS demonstration projects (other than those involving the construction of an Integrated Gasification Combined Cycle)**

a. [*The Member State*] confirms that Annex C.1 to this Submission Form C is a printed, signed and scanned version of spread sheets, which data have been completed by linking the spread sheet to the relevant data cells of the Project’s Financial Model. The scanned Annex C.1 accurately reflects the information provided by the Project Sponsor [*Project Sponsor name*] in Application Form C.

b. [*The Member State*] confirms those Investment Costs which are borne by the Project due to the application of CCS are [*EUR*], as presented in Annex C.1.

c. [*The Member State*] confirms the Net Present Value of the best estimate of Operating Costs and Operating Benefits, as presented in Annex C.1, arising due to the application of CCS during the first 10 years of operation, are [*EUR*].

d. [*The Member State*] confirms that the discount rate used to calculate the Net Present Value of the best estimate of Operating Costs and Operating Benefits, arising due to the application of CCS during the first 10 years of operation was [*Percent*] and that this is consistent with the guidance quoted above.

**For CCS demonstration projects (involving the construction of a new Integrated Gasification Combined Cycle)**

e. [*The Member State*] confirms that Annex C.1 to the Submission Form C is a printed, signed and scanned version of spread sheets, which data have been completed by linking the spread sheet to the relevant data cells of the Project’s Financial Model. The scanned Annex C.1 accurately reflects the information provided by the Project Sponsor [*Project Sponsor name*] in Application Form C.

f. [*The Member State*] confirms those extra Investment Costs of that proportion of the Integrated Gasification Combined Cycle to which CO2 capture, transport and storage has been fitted, compared to the corresponding costs of a supercritical coal–fired power plant, without CO2 capture, transport and storage, sized on an equivalent output basis are [*EUR*].

g. [*The Member State*] confirms the Net Present Value of the best estimate of Operating Costs and Operating Benefits of that proportion of the Integrated Gasification Combined Cycle to which CO2 capture, transport and storage has been fitted arising during the first 10 years, as compared to the corresponding costs of a supercritical coal-fired power plant, without CO2 capture, transport and storage, sized on an equivalent output basis is [*EUR*].

h. [*The Member State*] confirms that the discount rate used to calculate Net Present Value of the best estimate of Operating Costs and Operating Benefits of that proportion of the Integrated Gasification Combined Cycle arising during the first 10 years, as compared to the corresponding supercritical plant costs, without CO2 capture, transport and storage was [*Percent*] and that this is consistent with the guidance quoted above.

**For RES demonstration projects**

i. [*The Member State*] confirms that Annex C.1 to this Submission Form C is a printed, signed and scanned version of spread sheets, which data have been completed by linking the spread sheet to the relevant data cells of the Project’s Financial Model. The scanned Annex C.1 A accurately reflects the information provided by the Project Sponsor [*Project Sponsor name*] in Application Form C.

j. [*The Member State*] confirms those extra Investment Costs which are borne by the Project due to the application of innovative renewable energy technology, compared to a conventional production with the same capacity in terms of effective production of energy are [*EUR*].

k. [*The Member State*] confirms the Net Present Value of the best estimate of Operating Costs and Operating Benefits arising during the first 5 years compared to a conventional production with the same capacity in terms of effective production of energy is [*EUR*].

l. [*The Member State*] confirms that the discount rate used to calculate the Net Present Value, of the best estimate of Operating Costs and Operating Benefits, arising during the first 5 years compared to a conventional production with the same capacity in terms of effective production of energy was [*Percent*] and that this is consistent with the guidance quoted above.

2. [*The Member State*] confirms that the above calculations were performed using assumptions consistent with those required in other accompanying Submission Forms in respect of [*project name*].

3 [*The Member State*] confirms that assumptions in respect of carbon prices, electricity prices, interest rates etc. are identical with assumptions made in all other Submission Forms submitted by [*The Member State* ] or where this is not the case any deviations are explained below in respect of [*project name*].

…………………………………………………………………………………………

4 Where [*project name*] is an RES demonstration project, [*The Member State*] confirms that the same Reference Plant has been used for all projects submitted in this subcategory. Where this is not the case in respect of [*project name*] a justification must be given below.

…………………………………………………………………………………………

5. The following matters concerning the Relevant Costs are drawn to the attention of the Commission.

…………………………………………………………………………………………

Signed …………………………………….

Name………………………………………

Department………………………………..on behalf of

Member State………………………………

Date …………………………………….

## Section 2: Best estimate NPV

The purpose of this form is to identify and confirm the best estimate of net present value of *additional benefits* resulting from support schemes, as calculated according to Article 3(5) of the Commission Decision. The overall net Operating Costs and Operating Benefits are provided in Submission Form 4 on Relevant Costs.

This section is to be completed by the relevant Member State.

