

## Specifications for Legally Binding Instrument

The Legally Binding Instruments referred to in Article 11(1) of the Decision should contain the following provisions:

### 1. Basis for funding, Project and awarded funding

Based on Decision [*insert reference to Award Decision*], the “Award Decision”, [*insert details of the Project*], the Project which is the subject of the Award Decision, the “Project”, shall receive funding in the amount of [*insert maximum funding amount*], the “**Maximum Funding Amount**” pursuant to the specifications laid out in the Award Decision and in this [*insert title of and parties to, or subject and object of, the Legally Binding Instrument, i.e., the Project Sponsor on the one hand and the competent authority of the Member State on the other hand*].

### 2. Date of entry into operation

The date of entry into operation of the Project shall be [*insert date as specified in the Award Decision - either (a) 31 December 2015, at the latest, or (b) where the respective Award Decision is adopted after 31 December 2011, a date no later than four years from the date of the Award Decision*].

### 3. Funding disbursement

A. If the Award Decision foresees annual disbursement, the following should be inserted in the Legally Binding Instrument:

- a) The funding shall be paid by [*insert details of competent authority of the Member State*] to the Project Sponsor in annual instalments paid in EUR, the “**Annual Funding Disbursement**”.
- b) The amount of the Annual Funding Disbursement shall be calculated in accordance with Annex I.1.
- c) The Annual Funding Disbursement shall only be paid if the knowledge sharing requirements specified in 8.a) to g), 9. and Annex II are met in the relevant year.
- d) Payments of the Annual Funding Disbursement shall be made to the Project Sponsor within five months of the later of the following events:
  - (1) submission of the report pursuant to 10. by the Project Sponsor to [*insert details of competent authority of the Member State*];
  - (2) confirmation by the Body to [*insert details of competent authority of the Member State*] pursuant to 8. g).
- e) Payments of the Annual Funding Disbursement shall end at the latest on [*insert date ten years from the date specified in 2. in the case of CCS projects, and five years from that date in the case of RES projects*], the “**Long-Stop Date**”.

B. If the Award Decision foresees full upfront funding disbursement, the following should be inserted in the Legally Binding Instrument:

Pursuant to the Award Decision, EUR [insert amount or amounts of upfront funding specified in the Award Decision] shall be paid by [insert details of competent authority of the Member State] to the Project Sponsor by [insert date or dates as specified in the Award Decision], the “**Up-Front Funding Disbursement**”. For the purposes of 4., the date [insert date ten years from the date specified in 2. in the case of CCS Projects, and five years from that date in the case of RES Projects] shall be the “**Long-Stop Date**”.

C. If the Award Decision foresees partial upfront disbursement, the following should be inserted in the Legally Binding Instrument:

- a) Pursuant to the Award Decision, EUR [insert amount or amounts of upfront funding specified in the Award Decision] shall be paid by [insert details of competent authority of the Member State] to the Project Sponsor by [insert date or dates as specified in the Award Decision].
- b) The remaining EUR [insert remaining amount as specified in the Award Decision] shall be paid by [insert details of competent authority of the Member State] to the Project Sponsor in annual instalments paid in EUR, the “**Adjusted Annual Funding Disbursement**”.
- c) The amount of the Adjusted Annual Funding Disbursement shall be calculated in accordance with Annex I.2.
- d) The Adjusted Annual Funding Disbursement shall only be paid if the knowledge sharing requirements specified in 8.a) to g), 9. and Annex II are met in the relevant year.
- e) Payments of the Annual Funding Disbursement shall be made to the Project Sponsor within five months of the later of the following dates:
  - (1) submission of the report referred to in 10. by the Project Sponsor to [insert details of competent authority of the Member State];
  - (2) confirmation by the Body to [insert details of competent authority of the Member State] pursuant to 8. g).
- f) Payments of the Adjusted Annual Funding Disbursement shall end at the latest on [insert date ten years from the date specified in 2. in the case of CCS Projects, and five years from that date in the case of RES Projects], the “**Long-Stop Date**”.

4. Maximum Funding Amount and recovery of Excess Funding

- a) The total funds disbursed by [insert details of competent authority of the Member State] to the Project pursuant to this [insert title of Legally Binding Instrument] shall not exceed the Maximum Funding Amount specified under 1.

- b) [insert details of competent authority of the Member State] shall calculate any Excess Funding as defined in Annex I in accordance with Annex I.3 and shall notify the Project Sponsor of any Excess Funding by [insert date one month after the Long-Stop Date].
- c) Any Excess Funding notified to the Project Sponsor in accordance with paragraph b) above shall be returned to [insert details of competent authority of the Member State] within three months of the notification.

