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Date 2 July 2024

Concerns **Regulation of the Minister of Climate Policy and Green Growth of , No WJZ/** 63189320**, amending the Regulation on national EZK and LNV subsidies and the Regulation on opening EZK and LNV subsidies 2024 in connection with the introduction and opening of the subsidy module Climate-Neutral Economy Manufacturing Investment Subsidy (IMKE)**

Submission method: Electronic

N.B.1 Due to the introduction of electronic publication, annexes are no longer submitted for inspection, but are sent to SDU as a separate file and published along with the regulation.
N.B.2. If the regulation contains an annex, this annex shall indicate the regulation and the relevant article number(s).

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Regulation of the Minister of Climate Policy and Green Growth of , No WJZ/ 63189320**, amending the Regulation on national EZK and LNV subsidies and the Regulation on opening EZK and LNV subsidies 2024 in connection with the introduction and opening of the subsidy module Climate-Neutral Economy Manufacturing Investment Subsidy (IMKE)**

The Minister of Climate Policy and Green Growth,

Having regard to Articles 2(1), 4, 7(1), 15, 16, 17(1)(a) and (4), 19(2), 25, 44(2) and 50(4) of the Framework Decree on national EZK and LNV subsidies [Kaderbesluit nationale EZK- en LNV-subsidies];

Hereby decrees the following:

Article I

The Regulation for national EZK and LNV subsidies [Regeling nationale EZK- en LNV-subsidies] is amended as follows:

A

A Title is inserted after Title 4.6, reading as follows:

Title 4.7 Climate-Neutral Economy Manufacturing Investment Subsidy (IMKE)

Article 4.7.1. Definitions

For this title, the following definitions apply:

BIPV solar panel: solar panel integrated into a building;

electrolyser: an installation for the production of hydrogen by electrolysis of water;

key components: components designed and primarily used as direct input for the production of batteries, electrolysers or solar panels;

investment decision: a document signed by an authorised person certifying that the subsidy recipient has definitively taken the decision to make the investment in the production line;

production line: a coherent set of installations intended for the production of a specific product or products or for the recovery of raw materials;

VIPV solar panel: solar panel integrated into a vehicle.

Article 4.7.2. Objective

The objective of this module is to stimulate investments in sectors of strategic importance for the transition to a climate-neutral economy, for scaling up the production of relevant equipment for that purpose to commercial scale production,

and to prevent new investments in these sectors from being diverted to third countries outside the European Economic Area.

Article 4.7.3. Granting of subsidies

1. Upon application, the Minister shall grant a subsidy to an undertaking for a project for the implementation of production lines for batteries, electrolysers or solar panels, consisting of an investment in:
a. a new production line;
b. the expansion of the production capacity of an existing production line;
c. the conversion of an existing production line.

2. A production line for batteries as referred to in paragraph 1 relates to:
a. the production of:
1°. bulk batteries, lithium-ion batteries, sodium-ion batteries, redox flow batteries or solid-state batteries;
2°. key components for batteries mentioned in subsection 1°, namely anodes, cells, coating materials, electrolyte materials, cathodes, packs or stacks;
b. the production or recovery of related critical raw materials referred to in Annex IV of the General Block Exemption Regulation and necessary for the production of the batteries mentioned in subsection 1° of section (a) or for the production of the key components mentioned in subsection 2° of section (a).

3. A production line for electrolysers as referred to in paragraph 1 relates to the production of:
a. electrolysers;
b. key components for electrolysers, namely anodes, bipolar plates, diaphragms, pressure regulators, cathodes, small-scale hydrogen storage, membranes, temperature regulators, power electronics, heat exchangers, water pump systems, hydrogen compressors, hydrogen detection systems, hydrogen purification systems or water purification systems.

4. A production line for solar panels as referred to in paragraph 1 relates to the production of:
a. BIPV solar panels or VIPV solar panels based on heterojunction solar cells or perovskite solar cells;
b. solar panels that are circular, lightweight or flexible, and PFAS-free;
c. key components for the solar panels mentioned in section (a) or (b), namely heterojunction solar cells, perovskite films, perovskite solar cells or tandem solar cells.

Article 4.7.4. Subsidy amount

1. The subsidy shall be 15 % of the eligible costs. If the project concerns an investment in a production line in an assisted area designated on the regional aid map of the Netherlands, in accordance with Article 107(3)(c) of the Treaty on the Functioning of the European Union, the subsidy shall be 20 % of the eligible costs.

2. The percentage referred to in paragraph 1 shall be increased by:
a. 20 percentage points, if the investment is made by a small enterprise;
b. 10 percentage points, if the investment is made by a medium-sized enterprise.

3. The subsidy shall not exceed:

a. for a project relating to the investment in a production line for batteries EUR 20 000 000 per undertaking;

b. for a project relating to the investment in a production line for electrolysers EUR 50 000 000 per undertaking;

c. for a project relating to the investment in a production line for solar panels EUR 25 000 000 per undertaking.

4. The total maximum subsidy under this section for a single undertaking shall be EUR 150 000 000. In the case of investments in an assisted area as referred to in paragraph 1, the total maximum subsidy under this section for a single undertaking shall be EUR 200 000 000.

Article 4.7.5. Eligible costs

1. All investment costs in tangible and intangible assets strictly necessary for the implementation of the production line for which the subsidy is requested shall be eligible.

2. Investment costs in intangible assets shall be eligible if those assets:

a. remain connected to the area concerned where the project is carried out and are not transferred to other areas;

b. are primarily used in the establishment of the subsidy recipient where implementation of the production line takes place;

c. are depreciable;

d. are purchased under market conditions from third parties without links to the buyer;

e. are included in the assets of the subsidy recipient; and

f. remain connected to the project for which the subsidy is granted for at least 5 years for large enterprises and 3 years for small or medium-sized enterprises after the completion of the project.

3. The following shall not be eligible costs:

a. the replacement of installations of the production line for which the subsidy is requested, during the period from the start of the project to:

1°. 5 years after the completion of the project in the case of a large enterprise; or

2°. 3 years after the completion of the project in the case of a small or medium-sized enterprise;

b. facilitating the relocation of the production line for which the subsidy is requested between Member States within the European Economic Area.

4. Article 10(3) of the Decree shall not apply to the eligible costs.

Article 4.7.6. Distribution of the subsidy ceiling

The Minister shall distribute the individual subsidy ceilings for production lines for batteries, electrolysers and solar panels, according to the order in which applications are received.

Article 4.7.7. Start and implementation period

1. The subsidy recipient shall start implementing the project within 6 months of the subsidy being granted.

2. The period referred to in Article 23(b) of the Decree is 5 years.

3. The Minister can extend the periods referred to in paragraphs 1 and 2 at the request of the subsidy recipient.

Article 4.7.8. Grounds for rejection

The Minister shall decide to reject an application if:

a. the quality of the project plan is insufficient, as evidenced by the development of approach and methodology, the management of risks, the feasibility or the extent to which available resources are used effectively and efficiently;
b. irreversible investment commitments for the production line have been made before the date of submission of the application;
c. the activities included in the project plan have started before the date of submission of the application;
d. there is a concrete risk that the project shall not be carried out within the European Economic Area;
e. during the 2 years preceding the subsidy application, the subsidy applicant has relocated the production line for which the subsidy is requested, or a similar production line, between Member States within the European Economic Area to the location where the implementation of the production line for which the subsidy is requested is to take place;
f. there is a concrete risk that the subsidy applicant shall relocate the production line for which the subsidy is requested, or a similar production line, between Member States within the European Economic Area within 2 years of the completion of the project;
g. the knowledge dissemination plan is of insufficient quality.