## Requirements of the Decision

*Article 3(5) of the Commission Decision states;-*

“The net operating costs and benefits referred to in paragraphs 2 and 3 shall be based on the best estimate of operating expenses borne by the project regarding production costs and take into account any additional benefits resulting from support schemes even if they do not constitute State aid within the meaning of Article 107(1) of the Treaty, avoided costs and existing tax incentive measures.”

Note that the calculation which is the subject of this form only relates to *additional (operating) benefits* resulting from support schemes, rather than all net Operating Costs and Operating Benefits as considered in Article 3(5).

## Confirmation of best estimate NPV

1. [*The Member State*] confirms that the best estimate of the net present value of *additional benefits* resulting from support schemes as calculated according to Article 3(5) of the Commission Decision in respect of [*project name*] is as [*EUR*]*.*

2. [*The Member State*] confirms that it has provided a detailed accompanying breakdown of the calculation of the net present value of additional benefits resulting from support schemes, as specified in (1) above in respect of [*project name*], as attached to this Form as Attachment B, which clearly evidences (i) how the net present value calculation has been undertaken; (ii) the discount rate used; (iii) the linkages to data supplied in Application Form C by [*project name*]*.*

3. [*The Member State*] confirms that where any financial information is used in the above calculation which is not derived from Application Form C, [*The Member State*] has provided a reconciliation of the two sets of figures, as Attachment B to this Form*.*

4. In the event that the two sets of figures in (3) above do not reconcile [*The Member State*] is required to provide an explanation below:

……………………………………………………………………………………………………………………………………………………………………………………

5. In the event that the two sets of figures in (3) above do not reconcile [*The Member State*] is required to confirm that the Project Sponsor accepts the calculation made by [*The Member State*], and confirms that it wishes to be considered on that revised basis:

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6. The following matters concerning the best estimate NPV are drawn to the attention of the Commission.

……………………………………………………………………………………………………………………………………………………………………………………

Signed …………………………………….

Name………………………………………

Department………………………………..on behalf of

Member State………………………………

Date …………………………………….

## Section 3: Public Funding

The purpose of this form is to confirm the total request for public funding for a particular project submitted by the Member State. The total request for public funding is equal to the relevant costs of the project, minus any contribution to those costs from the operator. In addition, the Member State is required to state and guarantee the provision of its contribution of public funding. This section is to be completed by the relevant Member State with reference to Application Form C Financials.

**Note:**

*a) The Total request for public funding (TRPF) is Relevant Costs (RC) minus any contribution from the operator (OC) to those costs (Art. 5 3b of the Decision); i.e. TRPF=RC-OC;*

*b) TRPF refers to the sum of all contribution from (direct) public sources envisaged to be provided to a project, such as funding from NER300, national sources, State Aid in terms of investment aid, etc.*

*c) amount requested from NER300, which is the NER300 contribution, which is fixed at 50% of RC (unless TRPF is less than 50% of RC, in which case NER300 (if applicable, combined with EEPR) covers the TRPF; (Recital 6, Art. 2 3rd sub-para); N.B.: Any other sources of funding, e.g., State aid contribution involving operational aid, or FP7 funding, are not deducted from NER 300 contribution, but considered under Article 3(5) of the NER 300 Decision when establishing Relevant Costs.*

## Confirmation of Public Funding Requirement

1. [*The Member State*] confirms that the total request for public funding for [*project name*] is [*total request, EUR*].

a. [*The Member State*] confirms that the amount requested from NER300 for [*project name*] is [*amount requested from NER300, EUR*].

b. [*The Member State*] confirms the breakdown of the total request for public funding to be provided is as follows (please include detail on amount requested from NER300, any EEPR funding and any other sources of public funding). This breakdown should also evidence how this amount reconciles to the relevant costs, minus any contribution from the operator:

**Breakdown of total request for public funding**

Public funding source 1: [*EUR*]

Public funding source 2: [*EUR*]

Public funding source X: [*EUR*]

EEPR: *EUR*]

Amount requested from NER 300: [*EUR*]

*equals*

**Total request for public funding : [*EUR*]**

c. Where this differs from the response provided by the Project Sponsor, the Member State is required to provide an explanation below:

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2. [*The Member State*] confirms that the operator contribution for [*project name*] is [*operator contribution, EUR*].

3. [*The Member State*] confirms that the contribution to the request for public funding to be provided by [*The Member State*] is [*EUR*] and guarantees the availability of these funds for the above named Project to enable a start date of 30 June 2018 on the basis of the adoption of the respective award decision by 30 June 2014.

4. [*The Member State*] confirms agreement with the Project Sponsor’s response to B.3-2 of Application Form C (whether or not the Project has been granted EEPR funding in the past – if it has, please confirm the details of the funding approval, terms and whether or not funds have been received).

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5. The following matters concerning the financing are drawn to the attention of the Commission.

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

Signed …………………………………….

Name………………………………………

Department………………………………..on behalf of

Member State………………………………

Date …………………………………….