#### 5. End of effect of Award Decision

- a) If and when the Award Decision ceases to have legal effect pursuant to Article 9 of the NER 300 Decision (and as specified in the Award Decision), *i.e.*, if by [insert date - within 24 months of adoption of the Award Decision, or in case of CCS Projects with saline aquifer storage within 36 months of adoption of the Award Decision]:
  - (1) not all relevant permits in accordance with relevant requirements under European Union law have been issued,
  - (2) approval by the Commission of any State Aid in respect of the Project has not been granted, or
  - (3) final investment decision has not been reached,

the Project *ex tunc* loses its entitlement to receive funding under this [insert title of Legally Binding Instrument].

- b) [insert details of competent authority of the Member State] shall establish whether any of the conditions referred to under paragraph a) (1) to (3) are met, and shall notify the Project Sponsor thereof, by [insert date - one month after the date inserted under 5.a)].
- c) Any funding paid under the [insert title of Legally Binding Instrument] shall be returned to [insert details of competent authority of the Member State] by the Project Sponsor within three months of the notification referred to under paragraph b).

#### 6. Adjustment of Award Decision

- a) If and when the Award Decision is adjusted by the European Commission (“**Commission**”) in either of the following cases:
  - (1) where the relevant costs based on the estimates on which Final Investment Decision is taken are lower than the estimated relevant costs on the basis of which the Award Decision was determined; or
  - (2) in the event referred to in Article 3(4), 3<sup>rd</sup> sub-paragraph of the NER 300 Decision, that is that an intangible asset is sold before it has remained five years in the establishment of the recipient,

the Project Sponsor shall be entitled only to the maximum amount of funding specified in the Adjusted Award Decision.

- b) The Project Sponsor shall notify [insert details of competent authority of the Member State] of any event referred to in paragraph a) within one week of its occurrence, and [insert details of competent authority of the Member State] will notify the Commission of any such event as specified in the Award Decision.

- c) [insert details of competent authority of the Member State] shall adjust the [insert title of Legally Binding Instrument] in accordance with the Adjusted Award Decision. [insert details of competent authority of the Member State] and shall establish any funding paid to the Project exceeding the maximum amount of funding specified in the Adjusted Award Decision, and notify the Project Sponsor thereof, within one month of notification by the Commission of the Adjusted Award Decision.
- d) Any funding paid to the Project Sponsor exceeding the maximum amount of funding specified in the Adjusted Award Decision shall be returned to [insert details of competent authority of the Member State] within three months of the notification pursuant to paragraph c).

#### 7. Project failure

- a) Where the Project, for other reasons than those set out in 5. definitively fails to enter into operation, or definitively ceases operation, the Project *ex nunc* loses its entitlement to receive funding under [insert title of Legally Binding Instrument].
- b) The Project Sponsor shall notify [insert details of competent authority of the Member State] of any event that may lead to a situation referred to in paragraph a) within one week of its occurrence. [insert details of competent authority of the Member State] will determine whether or not the conditions referred to in paragraph a) are met and notify the Commission accordingly as specified in the Award Decision.
- c) Based on the determination referred to in paragraph b), [insert details of competent authority of the Member State] shall calculate any Excess Funding as defined in Annex I in accordance with Annex I.3 and shall notify the Project Sponsor of any Excess Funding within one month of the notification referred to in paragraph b).
- d) Any Excess Funding notified to the Project Sponsor in accordance with paragraph c) shall be returned to [insert details of competent authority of the Member State] within three months of the notification referred to under paragraph c).

#### 8. Knowledge sharing I - General obligations

- a) The Project Sponsor shall submit knowledge relating to the Project to the Knowledge-Sharing Body determined pursuant to the [Award Decision], the “**Body**” in accordance with the specifications in paragraphs b) to g).
- b) References to knowledge shall include the knowledge of the Project Sponsor and the knowledge of all project operators, consortium members, suppliers and subcontractors under the Project, and the Project Sponsor shall procure that all relevant agreements with any such party shall include an obligation on such party to provide such information to the Project Sponsor for the purpose of these knowledge sharing requirements.
- c) The goals of knowledge sharing shall be:
  - (1) de-risking of CCS and/or RES with regard to scaling up to commercial size;
  - (2) acceleration of the deployment of CCS and/or innovative RES;