Article 4.7.9. Information requirements

1. An application for a subsidy shall contain at least the information set out in Annex 4.7.1.

2. An application for the determination of the subsidy shall contain:
a. information about the applicant, including the name of the applicant and the reference number provided by the Minister;
b. the size of the grant to be determined;
c. the key data to support the determination of the subsidy;
d. a declaration that the applicant shall not relocate the production line for which the subsidy was granted, or a similar production line, between Member States within the European Economic Area within 2 years of the completion of the project;

Article 4.7.10. Obligations of subsidy recipient

1. The subsidy recipient shall provide a copy to the Minister without delay after the investment decision has been taken.

2. The subsidy recipient shall maintain the investment in the production line in the area concerned for at least 5 years after the completion of the project in the case of a large enterprise and 3 years after the completion of the project in the case of a small or medium-sized enterprise.

3. At the request of the Minister, the subsidy recipient shall cooperate in disseminating the results and shall contribute to an evaluation of the effects of the activities subsidised under this Title.

4. The subsidy recipient shall disclose the non-business-sensitive knowledge and information obtained from the project after the end of the project in a report of sufficient quality, in the opinion of the Minister.

5. Any publication by or with the cooperation of the subsidy recipient or employees shall bear an indication that the project is being carried out with a subsidy from the Ministry of Climate Policy and Green Growth.

6. Without prejudice to paragraphs 3 and 4, during the duration of the project, the subsidy recipient shall provide an annual progress report which the Minister can use for the public dissemination of the non-business-sensitive knowledge and information obtained from the project.

7. Article 38(1)(b) to (d) of the Decree shall not apply to the administration of the subsidy recipient.

Article 4.7.11. Cumulation

1. When applying Article 6(1) of the Decree, the following shall not be taken into account for granting subsidies on the basis of this Title:
a. subsidy for a TSE Industry study under Article 4.2.113;
b. subsidy from the European Commission.

2. Contributions from municipalities, provinces, water boards and public bodies as referred to in Article 8(1) of the Common Regulations Act [Wet gemeenschappelijke regelingen] shall be considered as public co-financing and shall not be taken into account in the application of Article 6(1) of the Decree insofar as it concerns the calculation of the maximum amount that can be granted per project under this Title.

Article 4.7.12. State aid

The subsidy referred to in Article 4.7.3 contains State aid and is justified by section 2.8(85) of the Temporary Crisis Framework.

Article 4.7.13. Expiry period

This Title and Annex 4.7.1 shall expire from [PM: date, 5 years after entry into force], subject to the proviso that they shall continue to apply to subsidies granted before that date.

B

After Annex 4.6.2, Annex 4.7.1, set out in Annex A to this Regulation, is inserted.

Article II

After the row of Title 4.6: Accelerated climate investments in industry of the table, corresponding to Article 1 of the Regulation on opening EZK and LNV

subsidies 2024 [Regeling openstelling EZK- en LNV-subsidies 2024], a row is added as follows:

Title 4.7: Climate-Neutral Economy Manufacturing Investment Subsidy	Article 4.7 .3(2)	Batteries		[PM: earliest possible date 2 months after publication] to 31-01-2025	EUR 20 000 000
	Article 4.7 .3(3)	Electrolysers		[PM: earliest possible date 2 months after publication] to 31-01-2025	EUR 100 000 000
	Article 4.7 .3(4)	Solar panels		02-12-2024 to 31-01-2025	EUR 28 000 000

Article III

This regulation shall enter into force on the day following the date of its publication in the Government Gazette.

This regulation and the explanatory notes shall be published in the Government Gazette.

The Hague,

The Minister of Climate Policy and Green Growth,

ANNEX A TO ARTICLE I(B)

Annex 4.7.1. to Article 4.7.9. of the Regulation on national EZK and LNV subsidies

1. Information relating to the subsidy applicant:

a. the name of the organisation, the number with which the undertaking is registered with the Chamber of Commerce, main sector of activity including NACE code, postal and visiting address, registered office and account number;
b. details of the contact person for the applicant, including name, phone number and email address;
c. insight into the equity capital of the applicant;
d. declaration that the applicant is not an undertaking in difficulty as referred to in the Temporary Crisis Framework;
e. a confirmation that in the 2 years preceding the subsidy application, the subsidy applicant has not relocated the production line for which the subsidy is requested, or a similar production line, between Member States within the European Economic Area to the location where the investment in the production line for which the subsidy is requested is to take place;
f. a declaration that the subsidy applicant shall not relocate the production line for batteries, electrolysers or solar panels for which the subsidy is requested, or a similar production line, between Member States within the European Economic Area within 2 years of the completion of the project;

2. Information relating to the project:

a. project plan, showing in any case the type of investment referred to in Article 4.7.3(1), and including the planning of the project, showing in any case when the project shall start and when the project shall be completed after which the production line can be put into operation;

b. location(s) of the project;

c. investment costs and other related costs;

d. total eligible costs;

e. subsidy amount and subsidy intensity needed to carry out the project in the area concerned;

f. milestone budget;

g. financing plan;

h. operating calculation with the expected costs and revenues of the project that includes:

1° a breakdown of the investment costs per component of the project;

2°. an overview of all costs and benefits of the project; and

3°. a calculation of the project return over the duration of the project;

i. description of the results of the study on the technical and economic feasibility both of the project for the implementation of the production line and of the products to be produced by that production line;

j. in the case of a production line for key components, a justification showing that those components are designed and primarily used as direct input for the production of batteries, electrolysers or solar panels;

k. brief description of the expected positive effects for the area concerned;

l. plan relating to the way in which knowledge is disseminated;

m. an explanation of the need for the subsidy, its expected impact on the investment decision and the decision on an alternative investment if the subsidy is not granted.

EXPLANATORY NOTES

I. General

1. Background

This Amending Regulation introduces a new subsidy module for granting subsidies for the implementation of production lines for batteries, electrolysers and solar panels: the Climate-Neutral Economy Manufacturing Investment Subsidy [Investeringssubsidie maakindustrie klimaatneutrale economie]. This new module has been added as Title 4.7 to Chapter 4 Energy and Climate of the Regulation on national EZK and LNV subsidies [Regeling nationale EZK- en LNV-subsidies] (hereinafter: RNES). The aim of this module is to stimulate the manufacturing industry for batteries, electrolysers and solar panels for which budgets have been allocated from the National Growth Fund [Nationaal Groeifonds]. The Amending Regulation also contains the opening dates and subsidy ceilings for the three separate openings in the Regulation on opening EZK and LNV subsidies 2024 [Regeling openstelling EZK- en LNV-subsidies 2024] (hereinafter: ROES 2024).

