COUNCIL REGULATION (EEC) No 728/79

of 9 April 1979

on the implementation in the solid fuel liquefaction and gasification sectors of Council Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1302/78 of 12 June 1978 on the granting of financial support for projects to exploit alternative energy sources (1), and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Whereas among alternative energy sources the liquefaction and gasification of solid fuels shows worthwhile exploitation potential which requires proven technologies to be available in good time,

HAS ADOPTED THIS REGULATION :

Article 1

1. In accordance with the terms of Regulation (EEC) No 1302/78 and the rules laid down in this Regulation, the Community may provide financial support for projects for the liquefaction and gasification of solid fuels.

2. Such support shall be granted for projects involving the construction and testing of pilot or demonstration plants for the liquefaction and gasification of solid fuels.

Article 2

The support may be granted for projects for the liquefaction and gasification of solid fuels which cover one or more of the following aspects :

— the design, construction, putting into operation, operation of or improvement to pilot or demonstration plant,

— in the event of underground gasification, the preparation and execution of the borings and the creation of the linking between boreholes, as well as the recovery of the gases produced.

(1) OJ No L 158, 16. 6. 1978, p. 3.

Article 3

1. Support shall be granted in the form of financial contributions repayable under the conditions laid down in paragraph 2 below up to the ceiling laid down for the solid fuel liquefaction and gasification sectors in paragraph 2 of the sole Article of Council Regulation (EEC) No 726/79 of 9 April 1979 fixing the maximum amount of aid to be made available pursuant to Council Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources (2).

2. Support may not in general exceed 40 % of the total cost of the project.

Half of the support shall be repayable in cases where, after the first year of operation, the plant or process is subsequently used for industrial or commercial purposes.

3. The repayable part of the support shall be repaid over a maximum period of eight years, starting from the second year after the date on which exploitation of the installation or process brings in revenue. Arrangements for repayment shall depend on the nature of the project and shall be laid down in the contracts to be concluded with the recipients.

Article 4

1. The Commission shall publish in the *Official Journal of the European Communities* invitations to tender for projects for the liquefaction and gasification of solid fuels.

2. These projects shall be examined by the Commission on the basis of the following information, which is to be supplied by the applicants :

— a detailed description of the project and the timetable for its execution,

— a description of the preliminary work and research,

— the importance of the project for reducing energy dependence and the diversification of supply,

— the financial situation and technical capabilities of those responsible for the project,

(2) See page 2 of this Official Journal.

— the nature and extent of the technical and economic risks involved in the project,

— the cost of the project, its potential economic viability and the proposed arrangements for financing it,

— whether at an earlier stage of research and development the project has been given financial support by the Community or by Member States,

— details of any other financial support for the project to be provided for by, or expected from, Member States or the Community,

— any other information which justifies the Community support requested,

— how it is proposed to publicize the results.

3. In accordance with Article 6 (2) of Regulation (EEC) No 1302/78, the Commission shall set up an Advisory Committee on the Management of Projects for the Liquefaction and Gasification of Solid Fuels composed of representatives designated by the Member States and chaired by a Commission representative. This committee shall assist the Commission in the examination of applications.

The projects which are to receive financial support shall be selected in accordance with Article 6 (2) of Regulation (EEC) No 1302/78.

Article 5

This Regulation shall apply for five years.

The Council, acting on a proposal from the Commission, shall decide whether it should be extended or amended.

The Commission shall report annually to the European Parliament and the Council, and shall make reference to the progress made in the projects which have obtained financial support.

Article 6

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities.*

It shall apply following the decision taken by the Commission, or by the Council in the event of appeal, on the first series of projects in accordance with Article 6 of Regulation (EEC) No 1302/78.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 9 April 1979.

For the Council

The President

M. d'ORNANO