

Aid to hydrogen production for maritime transport 2027 (Hydrogenproduksjon til maritim transport 2027)

State aid Reference no.: GBER 42/2024/ENV

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i. Description of the aid measure

1. State

Norway

2. Aid granting Authority

Enova SF¹ is the authorized body to implement the Scheme.

¹ <https://www.enova.no/about-enova/>

The following programme provides the legal cover for award of support in line with the General Block Exemption Regulation. The programme does not provide any additional funding or budget.

3. Objective of the aid scheme and eligible activities

The objective of the scheme is to incentivise the use of renewable hydrogen and to develop the value chains for hydrogen as a fuel in the maritime sector. To succeed in this, it is necessary for hydrogen as a fuel to be available at a competitive price compared to fossil alternatives, while ensuring profitable projects for the stakeholders in the value chain. Additionally, hydrogen must be accessible at multiple geographically dispersed locations along the coast, allowing vessels to operate without emitting CO₂ in commercial operations in spot markets or fixed routes.

By supporting projects for hydrogen production, the program aims to contribute to the establishment of the necessary infrastructure to realize the value chains. This will demonstrate the required technologies, mature the supply chains, and create valuable experience with hydrogen as a fuel.

Eligible projects under the scheme are projects that produce RFNBO hydrogen from power and offer this as fuel for the maritime sector. The minimum capacity must be 10 MW installed electrolysis capacity. Infrastructure for fueling/bunkering must be part of the projects, and this infrastructure must be located in the proximity of the most maritime trafficked coastal areas in Norway.

Aid under the scheme is granted based on competitive bidding.

4. Scope of the scheme

The Scheme is open to large undertakings and SMEs that are registered in the Norwegian Register of Business Enterprises². The projects receiving aid under the Scheme must be realized in Norway or within the Norwegian economic zone.

5. Legal Basis

Aid granted under this Scheme will comply with Commission Regulation (EU) No 651/2014³, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation or GBER), and the following article(s): GBER article 41, 3 – production of renewable hydrogen.

The national legal basis for aid granted under this Scheme⁴ is the present document⁵ describing the Scheme's compliance under Commission Regulation (EU) No 651/2014 and the specific terms and conditions set by Enova.

² <https://www.brreg.no/en/>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0651-20230701>

⁴ As a rule, Enova's programmes are authorized by Enova's board, before being published on Enova's website.

⁵ <https://www.enova.no/om-enova/drift/rettslig-grunnlag-for-enovas-stotteordninger/>



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To ensure compliance with the Commission Regulation (EU) No 651/2014 (GBER), aid under the Scheme must fulfil the relevant requirements set in GBER in chapters I, II and III.

ii. Compliance with the general rules in GBER (art.1-12)

6. Aid Category and Definitions

Aid under the Scheme falls under the following categories of aid in line with article 1 of GBER:

- Aid for environmental protection (art. 1(c) GBER)

For the purpose of the Scheme the definitions laid down in Chapter 1 Article 2 of the General Block Exemption Regulation (GBER) are applied by Enova SF.

Aid under the Scheme will be compliant with the scope of application of the GBER as described in the paragraphs of article 1 GBER.

Aid will not be granted to undertakings that are in difficulty or subject to a pending recovery order in line with article 1 §4(a) - (c) and article 2 §18 of GBER.

7. Notification thresholds, duration of the Scheme and total budget for aid under the Scheme

In line with article 4 GBER, aid under the Scheme shall not exceed the following thresholds (also in cases when it is cumulated with other aid, ref. article 8 GBER):

In the case of investment aid for environmental protection, unless otherwise specified: EUR 30 million per undertaking per investment project;

The thresholds set out or referred to above shall not be circumvented by artificially splitting up the aid schemes or aid projects.

The Scheme will run from 29 April 2024 until 31 December 2025.

The annual budget for the Scheme is estimated to maximum 1500 MNOK.

8. Transparency of aid

All aid awarded under the Scheme will be transparent and in line with criteria set out in Article 5 of the GBER.

Aid under the Scheme may be awarded by way of grants.

9. Incentive effect of the aid

The Scheme concerns aid that has an incentive effect, in line with the criteria set out in article 6 of the GBER.

Aid recipients must demonstrate that the aid is required for projects to proceed by submitting a written application before work on the project or activity has started. The application will as a minimum contain the following information (Art 6 GBER):

- (a) Name and size of the undertaking receiving the aid;
- (b) Description of the project, including its start and end dates;
- (c) Location of the project;

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(d) List of project costs;

(e) Type of aid (for example grant) and amount of public funding needed for the project

10. Aid Intensity and eligible costs

In line with article 7 GBER, for the purposes of calculating aid intensity and eligible costs, all figures used shall be taken before any deduction of tax or other charge. Value added tax charged on eligible costs or expenses that is refundable under the applicable national tax law shall, however, not be taken into account for calculating aid intensity and eligible costs. The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary. Aid payable in the future, including aid payable in several instalments, shall be discounted to its value at the moment it is granted. The eligible costs shall be discounted to their value at the moment the aid is granted. The interest rate to be used for discounting purposes shall be the discount rate applicable at the moment the aid is granted.

11. Cumulation

According to article 8 of the GBER, in determining whether the notification thresholds and the maximum aid intensities are respected, the total amount of State aid for the activity or project shall be taken into account. The total amount of State aid may be comprised of local, regional, national or other funds managed and controlled by Norway as a contracting party to the EEA Agreement.