2. Usefulness and necessity

2.1 General

The transition to a climate-neutral economy requires the production, storage and use of renewable energy sources. In this context, batteries are needed for storage, solar panels for solar energy and electrolysers for the production of hydrogen. Batteries, solar panels and electrolysers are therefore also referred to as net-zero technologies and are of strategic importance for the transition to a climate-neutral

economy. A strong Dutch manufacturing industry for the production of these net-zero technologies is important for a resilient climate-neutral energy system, reduces future strategic dependencies on other countries and contributes to the competitiveness of the Netherlands and an affordable transition. However, in these three sectors there is a lack of investment to scale up production of the technologies. Due to high investment risks, private funding remains lacking. Funding gaps delay final funding decisions. In addition, there are significant risks of companies in these sectors moving away from the Netherlands and Europe as a result, for example, of the United States' intervention with the Inflation Reduction Act and financial incentives from the Government of India.
A strong manufacturing industry for net-zero technologies is important for the Netherlands for several reasons. Indeed, demand for products enabling renewable generation, conversion or storage shall increase in the future, making this a growing market. The Netherlands has the ambition to increase the share of renewable energy in the energy mix. In addition, the target is to produce 4 GW of renewable hydrogen by 2030. To produce renewable hydrogen, large-scale electrolysers are needed. Several countries, such as Germany and France and countries outside the European Union, are developing these new technologies. With global demand for solar, hydrogen and battery products expected to rise, these products are likely to become more expensive. All this shall increase the strategic dependence of the Netherlands if the Netherlands does not produce these net-zero technologies itself. Own production can reduce those strategic dependencies.

Government incentives through subsidies can contribute directly to resolving funding gaps in these three sectors by covering part of the costs. Indirectly, subsidies can mitigate financial risks and reduce uncertainties for private investors. This can incentivise private parties to start investing so that there is sufficient funding and certainty for the manufacturing industry for net-zero technologies to make investment decisions and scale up production.

The current Dutch energy innovation toolbox is not yet sufficient to support the Dutch manufacturing industry in these sectors. Indeed, the toolbox has so far only made it possible to stimulate the necessary technologies at an early phase, such as research, development and pilots. The already existing RNES subsidy modules contain, in particular, subsidies that are justified under the General Block Exemption Regulation. However, under that State aid framework, subsidies for investments for production lines of this type of technology after the pilot phase can only be granted if they generate a direct or indirect environmental benefit. Yet investments for production lines of net-zero technologies, such as for building a solar panel factory, do not themselves provide an environmental benefit. The environmental benefit only occurs when the solar panels ultimately produced there are put into service, and that effect is too indirect to be considered as an environmental benefit of building the solar panel factory. Therefore, subsidies for investments for production lines of net-zero technologies would not meet the environmental benefit requirement of the General Block Exemption Regulation.

The Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia (OJ 2023/C 101/03) (hereinafter: Temporary Crisis Framework) provides the opportunity to support accelerated investments for production in sectors strategic for the transition towards a net-zero economy. As a result, the Temporary Crisis Framework allows the manufacturing industry to be stimulated for net-zero technologies through subsidies. This new module is therefore based on that framework. Under this new module, subsidies can be granted for investments

needed for production lines of net-zero technologies after the pilot phase to scale up to the demonstration phase or commercial scale production. The technological readiness level (hereinafter: TRL) of the technology in question is relevant as an indicator of the phase in which it is located and from which TRL incentives are needed for scaling up. This can differ for each type of technology. In concrete terms, subsidies can be provided for investments necessary for:

1. production lines of batteries and key components thereof or for the production of critical raw materials for batteries or their recovery;
2. production lines of electrolysers and key components thereof;
3. production lines of solar panels and key components thereof;

Below is an explanation for each sector of the National Growth Fund programme that this module implements, as well as the specific circumstances in which support for that sector is desirable and necessary.

2.2 Batteries

The National Growth Fund programme 'Material Independence and Circular Batteries' aims to achieve a strong position for the Dutch manufacturing industry in the global battery chain, with sustainability and circularity at its core. It focuses on the further development of positions in the value chain where Dutch strengths lie: refining and recycling, development of production equipment and components and applications such as in industry and heavy duty, such as shipping and heavy goods vehicle traffic. Supporting the manufacturing industry for batteries by subsidising investments needed for battery production through this new module is part of the development of this programme and the budget comes from it.

In the battery value chain, the refining of materials and production of batteries are the defining components. For refining, lithium is expected to be the leading element in electrochemical energy storage until 2035. Building refining capacity is seen as an important step to reduce strategic dependencies, as refining is currently mainly done in a selected group of countries. In addition, there is the objective to expand refining capacity with recycling capacity. This contributes to a circular economy. Building refining capacity is supported by the European Commission through the Critical Raw Materials Act (hereinafter: CRMA). In fact, the CRMA offers the possibility of speeding up permitting procedures so that investment decisions can be taken more quickly.

For battery production, the Netherlands is currently dependent on other countries, as almost all production currently takes place outside the Netherlands. According to the Energy Storage Roadmap [Routekaart Energieopslag],[1] the use of batteries is needed in the future energy system. European demand for batteries is expected to increase sharply. The Dutch companies operating in the battery sector are innovative companies that are developing alternatives to the conventional lithium battery. Compared to the current mature technologies using lithium, new innovative batteries with alternative raw materials offer greater benefits in terms of performance, storage duration, storage capacity and safety. However, the investment risk for these innovative batteries is high, as the technology is still under development and this creates uncertainties. This is holding back private investment, resulting in funding gaps. As a result, companies producing batteries delay investment decisions and production is not scaled up to the next phase. Scaling up battery production is important for the Netherlands, in order to accelerate climate goals on the one hand, and to strengthen international competitiveness on the other.

[1] Parliamentary Papers II 2022/23, 29 023, No 430.

2.3 Electrolysers
The National Growth Fund programme ‘Green Power for the Dutch Economy’ [Groenvermogen voor de Nederlandse Economie] (hereinafter: GroenvermogenNL) has the objective of accelerating the scaling up towards a Dutch hydrogen economy. Supporting the manufacturing industry for hydrogen through this new subsidy module is part of the development of GroenvermogenNL and the budget comes from it.

The Government’s target is to achieve 4 GW of renewable hydrogen production by 2030. The production of renewable hydrogen is already incentivised by several existing subsidy instruments. The ‘Scaling up Fully Renewable Hydrogen Production by Electrolysis’ subsidy module [Opschaling volledig hernieuwbare waterstofproductie via elektrolyse] (hereinafter: OWE) incentivises the scaling up of renewable hydrogen production by supporting the purchase of an electrolyser and, in part, the production of renewable hydrogen itself. The scaling up of that production requires large-scale electrolyser capacity and therefore more electrolysers are needed. The OWE does not support the production of electrolysers. The OWE does not provide for the development of these electrolysers. In the field of hydrogen, electrolysis technology is a growth market for the Netherlands due to its increasing future potential and growing attention from a wide range of parties within the hydrogen innovation ecosystem.[2] The development of electrolysers and peripheral equipment is ongoing. The Netherlands already has a large number of companies focusing on the production of electrolysis equipment or components thereof. Production of electrolysis equipment or components thereof by Dutch companies reduces the geopolitical dependence on other countries for the production of hydrogen and increases the Netherlands’ earning capacity in new sustainable markets. Through the already existing energy innovation toolbox, the Government supports research and development of new generation technologies up to and including the pilot phase. In order to create a mature manufacturing industry for electrolysers, it is necessary that the production of these new generation technologies can be scaled up to commercial scale production. However, there are uncertainties in the demand for electrolysers due to, inter alia, increased raw material prices, inflation and increased energy prices, which prevent investment decisions for hydrogen production. This creates a high investment risk for the manufacturing industry for electrolysers. As a result, private funding is insufficient for this sector as well and investment for scaling up is lacking.

