

State Aid Notifications Interactive • Notifications List



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Part I: General information **240** | Part II: Summary information for publication in the Official Journal | Part III: Supplementary Information Sheet de

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Provisional Number: 240
 Validation date: 28/08/2006 16:38
 Validator: O'Domhnaill, Eoin
 Last update: 28/08/2006 16:19

STATUS OF THE NOTIFICATION

Does the information transmitted on this form concern :

notification pursuant to Article 88 (3) EC Treaty?

1. Identification of the aid grantor**1.1. Member State concerned:**

Ireland

1.2. Region(s) concerned (if applicable)

Not applicable

1.3. Responsible contact person:

Name	Address	Tel	Fax	Email
Eugene Dillon	Department of Communications, Marine and Natural Resources, 29-31 Adelaide Road Dublin 2 Ireland	00 353 1 6783203	00 353 1 6783209	Eugene.Dillon@DCMNR.ie

1.4. Responsible contact person at the Permanent Representation:

Name	Tel	Fax	Email
Ms Una Dixon	00 322 2308580	---	Una.Dixon@dfa.ie

1.5. If you wish that a copy of the official correspondence sent by the Commission to the Member State should be forwarded to other national authorities, please indicate here their name and address:

None

1.6. Indicate Member State reference you wish to be included in the correspondence from the Commission:

Ireland

2. Identification of the aid**2.1. Title of the Aid :**

RES-E (Renewable Energy Sourced - Electricity) support programme

2.2. Brief description of the objective of the aid.

Please indicate primary objective and, if applicable, secondary objective(s):

Primary objective:

Environmental protection

Secondary objective(s):

Energy saving

"Energy saving" in this context refers to the harnessing of indigenous EU renewable energy resources thereby saving or prolonging availability of fossil energy resources.

2.3. Scheme - Individual aid**2.3.1. Does the notification relate to an aid scheme ?**

Yes

- If yes, does the scheme amend an existing aid scheme ?

No

2.3.2. Does the notification relate to individual aid ?

No

2.3.3. Does the notification relate to an individual aid or scheme notified pursuant to an exemption regulation ?

No

3. National Legal Basis**3.1. Please list the national legal basis including the implementing provisions and their respective sources of references:**Title:

The Electricity Regulation Act 1999.

This Act confers the necessary legal authority to implement the RES-E support programme. The detailed rules of the RES-E programme are set out in the published terms and conditions.

Reference (where applicable):

Number 23 of 1999 for the Legal Authority

2. Please indicate the document(s) enclosed with this notification:

A copy of the relevant extracts of the final text(s) of the legal basis

Yes (and a web link, if possible) see attachment at 13 below,

A copy of the relevant extracts of the draft text(s) of the legal basis

Yes (and a web link, if possible) <http://www.dcmnr.gov.ie/NR/rdonlyres/E260E316-B65A-4FDC-92F0-9F623BA18B55/0/REFITtermsandconditions>.

3. In case of a final text, does the final text contain a clause whereby the aid granting body can only grant after the Commission has cleared the aid (stand still clause) ?

Yes

Beneficiaries

1. Location of the beneficiary(ies):

mixed (specify)

The RES-E support programme is open to all qualifying RES-E generators (domestic and imported) and retail electricity suppliers. Location is not a selection criterion.

The support programme is open to new RES-E generating plants only and automatically excludes any RES-E projects benefiting from previous RES-E support

2. Sector(s) of the beneficiary(ies):

NACE code
E - Electricity, gas and water supply

Nace other:

4. In case of an aid scheme:

Type of beneficiaries:

All firms

the following beneficiaries:

The benefit accrues to participating RES-E producers and retail electricity suppliers.

Estimated number of beneficiaries:

From 51 to 100

Amount of aid / Annual expenditure

In case of a scheme, indicate the annual amount of the budget planned and the overall amount (in million national currency):

Annual amount: 10023734.00 Overall amount: 150356020.00

For tax measures, please indicate the estimated annual and overall revenue losses due to tax concessions for the period covered by the notification:

0.00

If the budget is not adopted annually, please specify what period it covers (year of expiry):

The associated budget estimates are calculated annually.

If the notification concerns changes to an existing scheme, please give the budgetary effects of the notified changes to the scheme:

The measure is a new support mechanism.

Form of the aid and means of funding

Specify the form of the aid made available to the beneficiary (where appropriate, for each measure):

Other. Please specify.

i) The programme offers a compensation package to wholesale purchasers of RES-E for the additional costs incurred by contracting with qualifying RES-E suppliers under this support programme compared to comparable costs arising for a supplier contracting with conventional electricity producers.

ii) Some of the compensation could be interpreted as flowing from the participating retail electricity suppliers to RES-E producers by delivering prices to the market higher than is achievable in

For each instrument of aid, please give a precise description of its rules and conditions of application, including in particular the rate of award, its tax treatment and whether the aid is accorded automatically once certain objective criteria are fulfilled (if so, please mention the criteria) or whether there is an element of discretion by the awarding authorities:

The support programme permits the national authority to compensate retail electricity suppliers for additional costs incurred by entering into long term purchase contract with selected new RES-E production plants, as detailed in Part III.

