COUNCIL REGULATION (EEC) No 729/79

of 9 April 1979

on the implementation in the geothermal energy sector 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 geothermal energy already shows worthwhile exploitation potential,

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 exploitation of geothermal energy.

2. Such support shall be granted to projects for exploiting geothermal fluids for the purposes of heating domestic, industrial or other premises, generating electricity, or industrial or agricultural applications of heat.

Article 2

Support may be granted for projects for the exploitation of geothermal energy covering :

— the exploratory stage, or

— the exploratory stage and the fluid-utilization stage.

The exploratory stage shall cover the sinking of boreholes with a view to commercial exploitation of the reservoir. The fluid-utilization stage shall cover the other work and investment required to achieve commercial exploitation of the reservoir. The commercial-exploitation stage shall be defined for each specific project in accordance with Article 4 (3).

[1] OJ No L 158, 16. 6. 1978, p. 3.

Article 3

1. Support shall be granted in the form of financial contributions repayable on the conditions laid down in paragraph 2 below up to the ceiling laid down for geothermal energy in paragraph 2 of the sole Article of 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, following the first year of commercial operation of the reservoir, the installation is exploited for the purposes laid down in Article 1 (2) on the basis of the use for demonstration purposes.

3. The repayable part of the support shall be repaid over a maximum period of eight years, starting from the second year of commercial exploitation of the reservoir. 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 exploitation of geothermal energy.

2. Every project submitted shall be examined by the Commission on the basis of the following information 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 diversification of supply,

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

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

[2] See page 2 of this Official Journal.

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

— the extent to which the execution of the project may encourage the exploitation of other geothermal reservoirs in the Community,

— 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 Exploitation of Geothermal Energy, 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 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