2.4 Solar panels
The objectives of the SolarNL National Growth Fund programme [Nationaal Groeifondsprogramma SolarNL] are the development and industrialisation of new solar PV technologies and the development of the next generation of fully circular solar panels in the Netherlands. SolarNL has three programme lines for three innovative solar technologies (hereinafter: solar PV):

1. production of high-efficiency silicon heterojunction ‘HJT’ cells in North Netherlands;
2. research, development and production of perovskite-based thin film solar films in East Netherlands, as well as highly efficient silicon-perovskite tandem technology;
3. research, development and production of advanced customised solar PV products for building-integrated photovoltaic (BIPV) and vehicle-integrated photovoltaic (VIPV) applications, using technology available from programme lines 1 and 2.

[2] Parliamentary Papers II 2023/24, 33 009, No 137.

Supporting the manufacturing industry for solar panels through this new subsidy module is part of the development of the SolarNL programme lines and the budget comes from this.

There is a growth market for the aforementioned innovative solar PV technologies. For example, in the Netherlands alone, the generation capacity of solar PV is expected to grow from 18 GW_p in 2022 to 100-250 GW_p in 2050. At European and international level, the solar PV market shall continue to grow much further towards the TW scale. The international solar PV market is currently largely owned by a few third countries, in particular China. Panels from these countries are produced at extremely low costs, preventing competition and creating monopolies. As a result, the Netherlands and Europe depend on those countries for the supply of standard solar panels. Moreover, the market is further distorted by dumping of Chinese panels below cost. During the COVID-19 pandemic, China built up huge stockpiles of panels, which, inter alia, could not be exported to the United States due to the Forced Labour Act in force there. As a result, a huge amount of panels entered the European market and their price halved. There is thus unfair competition in a market dominated by a few third-country producers, making it very difficult for Dutch and European solar panel producers to continue developing and scaling up the new generation of solar panels. This unfair competition and the low cost of standard solar panels, which are mainly Chinese, mean that investments in this sector have a high risk profile, resulting in no or insufficient private funding.

In the interest of the transition to a climate-neutral economy and Dutch strategic autonomy, there is a need for public support to develop a new market for the innovative generation of solar panels. The development of production capacity in the Netherlands offers opportunities to become active in this growth market, reducing strategic dependence on China in particular, while developing solar cells and solar panels that are in line with Dutch and European needs, standards and values.

3. Module contents

3.1 Outline

This module covers subsidies for the implementation of production lines for batteries, electrolysers and solar panels, and the key components thereof. Subsidies for these three categories are subject to the requirements of section 2.8 of the Temporary Crisis Framework on Aid for accelerated investments in sectors strategic for the transition towards a net-zero economy. In order to ensure investment in production lines for net-zero technologies as soon as possible, it is necessary to provide subsidies for eligible projects as soon as possible. Quick processing of subsidy applications benefits from a simple module. For this reason, the same requirements apply to the three categories of net-zero technologies. In addition to the relevant requirements of the Temporary Crisis Framework, a limited number of additional rules have been included. The Article-by-Article Explanatory Notes set out which requirements follow from the Temporary Crisis Framework and which have been set in addition and why.

The three categories shall be opened separately from each other for subsidy applications for which separate opening periods and subsidy ceilings are laid down in the ROES 2024. For each category, the module sets a maximum subsidy amount per project.

The subsidy for the implementation of production lines for batteries, electrolysers and solar panels can cover three types of investment, namely an investment in:

1. A new production line. This can be the purchase or construction of a completely new production line.
2. The expansion of the production capacity of an existing production line. For example, there is already a production line for electrolysers, but the subsidy applicant wants to increase the production of electrolysers with that line requiring an expansion of that existing production line.
3. The conversion of an existing production line. This type concerns the adaptation of an existing production line making a certain type of products to a production line which, after conversion, can make another type of products falling within the scope of this module. It is irrelevant which products could previously be made with the production line. An example of this type is the conversion of a production line for a type of solar panels not covered by this module into a line for the production of BIPV solar panels or VIPV solar panels based on heterojunction solar cells or perovskite solar cells.

For each category, the module defines which production lines can be supported. For batteries and solar panels, these are only lines for specific types of batteries and solar panels. For electrolysers, this is not a particular type of installation. For all three, production lines for the production of certain key components for those three net-zero technologies can also be supported. The module contains an exhaustive list of key components eligible for subsidy per category. The following sections explain, for each category, which production lines are supported and which components are considered key.

The tangible and intangible investment costs strictly necessary for the above three types of investment are eligible. This subsidy module does not cover operating aid. The operating expenses for the production of this equipment are therefore not eligible.

It is also noted that the supported investments must benefit the Dutch economy or other Dutch interests under the Framework Decree. If this is not the case, the investment shall not be eligible for subsidy.

3.2 Batteries
This category of batteries covers subsidies for investments in production lines for bulk batteries, lithium-ion batteries, sodium-ion batteries, redox flow batteries or solid-state batteries. These are the types of batteries that are part of the National Growth Fund programme and currently have a degree of maturity requiring scaling up or where scaling up shall be desirable in the near future. The key components for these batteries for which subsidies can be granted are anodes, cells, coating materials, electrolyte materials, cathodes, packs and stacks. Indeed, those components are designed and primarily used as direct input for the production of the aforementioned types of batteries. In addition, subsidies can be granted for investments in production lines for the production or recovery of related critical raw materials for batteries. The recovery or recycling of critical raw materials is also part of the programme and contributes to a circular economy and strategic autonomy. The critical raw materials present in batteries include lithium, nickel, cobalt and graphite.

3.3 Electrolysers
This category covers subsidies for investments in production lines for electrolysers. An electrolyser means a production installation for the production of hydrogen by electrolysis of water. The key components for electrolysers for which subsidies can be granted are anodes, bipolar plates, diaphragms, pressure

regulators, cathodes, small-scale hydrogen storage, membranes, temperature regulators, power electronics, water pump systems, heat exchangers, hydrogen compressors, hydrogen detection systems, hydrogen purification systems or water purification systems. Those components are considered to be designed and primarily used as direct input for the production of electrolysers and the associated balance of plant.

3.4 Solar panels
This category covers subsidies for investments in production lines for circular, lightweight or flexible, and PFAS-free solar panels, or solar panels integrated into buildings (BIPV) or into vehicles (VIPV) based on heterojunction solar cells and perovskite solar cells. Heterojunction refers to a new type of solar cell based on silicon but with a potentially higher efficiency than the current generation of solar cells (PERC/TOPCon). Perovskite is an alternative material to silicon that has the advantage, inter alia, that very little material is needed for production. However, large-scale application is still in its infancy, but it is generally seen as very promising. In the Dutch market, there is a great need for lightweight solar panels, as more than half of roofs cannot currently be fitted with panels without structural adjustments. Lighter panels therefore significantly increase the application possibilities for solar panels. In addition, the use of PFAS is undesirable and circularity is important for, inter alia, the reuse of raw materials at the end of the panels' lifetime. Solar panels based on heterojunction cells or perovskite films that can be integrated into buildings or vehicles further increase the application possibilities of solar PV by allowing their integration into almost all surfaces or materials combined with very high efficiency and thus yield per unit area. In addition to investments in production lines for these solar panels themselves, investments in production lines for key components for those types of solar panels can be subsidised separately. These components are heterojunction solar cells, perovskite films, perovskite solar cells or tandem solar cells. Indeed, they are considered to be designed for the production of the aforementioned types of solar panels and are primarily used as direct input for them.