The associated purchase contracts deliver a reasonable business case to RES-E project developers which would not occur in open market conditions. The business case arising allows RES-E project developers to secure investors which would not be possible in an open internal market in electricity.

The programme includes a quantitative limit and qualifying conditions for RES-E projects viz.--

i) cumulative target of 1450 MWs installed,

ii) large hydro projects are excluded,

iii) the projects must be new RES-E generating plants harnessing renewable energy resources as defined in Directive 2001/77/EC,

iv) the projects must have planning permission and a connection offer,

v) the electricity must fulfil the "eligibility requirement" notified in the published competition notes,

vi) the project developer must negotiate a long term power purchase agreement with a licensed electricity supplier in the open market and thereafter secure finance.

The support is allocated on a "first past the post" basis to compliant RES-E project proposals up to the published quantitative capacity limit measured by the installed nameplate rating.

Specify the financing of the aid: if the aid is not financed through the general budget of the State/region/municipality, please explain its way of financing:

Other (please specify).

The funds to compensate excess costs will be collected from all subscribers to the electricity network through a levy based on the import capacity of connections to the grid at three levels of import capacity (small medium and large as also operated in a programme approved in N553/01 and N826/01).

7. Duration

7.2. In the case of a scheme:

Indicate the date from which on the aid may be granted:

01/11/2006

Indicate the last date until which aid may be granted:

31/12/2009

If the duration exceeds six years, please demonstrate that a longer time period is indispensable to achieve the objective(s) of the scheme:

Access to the RES-E programme will cease at end 2009 or when all capacity is allocated whichever occurs first. However once access to the support programme is confirmed on a case-by-case basis, the support can continue for up to 15 years but not beyond end 2024.

Fifteen years duration minimises the aid intensity in any year and facilitates long term financial planning which is a sectoral norm .

8. Cumulation of different types of aid

Can the aid be cumulated with aid received from other local, regional, national or Community schemes to cover the same eligible costs?

No

If so, describe the mechanisms put in place in order to ensure that the cumulation rules are respected:

9. Professional Confidentiality

Does the notification contain confidential information which should not be disclosed to third parties?

No

If so, please indicate which parts are confidential and explain why:

If no, the Commission will publish its decision without asking the Member State.

10. Compatibility of the aid

Please identify which of the existing Regulations, frameworks, guidelines and other texts applicable to State aid provide an explicit legal basis for the authorisation of the aid (where appropriate please specify for each measure) and complete the relevant supplementary information sheet(s) in part III

Aid compatibility

Environmental protection aid

Where the existing Regulations, frameworks, guidelines or other texts applicable to State aid do not provide an explicit basis for the approval of any of the aid covered by this form, please provide a fully reasoned justification as to why the aid could be considered as compatible with the EC Treaty, referring to the applicable exemption clause of the EC Treaty (Article 86(2), Article 87(2) (a) or (b), Article 87(3) (a), (b), (c) or (d)) as well as other specific provisions relating to Agriculture and Transport.

No

12. Other Information

Please indicate here any other information you consider relevant to the assessment of the measure(s) concerned under State aid rules:

The measure treats qualifying domestic and imported RES-E equally and is open to all interested retail electricity suppliers.

The measure is consistent with extant price support models and generation costs within the EU, see, for example, generation costs notified in "COMMUNICATION FROM THE COMMISSION - The support of electricity from renewable energy sources".

The measure is consistent with EU objectives and contributes to the protection and health of humans, animals and plants.



The measure is the least cost solution capable of delivering an obligation addressed to Ireland in the RES-E Directive (2001/77/EC) to increase the consumption of RES-E from 3.6% in 1997 to 13.2% in 2010 under reasonable assumptions.

The electricity network in Ireland is relatively isolated thereby limiting any actual or potential cross border trade up to by 2010- see also Commission reasoning in N475/03.

In N826/01 and N553/01, a related notification to promote RES-E, the EU Commission concluded that proportionate compensation to the supplier does not confer a competitive advantage. In this programme the compensation package is available to all suppliers under equal terms to compensate them in a proportionate manner for identified additional costs incurred which another retail supplier not participating in the programme can avoid. If it is accepted that the state aid element of support is confined to the value of state resources passed to RES-E generators the budget reduces from €150 ml. to c.€10 ml.

3. Attachments

Please list here all documents which are attached to the notification and provide paper copies or direct internet links to the documents concerned.

Document(s)	Last upload
 Published terms and conditions.doc	27/07/2006 16:06
 S39.doc	27/07/2006 16:06

4. Declaration

I certify that to the best of my knowledge the information provided on this form, its annexes and its attachments is accurate and complete.

