

FACT SHEET

ESA greenlights Enova's environmental aid schemes

The EFTA Surveillance Authority (ESA) has approved Enova's *Demo* and *Eco-Inn* schemes, as well as the *alternative fuels infrastructure* programme.

The aid schemes will run from 1 January 2017 until the end of 2022 and represent a continuation – with modifications – of schemes that have previously been approved by ESA. The predecessors of the first two have been operated by Enova under the umbrella of the Norwegian Energy Fund scheme approved by ESA in 2011. The alternative fuels infrastructures programme was approved in 2015.

The objective of the Demo scheme is to incentivise the demonstration of new technologies, products or processes, within the fields of renewable energy production, energy efficiency and reduced greenhouse gas emissions. The long-term goal is to increase the number of new energy and climate technologies available for adoption in the market. The Demo scheme supports demonstration projects involving technologies that are past the stage of research and development. The scheme supports demonstration, under realistic operating conditions, of technologies and solutions that have not been adopted by the relevant market players. Enova will use convertible loans and grants to incentivise projects under this scheme.

The Eco-Inn scheme promotes innovative projects that aim at significantly improving environmental protection beyond the framework of Union standards, or improve environmental protection in the absence of standards. Under this scheme, Enova will use market based loans and a variety of aid instruments such as convertible loans, low interest loans, guarantees and grants, depending on the type of financing challenges or market failures the eligible projects face.

The alternative fuels infrastructure programme comprises five different aid schemes for the deployment of recharging infrastructure for electric vehicles, shore-side electricity supply, refuelling infrastructure for hydrogen and biofuels, as well as LNG supply to ships.

Enova has also made use of the General Block Exemption Regulation (“GBER”) to exempt other aid granting activities from notification. Accordingly, ESA does not need to take decisions on these aid schemes.

Relevant documents

The three decisions adopted 15 December

- [The Demo scheme](#)
- [The Eco-Inn scheme](#)
- [The alternative fuels infrastructure programme](#)

Information about the GBER schemes

- [GBER information sheets](#)

Decisions on former schemes

- [The Norwegian Energy Fund scheme](#)

- [The alternative fuels infrastructure programme](#)

What is state aid?

State aid is financial support granted by public bodies to undertakings active on a market.

As stipulated in the EEA agreement, state aid is present when assistance is provided:

- by an EEA State or through public resources;
- that confers an advantage on the recipient;
- that favours certain undertakings or the production of certain goods;
- that threatens to distort competition and affect trade in the EEA

The support in question can only be categorised as state aid if all the conditions above are fulfilled.

The rules of the game

The EEA agreement, just as the treaty on the functioning of the EU, contains a general ban on state aid to prevent distortions of competition and negative effects on EEA trade. The rules are meant to ensure a level playing field for companies across the EEA and prevent protectionism in the form of government assistance.

There are many exceptions, which means that state aid can be allowed when necessary to uphold a well-functioning economy, for regional development or investment in R&D or to protect the environment, among other things. Nevertheless, all state aid must be kept in check and is only allowed if it complies with strict requirements. For instance, aid for the everyday operating cost of companies (operating aid) is rarely allowed.

ESA's role

ESA controls state aid granted by Norway, Iceland and Liechtenstein in the same way as the European Commission does for state aid granted by the EU Member States. All plans to grant state aid must be notified to ESA prior to implementation, unless a notification exemption applies. ESA assesses whether such plans constitute state aid and if such aid is eligible for exemption.

To enforce the rules, ESA has the power to require EFTA States to provide relevant information, and to order the recovery of any aid paid in breach of the EEA Agreement.

For more information, see:

- [The state aid section of the ESA website](#)
- [ESA's Guidelines on State aid for environmental protection and energy 2014-2020](#)

The EFTA Surveillance Authority

- Ensures that Norway, Iceland and Liechtenstein respect the EEA Agreement.
- Protects the rights of individuals and market participants.
- Ensures timely implementation of EEA law.
- Pursues breaches of EEA law.
- Enforces the rules concerning state aid.
- Takes action against breaches of the EEA competition rules.