4. Relationship with European Law
4.1 Technical regulations
This Regulation was notified to the European Commission in compliance with Article 5(1) of Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services (codification) (OJ 2015, L 241). It includes technical specifications or other requirements relating to tax or financial measures. A standstill period does not apply here by virtue of Article 7(4) of Directive (EU) 2015/1535. The notification (PM: number) did not result in any comments.

4.2 State aid
A subsidy to an undertaking for an investment needed for the production of batteries, electrolysers or solar panels constitutes State aid. This aid can be justified by section 2.8 of the Temporary Crisis Framework and the Regulation was drawn up in accordance with the conditions of that aid framework.

This Regulation was submitted to the European Commission for approval to assess its compliance with the conditions set out in section 2.8 of the Temporary Crisis Framework.

The Article-by-Article Explanatory Notes specify which condition of the Temporary Crisis Framework has been developed in the Article in question and, if applicable,

how. A number of conditions do not need to be developed, since these conditions have already been guaranteed by the Framework Decree on national EZK and LNV subsidies (hereinafter: Framework Decree) on which the RNES is based. According to point 85(l) of the Temporary Crisis Framework, aid may not be granted to undertakings in difficulty. That requirement is already met by Article 22(1)(d), 2° of the Framework Decree. Indeed, under that provision, an application must be rejected if the subsidy is intended for an undertaking in difficulty within the meaning of the applicable European aid framework. The Temporary Crisis Framework refers to the Communication from the Commission — Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (OJ C 249, 31.7.2014, p. 1).

If a subsidy is granted under this module, the Minister shall, pursuant to Article 1.8(11) of the RNES, publish the information referred to in section 3(87) of the Temporary Crisis Framework after the date of the subsidy being granted. Pursuant to section 3(87) of the Temporary Crisis Framework, the Minister shall do so within 6 months of the subsidy being granted.

In accordance with section 2.8(85)(o) of the Temporary Crisis Framework, the Minister shall inform the Commission, within 60 days from the moment of granting the aid, about the granting date, the aid amount, the eligible costs, the beneficiary’s identity, the type and location of the investment supported on the basis of the information provided by the subsidy recipient in Annex II of the Temporary Crisis Framework.

5. Impact

The opening of the Climate-Neutral Economy Manufacturing Investment Subsidy module has an impact on the regulatory burden. This is a regulatory burden for undertakings applying for and receiving subsidies. All subsidy applicants must submit an application form, including project plan and project budget. All subsidy recipients are then entrusted with the usual tasks, which can be found, inter alia, in the RNES and the Framework Decree. There is no derogation from the standard clauses and standard forms designed to minimise administrative burdens. For example, there is no need to apply for advances, because advances are paid automatically. Interim reports are subject to a maximum of one report per year in accordance with the Framework Decree. Uniform forms have been drawn up for the audit report. Additionally, subsidy applicants are responsible for formulating a knowledge dissemination plan, which is taken into account in the administrative burden calculation.

The administrative burdens of the subsidy module include burdens related to the submission of applications, reporting during project implementation, final justification (for the determination of the subsidy) and post-project obligations (after the determination of the subsidy amount). These burdens arising from the requirements of the module itself and on the basis of the Framework Decree are the same in terms of content for all three components of the module, namely batteries, electrolysers and solar panels. However, the overall and relative levels of administrative burden are different for those three components, as it depends on which component of the module is concerned, how many applications are expected, how many applications are expected to be allocated and what the subsidy ceiling is.

A total of around five applications are expected for the opening of the battery component of this module, of which around two applications are expected to receive subsidies. The administrative burden for this component is estimated at a

total of EUR 35 719. This represents 0.18 % of the total available subsidy ceiling for this component of EUR 20 000 000.

A total of around 20 applications are expected for the opening of the electrolyser component of this module, of which around 14 applications are expected to receive subsidies. The administrative burden for this component is estimated at a total of EUR 217 405. This represents 0.22 % of the total available subsidy ceiling for this component of EUR 100 000 000.

A total of around four applications are expected for the opening of the solar panel component of this module, of which two applications are expected to receive subsidies. The subsidy ceiling for this component is EUR 28 000 000. The administrative burden for this component is estimated at a total of EUR 25 260. This represents 0.09 % of the total available subsidy ceiling for this component.

This Amending Regulation was submitted to the Advisory Board on Regulatory Burden [Adviescollege toetsing regeldruk] (hereinafter: ATR) for a formal opinion. ATR's opinion is described in section 7.2 of these Explanatory Notes.

6. Implementation

Subsidy applications shall be assessed on the basis of the requirements set out in this module itself and the requirements of the Framework Decree. The subsidy ceiling shall be divided according to the order in which applications are received. The implementation of this subsidy module is carried out by the Netherlands Enterprise Agency [Rijksdienst voor Ondernemend Nederland] (hereinafter: RVO), part of the Ministry of Economic Affairs.
The progress of the projects shall be monitored in accordance with the project plan and the milestone budget. The final investment decision must be part of the project plan and the milestone budget, and a copy thereof must be provided. The applicant must provide an annual progress report and each project shall be visited by RVO at least twice during its lifetime.

RVO considers this Regulation to be feasible and enforceable. The application for this subsidy shall be submitted electronically. For this purpose, the application form is made available on RVO's website via the online portal eLoket.

7. Opinion and consultation

7.1 Consultation establishment

This subsidy module is a development of three different National Growth Fund (NGF) programmes. The design of the module was the subject of regular consultations with the consortia which submitted the proposals for the programmes. These discussions are part of the broader development and implementation of the NGF programmes. The consortia of the NGF programmes are themselves part of the target group for this subsidy module and consist largely of SMEs. There was also an informal round of consultations in summer 2023, specifically for the GroenvermogenNL programme, in order to assess the need for such a Subsidy Regulation among the target group. Due to the extensive discussions with the consortia, no SME test was carried out as the target group has been involved for a long time in the National Growth Fund programmes and the establishment of this Regulation.

7.2 Opinion of the Advisory Board on Regulatory Burden

A draft version of this Regulation was submitted to the Advisory Board on Regulatory Burden (hereinafter: ATR). On 7 March 2024, ATR issued an opinion to

the Minister for the adoption of the Regulation, following the inclusion of a number of points of opinion in the Explanatory Notes. These include an explanation of the extent to which there is an overlap between the OWE and this subsidy module. The OWE supports the purchase of an electrolyser to produce hydrogen and, in part, the production of hydrogen itself is also eligible under that module. This subsidy module supports projects for an investment in the production of electrolysers themselves. There is therefore no overlap between the OWE modules and this subsidy module. This is explained in more detail in section 2.3. In addition, ATR asked for a more detailed description of what is expected of subsidy applicants with regard to the dissemination of knowledge and where they can go if they have any questions about this. The Explanatory Notes to Article 4.7.8 explain the knowledge dissemination plan, including the possibility for applicants to contact RVO for questions in this regard. Finally, ATR recommended describing the involvement of the target group, and in particular SMEs, in the creation of the subsidy module, what questions and concerns were raised and what has been done. This is further substantiated in section 7.1 of these Explanatory Notes.