EU funding that is understood as centrally managed by the institutions, agencies, joint undertakings or other bodies of the EU and outside the direct and indirect control of Norway will not be regarded as state aid and will thus not be taken into account when determining whether notification thresholds and maximum aid intensities or maximum aid amounts are respected.

The total amount of public funding, which includes State aid and EU funding together and is granted in relation to the same eligible costs should not exceed the most favourable funding rate⁶ laid down in the applicable rules of EU/EEA Law.

Aid under the Scheme that is granted based on identifiable eligible costs may be cumulated with

- any other State aid, as long as those measures concern different identifiable eligible costs;
- any other State aid, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity or aid amount applicable to this aid under GBER.

Aid provided under this Scheme will not be cumulated with any de minimis aid in respect of the same eligible costs, if such cumulation would breach the applicable aid intensities.

In all cases, cumulation of aid under the Scheme will respect the rules set out in article 8 of GBER.

⁶ The term "funding rate" is broader than "aid intensity". It refers to the ratio of the total amount of public funding (State aid and EU funding together) to the eligible costs for a specific project.

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12. Publication and Information

In accordance with article 9 GBER, Enova will ensure the publication on Norway's national State aid register of:

- The summary information about each aid measure exempted under GBER in the standardised format laid down in Annex II of the GBER (ref. GBER information sheet), or a link providing access to it
- The full text of each aid measure, including its amendments (ref. the Scheme), or a link providing access to it
- The information referred to in Annex III of the GBER on each individual aid award exceeding EUR 100 000

In particular, the information on each individual aid award shall be organised and accessible in a standardised manner, as described Annex III of GBER, and shall allow for effective search and download functions.

All the above information shall be published within 6 months from the date the aid was granted and shall be available for at least 10 years from the date on which the aid was granted.

13. Reporting and Monitoring

Enova will follow the requirements on reporting and monitoring as they are described in articles 11 and 12 of the GBER.

Detailed records with the necessary information and supporting documentation will be maintained for 10 years from the date of the last award of aid under the Scheme.

Enova will provide the EFTA Surveillance Authority with all the information and supporting documentation it considers necessary to monitor the application of the GBER within 20 working days of such request from the Authority.

iii. Compliance with Chapter 3 GBER

The costs of the project must be transparent and directly and exclusively related to the project. The eligible costs must also be specified at the time of application.

There is no automatic entitlement to support from the Scheme. All support is subject to rigorous due diligence appraisal and internal approval by Enova and all projects shall be assessed against the conditions of the Scheme.

14. Aid for environmental protection

Aid under the Scheme aimed at promoting environmental protection will be granted in line with the conditions set out in articles 41 of the GBER.

Aid under the scheme will only be granted for the production of hydrogen in line with article 41 GBER.



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Scope

Aid for the promotion of energy from renewable sources, of renewable hydrogen and of high-efficiency cogeneration will be granted in line with article 41 GBER.

Aid shall be granted in respect of newly installed or refurbished capacities. The aid amount shall be independent from the output.

No aid will be granted for the promotion of electricity from renewable hydrogen.

Aid may be granted under article 41 GBER for investments in:

- the production of hydrogen for installations producing exclusively renewable hydrogen. For renewable hydrogen projects consisting of an electrolyser and one or more renewable generation units behind a single grid connection point, the capacity of the electrolyser shall not exceed the combined capacity of the renewable generation units. The investment aid may cover dedicated infrastructure for the transmission or distribution of renewable hydrogen, as well as storage facilities for renewable hydrogen.

Eligible costs and Aid Intensity

The eligible costs shall be the total investment costs.

Supported activity	Aid Intensity for Large Company	Aid Intensity for Medium Company	Aid Intensity for Small Company
Investment aid for production of renewable hydrogen	80 % if competitive bidding	80% if competitive bidding	80% if competitive bidding

The aid intensity may reach 100 % of the eligible costs where aid is granted in a competitive bidding process, which fulfils all of the following conditions in addition to those laid down in Article 2, point (38) GBER:

- (a) the aid award shall be based on objective, clear, transparent and non-discriminatory eligibility and selection criteria, defined ex ante and published at least 6 weeks in advance of the deadline for submitting applications, to enable effective competition;
- (b) during the implementation of a scheme, in case of a bidding process where all bidders receive aid, the design of said process shall be corrected to restore effective competition in the subsequent bidding processes, for example, by reducing the budget or volume;
- (c) ex post adjustments to the bidding process outcome (such as subsequent negotiations on bid results or rationing) shall be excluded;
- (d) at least 70 % of the total selection criteria used for ranking bids and, ultimately, for allocating the aid in the competitive bidding process shall be defined in terms of aid per unit of energy capacity from renewable sources or high efficiency-cogeneration.



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iv. Other terms and conditions set by Enova

15. Specific terms and conditions set by Enova

More specific terms and condition for aid under the scheme are described for each measure under the scheme and published at Enova's web page www.enova.no.

The eligibility for aid, maximum aid, aid intensity and duration of the aid measure might be more limited than what is set out in GBER and described in chapter ii and iii in this document.

The scheme was approved by CEO of Enova Nils Kristians Nakstad on 26 April 2024.