- (3) increasing the undertaking of, and confidence in, CCS and/or RES by the wider public; and
  - (4) maintenance of a competitive market for the post-demonstration deployment of CCS and/or RES technologies.
- d) Subject to paragraph e), the following rules shall apply:
- (1) The Project Sponsor shall provide all relevant information described in the relevant table of Annex II to the Body using a standard form knowledge reporting template to be designated and provided for such purpose by the Commission, together with any further information specified in such reporting template (the “**Relevant Knowledge**”);
  - (2) The Relevant Knowledge shall be provided to the Body with such frequency as the Body shall specify, which shall be not less than annually; all Relevant Knowledge in respect of a given year shall be provided to the Body by 15 February of the following year;
  - (3) The Body shall be entitled to share the Relevant Knowledge as follows:
    - i. Level 1 - shared with all NER300 projects of the same category and with any other project which has agreed to share information with the Body on terms equivalent to the terms of this Annex II (“**Level 1 Recipients**”);
    - ii. Level 2 - shared with the wider CCS and RES community (Commission, Member States, researchers, NGOs, international organisations and other projects) and, where appropriate, the public; and
    - iii. where it is necessary to achieve the goals referred to in paragraph c) above, Level 1 Relevant Knowledge may be aggregated by the Body to be shared at Level 2, with the objective that the result can not be ascribed to individual projects, organisations or persons without their prior consent.
- e) The Project Sponsor shall not be obliged to disclose information to the Body to the extent that (and only for so long as) the disclosure of such information to or by the Body would:
- (1) enable the reverse-engineering of the Project Sponsor’s Background technology; or
  - (2) prejudice the Project Sponsor’s ability to obtain patent or other registered intellectual property right protection (provided that the Project Sponsor wishes to obtain such protection and, if so, it shall not unreasonably delay seeking such protection).
- f) The Project Sponsor shall provide details of any patents covering products or processes used in, or developed as a result of, the Project to such body as the Commission may designate for the purposes of establishing a library of patents relevant to CCS and RES projects, together with the terms (if any) on which the Project Sponsor is prepared to license such patents, provided that subject to 9., nothing in this [*insert title of Legally Binding Instrument*] shall oblige the Project Sponsor to license such patents.

- g) The Body will confirm to [*insert details of competent authority of the Member State*] by 31 March each year whether the Project Sponsor has met his obligations under 8.
- h) In addition to the requirements set out in paragraphs a) to g), if the Project is a CCS Project, the Project Sponsor is encouraged to join and maintain its membership of, the European CCS Demonstration Project Network for as long as the European CCS Demonstration Project Network is in existence.

9. Knowledge-sharing II - Intellectual Property Ownership and Licensing

- a) For the purposes of this provision:
  - (1) “**Foreground**” means the results, including information, whether or not they can be protected, which are generated under the Project. Such results include rights related to copyright; design rights; patent rights; plant variety rights; or similar forms of protection; and
  - (2) “**Background**” means information which is held by the Project Sponsor prior to their accession to this agreement, as well as copyrights or other intellectual property rights pertaining to such information, the application for which has been filed before their accession to this agreement, and which is needed for carrying out the Project or for using foreground.
- b) Foreground shall be the property of the Project Sponsor or the relevant consortium member, supplier or sub-contractor who developed it (each a “**Foreground Owner**”).
- c) The Relevant Knowledge as defined in 8. may be copied and used for the purpose of the knowledge sharing described in 8. The Project Sponsor shall grant or procure the grant on request to any person entitled to receive Relevant Knowledge a royalty-free, non-exclusive, perpetual, irrevocable, worldwide licence for such purpose.
- d) The Project Sponsor shall grant, and procure, through appropriate contractual arrangements, that any relevant Foreground Owner or assignee of the Foreground shall grant, where required by [*insert details of competent authority of the Member State*] pursuant to e) and without prejudice to f), a non-exclusive licence on terms that are commercially reasonable and compliant with all relevant regulatory obligations to use the Foreground arising from the Project for the purposes of implementing a project similar to the Project anywhere in the world provided that such licence is necessary for the implementation of such project.
- e) [*insert details of competent authority of the Member State*] may require grant of a licence under paragraph d) where and to the extent that this is necessary to fulfil the requirements set out in Article 10a (8) of Directive 2003/87/EC, in Article 12 of the NER 300 Decision and in the Award Decision. Paragraph d) shall not imply any obligation on the Project Sponsor to grant or procure the grant of a licence of, or to disclose any Background used in the Project.
- f) The Project Sponsor shall not be required to grant the licence required by paragraph d) to the extent that (and for so long as):
  - (1) the grant of such licence or the exercise of the licensee’s rights under the licence would prejudice the Project Sponsor’s or any Foreground Owner’s ability to obtain patent or other registered intellectual property right protection (provided

that the Project Sponsor or relevant Foreground Owner wishes to obtain such protection and, if so, it shall not unreasonably delay seeking such protection); and

- (2) in respect of licensing into a third country outside the European Union, the intellectual property laws and enforcement regime in such country do not provide equivalent protection to the intellectual property laws within European Union and the Project Sponsor has legitimate grounds for concern that it would not adequately be able to enforce its rights in respect of misuse of foreground if the licence were to be granted; this is without prejudice to any licensing requirements established at national level with regard to a Project which receives national funding in addition to NER 300 funding

10. Monitoring, verification and reporting

- a) The Project Sponsor shall be responsible for monitoring, ensuring verification, and reporting of CO<sub>2</sub> stored in respect of CCS projects and of renewable energy produced in respect of RES projects in accordance with the provisions set out in Annex III.
- b) In the reports referred to in Annex III 1.d), 2.c) and 3.f), the Project Sponsor shall also demonstrate compliance with the requirements under 9.