Date and (place) of signature: 28/08/2006 (Department of Communications, Marine & Natural Resources 29-31 Adelaide Road Dublin 2)

Signature and (position): EC\$dcmnr (Civil Servant)

Name of person signing: Dillon, Eugene

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• State Aid Notifications Interactive • 1.1 • XML Cached • 29/8/2006 • 11:24 •

State Aid Notifications Interactive • Notifications List > Part II: Summary information for publication in the Official Journal

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Number of aid: 240
 Member State: Ireland
 Region(s):

Validation date: 28/08/2006 16:38

Title and objective of aid schemes or name of company beneficiary of an individual aid (aid based on a scheme which should however be notified individually and aid not based on a

scheme): RES-E (Renewable Energy Sourced - Electricity) support programme (3)
 Legal basis: The Electricity Regulation Act 1999.

This Act confers the necessary legal authority to implement the RES-E support programme. The detailed rules of the RES-E programme are set out in the published terms and conditions.

Annual expenditure planned or overall amount of individual aid granted: Aid scheme 10023734.00 Annual (150356020.00 Overall)
 Duration: (From: 01/11/2006 To: 31/12/2009)

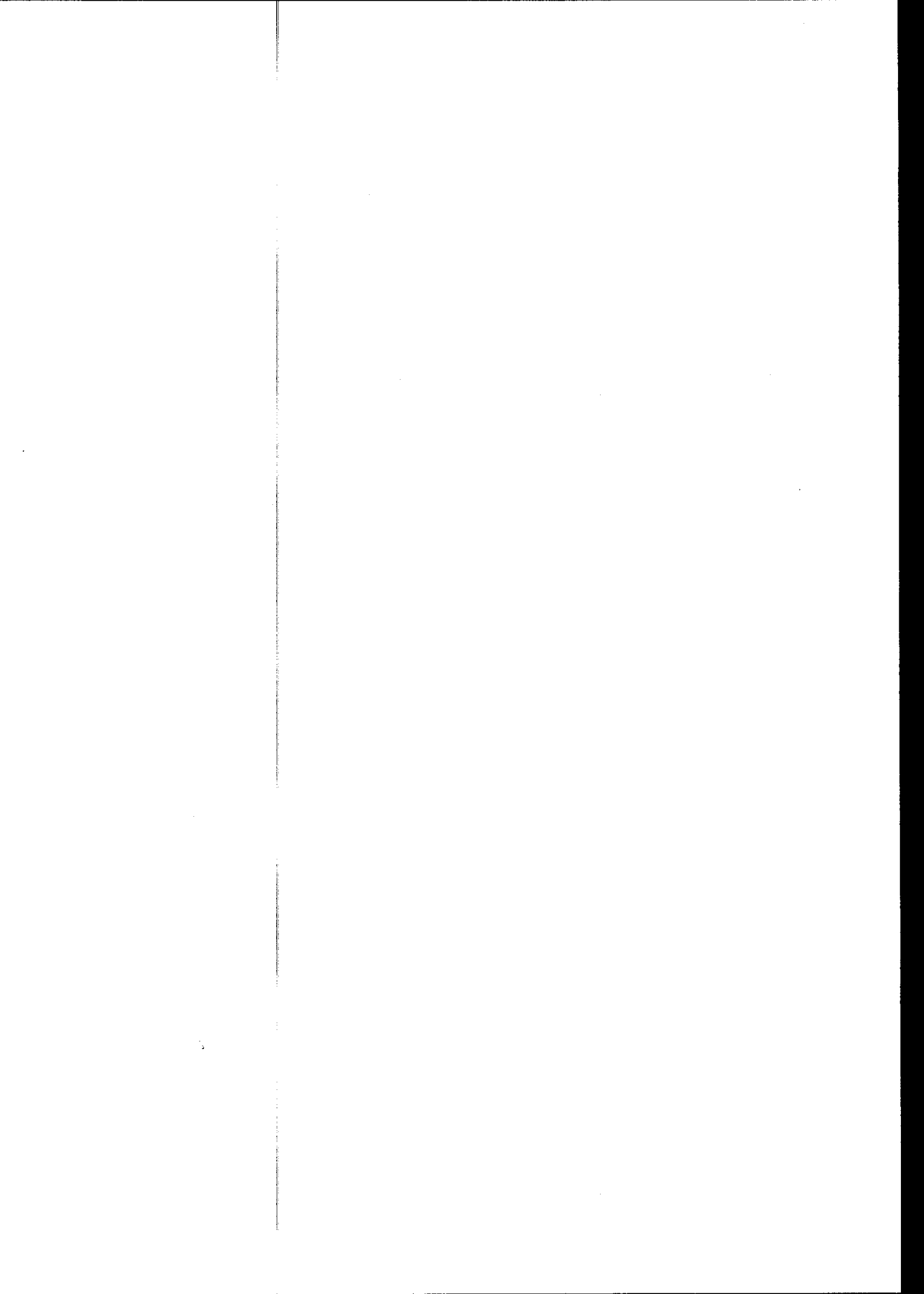
Maximum aid intensity of the individual aid or the aid scheme: 0.22

The dominant technology will be wind power (c. 90% of all aid by technology) where the aid intensity is measured at 2% or 0.02.

Economic sectors:

Name of the granting authority: Department of Communications, Marine and Natural Resources.
 Address of the granting authority: 29/31 Adelaide Road,
 Dublin 2,
 Ireland.

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 August draft A88.3.doc	15/08/2006 16:40

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