7.3 Online consultation
A draft version of this subsidy module was publicly consulted from 29 January 2024 to 3 March 2024 via the website www.internetconsultatie.nl. 26 responses to the consultation were received, of which 14 were public. The submitters were industry (19), consultancy (4) and private individuals (3). The consultation responses varied from questions on: 1. scope of the subsidy module; 2. duration of projects; 3. subsidy budgets; 4. definitions of eligible activities; 5. delimitation of eligible costs. After the internet consultation was closed, the subsidy module was adjusted taking into account the responses submitted. Compared to the consultation version, it has been made clear that the subsidy is intended for the implementation of a production line, which can consist of new construction, expansion or conversion of a production line. This makes it clearer for which investments subsidies can be granted, which costs are eligible, and that the module is also sufficient for the conversion or expansion of an existing production line. A definition has been added for the term ‘production line’. By including in the objective that the incentive is for scaling up production to commercial scale, the module is also delimited in terms of phase. It does not involve investments in the research and development phases for production lines after which commercial scale production is not yet possible. The end point of the project is also clearer because it concerns the implementation of a production line. Furthermore, the implementation period for projects has been extended to 5 years, as the responses showed that 4 years is too short.
Responses focused on the scope of the subsidy module and the subsidy budgets have not been adopted. As the budget comes from programmes granted from the National Growth Fund, the scope of the subsidy module is in line with the relevant proposals of the National Growth Fund. Indeed, those proposals were approved in that way and cannot be deviated from. Changes to subsidy budgets have not been adopted, as the amount of the budget is also determined by National Growth Fund programmes and approved as such.

8. Entry into force and fixed change dates
This Regulation shall enter into force on the day following publication in the Government Gazette. This derogates from the system of fixed change dates, whereby Ministerial Regulations enter into force as of the first day of a quarter and are published at least 2 months in advance. It should be noted that rules on subsidy modules actually only have an effect once the subsidy module has been or is being opened, as applications can then be submitted and processed. Thus, merely the entry into force of a Regulation has no effect if the module has not yet

been opened. Therefore, the time between publication and opening is particularly relevant, as potential applicants can acquaint themselves with the Regulation and prepare their application during that time, and RVO can prepare the opening and processing of applications. This module shall be open for the submission of applications at least 2 months after its publication. That time is considered sufficient for potential applicants to become acquainted with the module and for RVO's preparation. That period is also in line with the logic underlying the system of fixed change dates. The opening date is not at the next fixed change date, as it would take longer for subsidy applications to be submitted. It is desirable that production lines for batteries, electrolysers and solar panels can be implemented as soon as possible. This requires that subsidy applications can be submitted as soon as possible so that projects can start.

II. Article-by-Article Explanatory Notes

Article 4.7.1. Definitions

This Article concerns the definitions for the subsidy module. Some are explained below.

The concept of production line is defined as a coherent set of installations intended for the production of a specific product or products or for the recovery of raw materials. This can include, for example, installations for the processing, transport, assembly and inspection of raw materials and products. The production line should be specific to certain products and not a generic line capable of producing different types of products.

For the explanation of key components, the Temporary Crisis Framework is followed. Those components are designed and primarily used as direct input for the production of all types of equipment covered by section 2.8 of the Temporary Crisis Framework, including electrolysers, solar panels and batteries. If a component is not designed specifically for that equipment, but also for other equipment and is generally used more as an input for other equipment, it shall not be regarded as a key component. An example of this is steel. An electrolyser can consist partly of steel, but steel is usually not made specifically for that installation and is not used for the most part for electrolysers. The production lines for key components which are eligible are listed in Article 4.7.3. Those components are explained in more detail in Chapter 3 of the General Part of the Explanatory Notes. The application shall have to justify that the components are actually key, if a subsidy for a production line for such components is requested. This is included in the application requirements in Article 4.7.9.
The Temporary Crisis Framework does not define the concepts of electrolyser, solar panel and battery itself. This module does describe electrolysers. In the Dutch, *'elektrolyse-installatie'* is used for the hydrogen production installation in order to remain close to the terminology of the Temporary Crisis Framework. That definition differs in part from other hydrogen Subsidy Regulations, such as the DEI+ and the OWE. In the DEI+, that installation is referred to in Dutch as *'electrolyser'*. The concept of hydrogen production installation in the OWE includes an electrolyser and peripheral equipment and those two concepts are not used independently of each other. In contrast, the Temporary Crisis Framework uses the concepts of electrolyser and its key components separately, since an investment can also be made only in the production of one of the two. In order to remain close to the Temporary Crisis Framework, the concept of key components is also used in relation to the electrolyser rather than peripheral equipment. As the

key components belong to the electrolyser, there is also no need for a single umbrella term for the two concepts.

For the solar panel category, some concepts have been defined for the sake of brevity. Vehicle-integrated photovoltaic solar panels (VIPV) are solar panels that are integrated into a vehicle. A building-integrated photovoltaic solar panel (BIPV) is a solar panel that is integrated into a building, for example because it is incorporated into the surrounding area in terms of colour or shape.

Article 4.7.2. Objective

Projects must contribute to the objective of this Subsidy Regulation. If they do not contribute sufficiently, applications for them shall be rejected under Article 23(f) of the Framework Decree. In terms of content, the objective is in line with the objective of section 2.8 of the Temporary Crisis Framework, derived from point 84 and the introductory part of point 85 of the Temporary Crisis Framework, and the objectives of the National Growth Fund programmes on which this module develops.

Article 4.7.3. Granting of subsidies

Under this Article, the Minister can grant subsidies for projects for the implementation of production lines for any of the three categories of batteries, solar panels and electrolysers. In Chapter 3 of the General Part of these Explanatory Notes, those production lines and the types of investments that are eligible are explained in more detail. For all three categories, a combination of investments in different production lines is also possible within them. Thus, a project can also involve investment in both a production line for solar panels and a production line for key components thereof. For batteries only, it can also involve a production line for recovery of raw materials. This must include the recovery of related critical raw materials necessary for the production of the batteries or key components listed in this Article. These are only related critical raw materials listed in Annex IV of the General Block Exemption Regulation. This is in line with the application of the Temporary Crisis Framework by the European Commission. Therefore, a production line for the production and recovery of related critical raw materials not listed in that Annex is not eligible through this module.

Article 4.7.4. Subsidy amount

The amount of the subsidy shall be 15 % of the eligible costs. For projects in certain assisted areas, the subsidy shall be 20 % of the eligible costs. Indeed, the Temporary Crisis Framework allows for more subsidies for projects carried out in areas designated on the regional aid map of the Netherlands, in accordance with Article 107(3)(c) of the Treaty on the Functioning of the European Union.[3] Depending on the size of the undertaking, the subsidy can be increased by a certain percentage. This determination of the amount of the subsidy takes advantage of the maximum allowable aid intensity under section 2.8(85)(g) and (85)(h) of the Temporary Crisis Framework for these activities, as it is expected that the incentives for these activities shall require undertakings to receive as much aid as possible for the eligible costs. This applies to all three categories and therefore the determination of the amount of the subsidy is the same for them.