## Annex I

### Financial Information

#### 1. Annual Funding Disbursement

The Annual Funding Disbursement to be paid by [*insert details of competent authority of the Member State*] to the Project for any given year shall be calculated by the [*insert details of competent authority of the Member State*] as follows:

##### A. CCS projects:

Annual Funding Disbursement is equal to the amount of CO<sub>2</sub> stored in the relevant year multiplied by the Funding Rate.

For the purposes of this Annex, the amount of CO<sub>2</sub> stored means tonnes of CO<sub>2</sub> stored by the Project in a relevant year as monitored, reported and verified pursuant to the requirements of Annex III of this [*insert title of Legally Binding Instrument*].

The Funding Rate in respect of the Project is [EUR [ ]/[tonne of CO<sub>2</sub> stored] *Funding Rate as specified in Award Decision*]

##### B. RES projects:

Annual Funding Disbursement is equal to the amount of renewable energy produced in the relevant year multiplied by the Funding Rate.

For the purposes of this Annex, the amount of renewable energy produced means the amount of renewable energy produced by the Project in a relevant year as monitored, reported and verified to the satisfaction of the [*insert details of competent authority of the Member State*] pursuant to the requirements of Annex III of this [*insert title of Legally Binding Instrument*].

The Funding Rate in respect of the Project is [EUR [ ]/[unit of renewable energy produced] *Funding Rate as specified in Award Decision*]

#### 2. Adjusted Annual Funding Disbursement

In the case of upfront funding, any Adjusted Annual Funding Disbursement to be paid by the [*insert details of competent authority of the Member State*] to the Project for any given year shall be calculated by the [*insert details of competent authority of the Member State*] in the same manner as the Annual Funding Disbursement, provided that the reference to “Funding Rate” shall be deemed to be a reference to the “Adjusted Funding Rate.”

The Adjusted Funding Rate in respect of the Project is [EUR [ ]/[tonne of CO<sub>2</sub> stored] [unit of renewable energy produced] *Adjusted Funding Rate as specified in Adjusted Award Decision*]

#### 3. Excess Funding

a) If the aggregate of any and all:

- (1) Annual Funding Disbursements;



(2) Adjusted Annual Funding Disbursements; and

(3) Up-Front Funding Disbursement,

exceeds the lesser of:

(1) the Maximum Funding Amount; or

(2) the product of the Funding Rate (and not, for the avoidance of doubt, the Adjusted Funding Rate) and the amount of all *[renewable energy produced/tonnes of CO<sub>2</sub> stored]* by the Project in those years for which the requirements of 8. a) to g), 9. and Annex II were met by the Project,

the amount of such excess represents an “**Excess Funding**”.

## Annex II

### Knowledge-Sharing Requirements

Categories and detail of information to be provided to the Body pursuant to 8.:

*(A) in respect of CCS Projects:*

Knowledge Category	Further detail of information to be shared
Technical Set-up and Performance	<p>Shared with any Level 1 Recipient (Level 1):</p> <ul style="list-style-type: none"> <li>- To support further validation of CCS, sharing in Technical Set-up and Performance category is expected to be at the level of the various component processes and technologies deployed in the CCS value chain. It is anticipated that deployment of CCS technologies will be best advanced by the facilitation of exchange of information between demonstration plant developers/operators on experiences with, for example, individual air separation units, pipelines or CO<sub>2</sub> well design. The default position is that members agree to share as much information as possible on topics proposed by the Body, unless there is a serious, legitimate and substantiated commercial concern.</li> </ul>
	<p>Shared beyond the Level 1 Recipients (Level 2):</p> <ul style="list-style-type: none"> <li>- Average monthly performance of capture plus impacts of any changes to operating conditions (e.g. part load, start-up and shut-down) (MWh/tCO<sub>2</sub> captured, % capture rate)</li> <li>- Full load capture rate (%)</li> <li>- Average monthly performance of compressor over time plus impacts of any changes to operating conditions (MWh/tCO<sub>2</sub> compressed)</li> <li>- Average and maximum monthly flow rates for transport and storage (litres per second, or kg per second)</li> <li>- Average monthly availability (%) and hours operated of each step in value chain (i.e. capture, transport and storage)</li> <li>- Transient performance of overall system (start-up and shut-down time and losses)</li> <li>- Process efficiency (% , Lower Heating Value)</li> <li>- Electricity produced (MWh)</li> <li>- Electricity demand per MWh</li> <li>- Heat demand per MWh</li> </ul>

