

Department of Energy & Climate Change Environmental Transformation Fund

State aid reference no: X605/2009

1. Member State

United Kingdom

2. Region

United Kingdom.

3. Title of Aid Scheme

Low Carbon Energy Demonstration: Offshore Wind Demonstration Call

4. UK legal basis

Science and Technology Act 1965

5. EC legal basis

All aid provided under this Scheme will be within the limits set out in Articles 31 of Commission Regulation (EC) 800/2008 (General Block Exemption Regulation)¹

Summary information relating to the Scheme has been registered with the Commission under reference X605/2009

6. Definitions

In this Scheme, the following expressions have the meanings assigned below:

“**SME**” means an enterprise that falls within the criteria and parameters of the definition of micro, small and medium-sized enterprises contained in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC), which took effect on 1 January 2005²

“**Large enterprise**” means any enterprise that is not an SME

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:214:0003:0047:EN:PDF>

² http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm

See also the New SME Definition User Guide and Model Declaration

http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/sme_user_guide.pdf

7. Objective of the Scheme

The scheme aimed to stimulate and encourage the development and demonstration of offshore wind technologies or components for larger multi-MW turbines to enable their faster deployment within the 2020 timescales.

The primary objectives were to:

- (i) Demonstrate components for large/next generation offshore wind turbines or associated technology
- (ii) Provide a learning experience which can improve confidence and help reduce future costs
- (iii) Underpin development of the industry by stimulating the UK equipment supply chain
- (iv) Produce in a clear, transparent and unambiguous report, an economic evaluation of all projects supported by the scheme, whilst maintaining the confidentiality of commercially sensitive information and protecting any IP gained before and/or from the project.

8. Government body authorised to implement the Scheme

Department of Energy and Climate Change

9. Duration of the Scheme

Funding ran until **31st March 2011** except for three projects in the first Call which ran until **31st March 2012**.

The level of project support ranges from **£250,000** to **£5,000,000**.

10. Form of aid

All aid awarded under the Scheme will be transparent and in line with criteria set out in Article 5 of the General Block Exemption Regulation. Aid will be awarded as research and development.

11. Eligible costs

The costs of the project must be transparent and directly and exclusively related to the project. The relevant eligible costs are as follows:

- Only costs incurred and defrayed after acceptance of DECC grant and up to and including completion of the project.
- Cost of all goods, services and purchases necessary to complete project.
- Own labour costs, including agreed eligible overheads, for design, development, manufacture, testing and project management.
- Own costs include applicant's own costs and eligible costs incurred by consortium members and eligible costs incurred by companies connected to any of these. The cost of work contracted to connected companies, to consortium members or to companies connected to consortium members should be on the basis of eligible costs.
- Grant payment will be made on receipt of reports describing the work undertaken and evidence provided that milestones have been satisfactorily completed, including detailed information on the costs incurred, together with an auditor's report certifying that the reported costs are true and accurate

12. Aid intensities

The aid intensity shall not exceed the following percentages of the eligible costs:

	Small enterprise	Medium enterprise	Large enterprise
Specific	45%	35%	25%

13. Incentive effect

Aid recipients must demonstrate that the aid is required for projects to proceed. Funding will not be awarded where the activity has already started before an application for support is made.

14. Cumulation

In determining whether the individual notification thresholds and the maximum aid intensities are respected, the total amount of public support for the activity or project shall be taken into account, regardless of whether that support is financed from local, regional, national or Community sources.

Aid provided under this Scheme will not be cumulated with other forms of aid nor with aid classed as de minimis aid³ in regard to the same eligible costs if the result would breach the aid intensities set out above.

15. Budget

£27,806,984 of capital grants to support **13** companies for **16** offshore wind technology development projects involving some Industrial Research but mainly Experimental Development and Demonstration. Awarded following three competitive calls for proposals.

16. Monitoring and reporting requirements

All recipients of aid under the Scheme will be informed that aid has been provided under the Scheme, registered under X605/2009, pursuant to Article 32 of Commission Regulation (EC) No 800/2008 (General Block Exemption Regulation).

Records will be kept for 10 years from the date of the last award of aid under the Scheme. Records will be sufficiently detailed to establish that the conditions of the Scheme are met, to include confirmation of enterprise status (SME/large), type of research and development, eligibility of supported costs.

17. An annual report on the expenditure under this Scheme will be provided to the Commission.

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³ Aid fulfilling the conditions laid down in Commission Regulation (EC) No 1998/2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:379:0005:0010:EN:PDF>