[3] https://competition-cases.ec.europa.eu/cases/SA.100273; https://competition-cases.ec.europa.eu/cases/SA.105305.

The maximum subsidy amount per project is EUR 20 000 000 for batteries, EUR 50 000 000 for electrolysers and EUR 25 000 000 for solar panels. The ceilings depend on the available resources per category. In addition, an estimate has been made of the level of eligible costs for this type of project in order to determine the maximum amount of subsidy required. The ceilings set do not exceed those estimated amounts, so as not to provide more support than necessary and thus to avoid overstimulation. The Temporary Crisis Framework includes a maximum amount of aid of EUR 150 000 000 per undertaking and EUR 200 000 000 for investments made by a single undertaking in assisted areas. An undertaking could receive subsidies under this module for more projects in different categories. Therefore, paragraph 4 includes maximum subsidy amounts per undertaking, so that the total subsidy for a single undertaking cannot exceed the ceilings of the Temporary Crisis Framework.

For electrolysers or key components thereof, a consultation took place in 2023. The consultation showed that a company shall not apply for more than EUR 50 000 000 for a project. On that basis, the maximum subsidy amount for this subsidy was determined.

For batteries, an estimate of the subsidy need was made during the formation of the National Growth Fund programme. Recycling the related critical raw materials requires a capital-intensive investment. Therefore, the maximum subsidy amount for batteries is set at EUR 20 000 000.

For solar panels or key components thereof, the scale of production is essential for the establishment of a viable production line. Therefore, a very large initial investment is needed to compete successfully in the already mature market with very strong, mainly Chinese competition. This maximum subsidy amount is based on an estimate of the capital needed to make this initial investment and following consultation with the target group on potential applications that are currently in the market. For this reason, a maximum subsidy of EUR 25 000 000 per project is justified with a total subsidy ceiling of EUR 28 000 000.

Article 4.7.5. Eligible costs

This Article defines the eligible costs, namely the tangible and intangible investment costs strictly necessary for production lines for batteries, electrolysers and solar panels. Tangible investment costs mean investments in physical components of the installation, as well as land and buildings if these are strictly necessary for the implementation of the production line. Intangible assets mean investments in, for example, detailed engineering and commissioning of the production line. Commissioning means, inter alia, performing functional tests to verify whether the supplier’s specifications are achieved and inspecting the production line before it can operate commercially. For such cost items, they must be capitalised on the balance sheet of the company making the investment. It is therefore a subsidy for capital expenditure (CAPEX) and not for operating expenses (OPEX). This is in line with the Temporary Crisis Framework (section 2.8(85)(f)). The costs must therefore be directly related to the production line for which the subsidy is granted. For example, if a larger production hall is built for future expansion than is necessary for the production line to be purchased or built through this subsidy, the full construction costs shall not be eligible. Only that part of the construction costs which is in proportion to the production line being purchased or built can then be eligible. Both the costs for hours incurred by the undertaking receiving the subsidy for implementation and those subcontracted to third parties are eligible as usual for subsidies, as long as those costs are

necessary for implementation. Costs for installation and preparation of the production line may also be eligible, as such activities may be necessary to put the production line into service. However, such costs must be capable of being capitalised on the undertaking’s balance sheet and meet the other conditions for tangible or intangible costs. The investment must contribute to the objective of scaling up the production of batteries, electrolysers or solar panels. This does explicitly involve the phase of scaling up to commercial scale, so it can no longer be experimental development and research that takes place in the pilot or demonstration phase prior to the scaling up. These costs are not eligible. The Temporary Crisis Framework specifically still lays down requirements for the intangible costs to be eligible and these have therefore been adopted in the module. The intangible assets must primarily be used in the establishment where the production line is to be implemented. Therefore, they may also be used in other establishments, to a limited extent, but they must primarily be used in the establishment of the production line for which the subsidy is requested. In addition, the intangible assets must remain linked to the area concerned where the line is implemented. This is linked to the fact that projects carried out in certain assisted areas can receive more subsidies. It is undesirable that those intangible assets then benefit areas that are not assisted areas. It also follows from point 85(i) of the Temporary Crisis Framework that no subsidy may be granted for the replacement of installations of the production line for which a subsidy has been granted. Therefore, if an installation of a battery production line becomes obsolete or defective during the project, the costs of replacing it are not eligible. It follows from point 85(k) of the Temporary Crisis Framework that costs for the relocation of production lines between Member States are not eligible. Therefore, this Article states that the costs of replacement and relocation are not eligible. This Article applies generically to all three categories.
This Article makes an exception to the main rule of Article 10(3) of the Framework Decree, according to which the residual value of equipment purchased for the project is not eligible. An exception has been made to this, as it is desirable to support the entire investment. The lifetime of equipment purchased for the investment is longer than the duration of a project. However, depreciation of equipment outside the project duration is also covered by the investment. It is therefore desirable that such depreciation should also be included in the eligible costs.

Article 4.7.6. Distribution of the subsidy ceiling

The subsidy ceilings shall be divided by category according to the order in which applications for that category are received, as provided for in this Article. The target group is not large so not many applications are expected and therefore not much competition is expected. The subsidy ceilings may be sufficient to award all applications that meet the requirements. In that case, there is no need to compare and rank eligible applications in order to be able to award the best of those applications. Therefore, distribution by order of entry is an appropriate method of distribution. This also contributes to a simple and rapid implementation of the module.

Article 4.7.7. Start and implementation period

On the basis of this Article, all projects must be started within 6 months of the subsidy being granted. According to section 2.8 of the Temporary Crisis Framework, the module is intended to contribute to the acceleration of the energy transition, so it is desirable that projects start as soon as possible. It is expected to be feasible to start the first activities within 6 months. The implementation period

is 5 years, as there must be a good balance between speed of scaling up for the energy transition and the realistic time needed to set up large production lines. This period would allow these production lines to contribute to the 2030 climate targets and not impose unrealistic implementation periods on projects. As unforeseen circumstances may arise which justify the subsidy recipient needing longer to start or implement the project, this Article provides for the possibility of extending the periods at the request of the subsidy recipient.

Article 4.7.8. Grounds for rejection

This Article sets out the grounds on which applications are rejected. These grounds are additional to those set out in Article 23 of the Framework Decree. In general, the quality of the project plan must be sufficient to obtain a subsidy. A number of issues are relevant to this, namely the development of approach and methodology, the management of risks, the feasibility and the extent to which available resources are used effectively and efficiently. This quality requirement is in line with other RNES subsidy modules, such as the Mission-Driven Research, Development and Innovation (MOOI, section 4.2.7) and DEI+ (section 4.2.10) modules in Chapter 4. In accordance with point 85(c) of the Temporary Crisis Framework, the undertaking must not have started work on the production line before the subsidy application is submitted. According to the Temporary Crisis Framework, works are started if construction works relating to the investment have started, or if the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible, whichever is earlier, has been made. Buying land and preparatory works such as obtaining permits and conducting preliminary feasibility studies are not considered as start of works. This requirement aims to ensure the incentive effect of the subsidy. In the module, this is detailed in the grounds for rejection. An application shall be rejected if irreversible investment commitments for the production line have already been made or the activities included in the project plan have already been started. This wording is consistent with the OWE’s grounds for rejection for the incentive effect and are therefore already known and applied conditions.