Knowledge Category	Further detail of information to be shared
	<ul style="list-style-type: none"> <li>- Cooling demand per MWh</li> <li>- % increase in fuel demand</li> <li>- CO<sub>2</sub> captured annually (tCO<sub>2</sub>)</li> <li>- Composition of the CO<sub>2</sub> stream and impacts of any changes to operating conditions (mainly CO<sub>2</sub>, H<sub>2</sub>S, H<sub>2</sub>O, O<sub>2</sub>, H<sub>2</sub>, NO<sub>x</sub>, SO<sub>x</sub>, in ppm)</li> <li>- Impact of key impurities on transport performance</li> <li>- Design overview of the CCS chain including key input and output streams to/from the chain</li> <li>- Questions for further research</li> </ul>
Cost Levels <sup>1</sup>	<p>Shared with any Level 1 Recipient (Level 1) and beyond the Level 1 Recipients (Level 2):</p> <ul style="list-style-type: none"> <li>- Additional investment costs due to application of CCS per step in the CCS value chain (i.e. capture, transport and storage) (€)</li> <li>- Additional operating costs (fixed and variable, excluding fuel) due to application of CCS per step in the CCS value chain (€)</li> <li>- Incremental costs per unit of performance (€ per tCO<sub>2</sub> stored, € per MWh<sup>2</sup>, or € per unit of industrial output )</li> <li>- Level of additional costs due to demo project requirements</li> </ul>
Project Management	<p>Shared with any Level 1 Recipient (Level 1):</p> <ul style="list-style-type: none"> <li>- Lessons learned and experiences in obtaining permits and negotiating legislative considerations (steps, roles, time-frame)</li> <li>- Stakeholder engagement, including public communication strategies</li> <li>- Project planning issues, including progress against key milestones and their interdependencies</li> <li>- Risk management and allocation strategies (risk ranking, and statistical inputs)</li> <li>- Lessons learned and experiences from storage site identification, assessment, exploration and monitoring</li> <li>- Lessons learned and experiences in consortium management (roles and</li> </ul>

<sup>1</sup> It is important to stress that no price, cost or technical data shall be shared between or by Level 1 Recipients that could impair the markets in which Level 1 Recipients participate in accordance with Article 101 of the Treaty on the Functioning of the European Union.

<sup>2</sup> Limitation: To be provided to the EC for analysis only. Individual electricity production costs exempted from sharing with other members.

Knowledge Category	Further detail of information to be shared
	<p>governance model)</p> <ul style="list-style-type: none"> <li>- Lessons learned and experiences in integration of and interfaces between capture, transport and storage</li> <li>- Lessons learned and experiences in how to finance, insure and minimise risk for a full CCS project</li> </ul> <p>Shared beyond the Level 1 Recipients (Level 2):</p> <ul style="list-style-type: none"> <li>- aggregated information on good practices in the above areas</li> </ul>
Environmental Impact	<p>Shared with any Level 1 Recipient (Level 1) and beyond the Level 1 Recipients (Level 2):</p> <ul style="list-style-type: none"> <li>- electricity production and auto consumption with and without CCS (MWh)</li> <li>- Utilisation of plant with and without CCS (hours)</li> <li>- Fuel type used and CO<sub>2</sub> equivalent content</li> <li>- Plot sizes required per step in the CCS value chain (m<sup>3</sup>)</li> <li>- Types of solvents and chemicals used and their environmental characteristics</li> <li>- Gaseous emissions (other than CO<sub>2</sub>) (kg per MWh)</li> <li>- Increase in consumption of water, solvents and chemicals due to CCS (kg per MWh)</li> <li>- Losses and leakage from CO<sub>2</sub> transport (% CO<sub>2</sub>, or kg per MWh)</li> <li>- Impact on geology (e.g. reaction with rock and cap rock integrity due to pressure levels). Evolution in soil gas measurement and atmospheric concentrations at multiple locations</li> <li>- Reduction of CO<sub>2</sub> emissions (tCO<sub>2</sub> per MWh, or tCO<sub>2</sub> per unit output)</li> <li>- CO<sub>2</sub> migration (freshwater contamination or soil acidity)</li> <li>- Behaviour of displaced brine through CO<sub>2</sub> injection and behaviour of the CO<sub>2</sub> plume and pressure front in comparison to simulations</li> <li>- Other key environmental impacts</li> <li>- Questions for further research</li> </ul>
Health and Safety	Shared with any Level 1 Recipient (Level 1) and beyond the Level 1

<b>Knowledge Category</b>	<b>Further detail of information to be shared</b>
	<p>Recipients (Level 2):</p> <ul style="list-style-type: none"> <li>- Safety incidents in disturbed operation (location, output, impact, environmental emissions, cause of incident, resolution measures taken, key lessons learned)</li> <li>- Health issues in regular/undisturbed operation (e.g. hazardous substances or situations and their potential impacts)</li> <li>- Near misses (location, output, cause, measures taken, key lessons learned)</li> <li>- Description of monitoring and resolution systems to track safety</li> <li>- Number of incidents per hour operated, per step in the CCS value chain</li> </ul>
CCS Storage site performance	<p>Shared with any Level 1 Recipient (Level 1)</p> <ul style="list-style-type: none"> <li>- models and simulations (development CO<sub>2</sub> plume - pressure front)</li> <li>- history match results and adjustments (decision: normal within a deviation range or significant irregularity that needs action)</li> <li>- behaviour of displaced brine through CO<sub>2</sub> injection</li> </ul>

*(B) in respect of RES Projects:*

<b>Knowledge Category</b>	<b>Further detail of information to be shared</b>
Technical Set-up and Performance	<p>Shared with any Level 1 Recipient (Level 1):</p> <ul style="list-style-type: none"> <li>- To support further validation of renewables, sharing in Technical Set-up and Performance category is expected to be at the level of the various component processes and technologies deployed. It is anticipated that deployment of renewable technologies will be best advanced by the facilitation of exchange of information between developers/operators . The default position is that members agree to share as much information as possible on topics proposed by the Body, unless there is a serious, legitimate and substantiated commercial concern.</li> </ul> <hr/> <p>Shared beyond the Level 1 Recipients (Level 2):</p> <ul style="list-style-type: none"> <li>- Outline plant design and operating approach</li> <li>- Average monthly performance compared to target, including reliability and causes of downtime plus impacts of any changes to operating conditions (e.g. part load, start-up and shut-down)</li> <li>- Data acquisition methods</li> <li>- Electricity produced (MWh) and/or product(s) made (litres, tonnes or cubic metres)</li> <li>- Energy used, produced and exported</li> <li>- If applicable, mass balance showing key inputs and outputs</li> <li>- If applicable, quality of product(s) compared to specification, including reasons for any non-compliance</li> <li>- Questions for further research</li> </ul>
Cost Levels <sup>3</sup>	<p>Shared with any Level 1 Recipient (Level 1) and beyond the Level 1 Recipients (Level 2):</p> <ul style="list-style-type: none"> <li>- Investment costs (€)</li> <li>- Operating costs (€, fixed and variable)</li> <li>- Cost per unit of output (€ per unit)</li> </ul>
Project Management	<p>Shared with any Level 1 Recipient (Level 1):</p> <ul style="list-style-type: none"> <li>- Lessons learned and experiences in obtaining planning permission and</li> </ul>

<sup>3</sup> It is important to stress that no price, cost or technical data shall be shared between or by Level 1 Recipients that could impair the markets in which Level 1 Recipients participate in accordance with Article 101 of the Treaty on the Functioning of the European Union.

Knowledge Category	Further detail of information to be shared
	<p>negotiating legislative considerations (steps, roles, time-frame)</p> <ul style="list-style-type: none"> <li>- Stakeholder engagement, including public communication strategies</li> <li>- Project planning issues, including progress against key milestones and their interdependencies</li> <li>- Risk management and allocation strategies (risk ranking, and statistical inputs)</li> <li>- Lessons learned and experiences in consortium management (roles and governance model)</li> <li>- Lessons learned and experiences in how to finance, insure and minimise risk for a full project</li> </ul> <hr/> <p>Shared beyond the Level 1 Recipients (Level 2):</p> <ul style="list-style-type: none"> <li>- aggregated information on good practices in the above areas</li> </ul>
Environmental Impact	<p>Shared with any Level 1 Recipient (Level 1) and beyond the Level 1 Recipients (Level 2):</p> <ul style="list-style-type: none"> <li>- Methods of transport and the associated environmental impact</li> <li>- Visual impact on the landscape and associated issues (where applicable)</li> <li>- Impact on cultural heritage (where applicable)</li> <li>- Impact on communication networks (where applicable)</li> <li>- Impact on designated ecological and environmental receptors</li> <li>- Impact on connecting to the national grid using under/over ground cables</li> <li>- Impact on geology, aquifers and water sources</li> <li>- Emissions to the environment (gaseous, liquid, solid) in both undisturbed and disturbed operation</li> <li>- Other significant environmental impacts</li> <li>- Reduction of CO<sub>2</sub> emissions (total, and per unit of output) by comparison with reference plant or product</li> <li>- Questions for further research</li> </ul>
Health and Safety	Shared with any Level 1 Recipient (Level 1) and beyond the Level 1