This module also aims to have a learning effect so that knowledge gained can be used in other projects. This is an important part of the National Growth Fund, which the Regulation develops. Therefore, there must be a good plan to disseminate the knowledge gained from the project. The quality of the plan is improved as it gives more concrete details of what substantive results and lessons learned shall be shared with parties outside the project during the lifetime of the project and beyond, how this shall be done, such as what communication channels and methods shall be used, and who the target groups with whom this knowledge shall be shared are. In addition, the extent to which substantive results and lessons learned shall be shared plays a role. It is also important how many target groups and parties relevant to the technologies to be developed and production lines to be developed could be reached with the knowledge dissemination plan. It is important that this includes both the dissemination of substantive results and lessons learned to other potential implementers of the technologies or other producers of the production lines, as well as the sharing of results and experiences with a relevant R&D programme, such as from GroenvermogenNL. In this way, the results and lessons can be used in the further development of such programmes. If a link to a relevant R&D programme is not sought, this is an indication that the knowledge dissemination plan is of insufficient quality. RVO shall publish guidelines on the requirements of the knowledge dissemination plan at the same time as the publication of the subsidy module.

To prevent aid based on the Temporary Crisis Framework from having a ‘leakage effect’ to third countries outside the European Economic Area (hereinafter: EEA), applications shall be rejected where there is a concrete risk that the investment shall not take place between Member States within the EEA in accordance with point 85(j) of the Temporary Crisis Framework. Furthermore, the Temporary Crisis Framework does not allow aid to be made conditional on the relocation of activities between EEA countries, as this would be harmful to the internal market. Point 85(k) of the Temporary Crisis Framework includes some conditions for this. Accordingly, applications shall be rejected if there has been a relocation of the production line for which the subsidy is requested, in the 2 years preceding the submission of the application or if there is a concrete risk that the production line shall be relocated within 2 years of the completion of the project. The same applies to the relocation of a production line similar to the production line for which the subsidy is requested. For example, if a subsidy is requested for an investment in an electrolyser production line, the subsidy applicant must not have relocated an electrolyser production line to the location where they intend to invest in an electrolyser production line in the previous 2 years. Relocation is defined in the Temporary Crisis Framework as ‘a transfer of the same or a similar activity or part thereof from an establishment in one contracting party to the EEA Agreement (initial establishment) to the establishment in which the aided investment takes place in another contracting party to the EEA Agreement (aided establishment). There is a transfer if the product in the initial and in the aided establishments serves at least partly the same purposes and meets the demands or needs of the same type of customers and jobs are lost in the same or similar activity in one of the initial establishments of the aid beneficiary in the EEA.’ In this way, relocation shall also be explained when implementing this module.

Article 4.7.9. Information requirements and Annex 4.7.1

This Article sets out the information to be included in the subsidy application. Those details are given in Annex 4.7.1. In accordance with point 85(d) of the Temporary Crisis Framework, this incorporates the data from Annex II of that aid framework with some adjustments related to the consistent use of terminology in the RNES. In order to assess the technical and economic feasibility of the project, a study is required on the technical and economic feasibility both of the implementation of the production line and of the products to be produced by it. For example, if the project concerns an electrolyser production line, it is about the feasibility of that production line and the feasibility of the electrolysers to be made with it. The application must contain the results of that study. The subsidy application must also include a milestone budget. As a result, the advance payments on the basis of the Framework Decree are in line with the milestones and thus with the actual expenditure per phase, as the amount of advances is calculated according to the eligible costs per milestone. The subsidy recipient receives the part of the subsidy needed for the next milestone. If no milestone budget is provided, the amount of the advances shall be calculated by a proportional distribution of the subsidy among the advance dates. It is desirable that advance payments per milestone always apply to these projects, as they can be financially risky due to their size. Often, taking the financial investment decision is part of the first milestone. Relatively few costs are incurred for this. An advance payment per milestone ensures that milestones with low costs do not result in excessive subsidy amounts. If it transpires that the project cannot get off the ground financially after all, not much subsidy has been paid out at that time and therefore there is no need to recover much. The purpose of this requirement

is thus to mitigate the risk of overpayments of advances over the duration of the subsidy and their subsequent recovery.
For the learning effect of the project, there must be a knowledge dissemination plan, as highlighted in the Explanatory Notes to Article 4.7.8. This plan must be provided with the application.

In addition, the requirements for the application for the determination of the subsidy are laid down in this Article. In order to avoid relocation of eligible activities between Member States within the EEA, as explained in the Explanatory Notes to Article 4.7.8, the subsidy recipient must declare at the time of application to not carry out such relocation within 2 years of the completion of the project.

Article 4.7.10. Obligations of subsidy recipient

This Article concerns obligations for the subsidy recipient. Once the subsidy recipient has taken a final investment decision for the implementation of the production line, the subsidy recipient must notify the Minister by providing a copy of it. The final investment decision is a crucial milestone for the implementation of the production line and thus important for the proper monitoring of the progress of the projects. This is also important for mitigating risks as explained in Article 4.7.9. For aid based on the Temporary Crisis Framework, it is necessary to ensure that investments are maintained for a certain period after the completion of the project, as set out in point 85(i) of the Temporary Crisis Framework. This Article lays down that requirement.

In line with other RNES subsidy modules, including from Chapter 4, which includes this module, the subsidy recipient has some evaluation and transparency obligations during and after the lifetime of the project.

In addition, Article 38(1)(a) to (d) of the Framework Decree is declared inapplicable in this Article because those parts of the administration by the subsidy recipient do not relate to items for which an investment subsidy is intended.

Article 4.7.11. Cumulation

In general, on the basis of Article 6(1) of the Framework Decree, subsidies previously granted are deducted from the subsidy that would be granted on the basis of the RNES for the same eligible costs. However, Article 4.7.11 provides that this main rule does not apply in the case of a subsidy for a TSE Industry study obtained on the basis of Article 4.2.113 of the RNES, contributions from municipalities, provinces, water boards and public bodies as referred to in Article 8(1) of the Common Regulations Act, or a subsidy from the European Commission. Therefore, a subsidy or contribution received as mentioned above shall not be deducted from the subsidy to be granted under this module for the same eligible costs. In case of cumulation, for example following this new subsidy module and a TSE Industry study, the highest aid intensity or aid amount of those two modules shall apply as the maximum aid for those eligible costs; this is in line with point 85(m) of the Temporary Crisis Framework. When added together, the total aid must therefore not exceed the highest maximum of the two modules. Contributions from municipalities, provinces, water boards and public bodies are considered as public co-financing for this module.

Article 4.7.12. State aid

This Article concerns the State aid justification for the subsidy under this module, as it contains State aid. Please refer to Chapter 5 of the General Part of these Explanatory Notes for a detailed justification thereof.

Article 4.7.13. Expiry period

The Regulation expires after 5 years in accordance with the maximum period for subsidies applicable on the basis of Article 4.10(2) of the Government Accounts Act [Comptabiliteitswet].

The Minister of Climate Policy and Green Growth,