<b>Knowledge Category</b>	<b>Further detail of information to be shared</b>
	<p>Recipients (Level 2):</p> <ul style="list-style-type: none"><li>- Safety incidents in disturbed operation (location, output, impact, environmental emissions, cause of incident, resolution measures taken, key lessons learned)</li><li>- Health issues in regular/undisturbed operation (e.g. hazardous substances or situations and their potential impacts)</li><li>- Near misses (location, output, cause, measures taken, key lessons learned)</li><li>- Description of monitoring and resolution systems to track safety</li><li>- Number of incidents per hour operated, per step in the value chain</li></ul>



### ANNEX III

## **Monitoring, Verification and Reporting of CO<sub>2</sub> Stored in respect of CCS Projects and Renewable Energy Produced in respect of RES Projects**

#### 1. CO<sub>2</sub> stored in respect of CCS Projects

- a) The annual amount of tonnes of CO<sub>2</sub> stored in respect of the Project for the relevant year is the amount of CO<sub>2</sub> injected for the purpose of storage in accordance with the requirements set out in Directive 2009/31/EC on the geological storage of CO<sub>2</sub>. This shall be determined by subtracting from the amount of tonnes of CO<sub>2</sub> received by the installation permitted to store CO<sub>2</sub> pursuant to *[national law implementing Directive 2009/31/ EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide]*:

- (1) fugitive emissions;
- (2) venting emissions pre-injection and from Enhanced Hydrocarbon Recovery;
- (3) any amount of CO<sub>2</sub> transferred to another installation pre-injection,

all as monitored according to Article 14(1) of 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, the “**EU ETS Directive**” and submitted in the verified emission report pursuant to Articles 14(3) and 15 of the EU ETS Directive.

- b) The information referred to in paragraph a) shall be verified by an accredited verifier pursuant to Article 15(1) of the EU ETS Directive.
- c) The Member State shall ensure that the verifier as referred to in paragraph b) carries out cross checks between the information as referred to in paragraph a) and the documentation of the amount of CO<sub>2</sub> stored as retained by the operator of the storage facility according to the monitoring and reporting regulation.
- d) The Project Sponsor shall submit by 31<sup>st</sup> March each year to *[insert details of competent authority of the Member State]*:
- (1) a report which sets out the amount of tonnes of CO<sub>2</sub> stored in respect of the CCS Project and the method used by the Project Sponsor to determine the amount of tonnes of CO<sub>2</sub> stored as referred to in paragraphs a) and b);
  - (2) the annual emission report verified according to Article 15 of the EU ETS Directive that was used to determine the amount of tonnes of CO<sub>2</sub> stored;
  - (3) a report on any discrepancies found in the cross check as referred to in paragraph c); and
  - (4) a report on the overall implementation of the Project including on any significant problems that have arisen and on whether the Project has been carried out according to the technical specifications and project boundaries set out in this *[insert title of Legally Binding Instrument]* and the Application

Forms completed by the Project Sponsor in respect of the Award “**NER300 Application Forms**”.

- e) The Project Sponsor shall provide to [*insert details of competent authority of the Member State*] any and all additional information required by [*insert details of the competent authority of the Member State*] to:
- (1) review the reports referred to in paragraph d); and
  - (2) assess whether the data in the two reports referred to in paragraph d)(1) and (2) correspond.

- f) In case of discrepancies found in the assessment of the data by [*insert details of the competent authority of the Member State*] as referred to in paragraph d) the definitive amount of tonnes of CO<sub>2</sub> stored by the Project for the purposes of the NER 300 Decision shall be notified by the Member State to the Project Sponsor within two months of receipt of the verified report referred to at paragraph d)(2).

2. Renewable energy produced by RES Projects excluding the subcategories of bioenergy project as referred to in paragraph 3

[*The provisions of this paragraph apply to all RES Projects with the exception of those that fall within the provisions of paragraph (3) of this Annex III.*]

- a) The Project Sponsor shall ensure the Project installation is an installation producing renewable energy in accordance with the requirements of Directive 2009/28/EC on the promotion of the use of energy from renewable sources (the “**Renewable Energy Directive**”).
- b) The amount of renewable energy produced by the Project for the relevant year shall be determined in accordance with the regime established pursuant to the Renewable Energy Directive in order to measure the production of all renewable energy eligible to count towards the national targets set out in the Renewable Energy Directive.
- c) The Project Sponsor shall submit by 31<sup>st</sup> March each year to [*insert details of competent authority of the Member State*] a report which includes:
- (1) the amount of renewable energy produced in respect of the relevant year by [*insert relevant date*];
  - (2) confirmation that the renewable energy was produced from the renewable energy source within the project boundaries and technical scope as described in the Application Forms completed by the Project Sponsor in respect of the Award “**NER300 Application Forms**”; and
  - (3) information on the overall implementation of the Project including on any significant problems that have arisen and on whether the Project has been carried out according to the technical specifications set out in [*insert title of Legally Binding Instrument*] and the NER300 Application Forms,

in respect of the Project.

- d) Where biofuels and bioliquids, defined in accordance with the provisions of the Renewable Energy Directive, are used to produce renewable energy in respect of the

Project, the Project Sponsor shall include in the report referred to in sub-paragraph 2.c), proof that the sustainability criteria imposed by *[insert details of national law implementing Articles 17 and 18 the Renewable Energy Directive]* have been fulfilled and that the relevant information has been audited according to *[insert details of national law implementing Article 18 (3) of the Renewable Energy Directive]*, including the statement of the auditor.

- f) The Project Sponsor shall provide to *[insert details of the competent authority of the Member State]* any and all additional information required by *[insert details of the competent authority of the Member State]* to:
- (1) review the report referred to in paragraph c); and
  - (2) assesses whether the amount of renewable energy produced by the Project stated in the report corresponds with the quantities as measured by *[insert details of the competent authority of the Member State]* in respect of the regime applied for determining compliance with the Renewable Energy Directive.
- g) In case of discrepancies found in the assessment of the data by *[insert details of the competent authority of the Member State]*, the definitive amount of renewable energy produced by the Project for the purposes of the NER 300 Decision shall be notified by the Member State to the Project Sponsor within two months of receipt of the verified report referred to at paragraph c).

### 3. Renewable energy produced by certain bioenergy Projects

*[The provisions under 3. apply to the following sub-categories of bioenergy RES Projects set out in Annex I of the NER300 Decision.]*

- (1) *Lignocellulose to intermediate solid, liquid or slurry bioenergy carriers via pyrolysis with capacity 40 kt/y (kilo tonnes per year) of the final product; and*
  - (2) *Lignocellulose to intermediate solid, liquid or slurry bioenergy carriers via torrefaction with capacity 40 kt/y (kilo tonnes per year) of the final product.]*
- a) The Project Sponsor shall comply with methodology described in the Application Forms completed by the Project Sponsor in respect of the Award “**NER300 Application Forms**” in order to determine the amount of renewable energy produced by the Project for the relevant year, which shall be approved by *[insert details of the competent authority of the Member State]*.
- b) The amount of renewable energy produced shall be expressed in MWh. The output is expressed in Kg in respect of solids, litres in respect of liquids and Nm<sub>3</sub> in respect of gases.
- c) The amount of renewable energy produced shall be verified by an external party approved by *[insert details of the competent authority of the Member State]* to ensure that the data is accurate and reliable.
- d) The verifier referred to in paragraph c) shall verify that the amount of renewable energy reported is accurate and in line with the monitoring methodology as approved by *[insert details of the competent authority of the Member State]*. The verifier shall verify whether the renewable energy was produced from the renewable energy source

within the project boundaries as described in the NER300 Application Forms and approved by [*insert details of the competent authority of the Member State*].

- e) The verifier referred to in paragraph c) shall have the necessary competence and technical ability to perform the verification of the amount of renewable energy produced.
- f) The Project Sponsor shall submit by 31 March of each year to [*insert details of the competent authority of the Member State*] a report which includes the following information in respect of the Project:
  - (1) the verified amount of renewable energy produced;
  - (2) the method used to determine the amount of renewable energy produced;
  - (3) the energy source from which the renewable energy was produced and the start and end dates of the production of the renewable energy;
  - (4) the identity of, location, type and capacity of the installation where the renewable energy was produced;
  - (5) proof that the sustainability criteria have been met according to [*insert details of national law implementing Articles 17 and 18 of the Renewable Energy Directive*] and that the relevant information has been audited according to [*insert details of national law implementing Article 18 (3) of the Renewable Energy Directive*], including the statement of the auditor;
  - (6) statement of the verifier as referred to in paragraph c); and
  - (7) information on the overall implementation of the Project including on any significant problems that have arisen and on whether the Project has been carried out according to the technical specifications set out in this [*insert title of Legally Binding Instrument*] and the NER300 Application Forms.
- g) The Project Sponsor shall provide to [*insert details of the competent authority of the Member State*] any and all additional information required by [*insert details of the competent authority of the Member State*] to review the report referred to in paragraph f).
- h) In case of discrepancies found in the assessment of the data by [*insert details of the competent authority of the Member State*] the definitive amount of renewable energy produced by the Project for the purposes of the NER300 Decision shall be notified by the Member State to the Project Sponsor within two months of receipt of the verified report referred to at paragraph f).