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# Demonstration Project for the Industrial Sector 2023

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Financial scheme: Innovation Project Application deadline: 7 June 2023, 23:59 CEST Relevant thematic areas for this call: Petroleum Target groups: Industry Funding scale: NOK 1 000 000-12 000 000

Amount of funding presumed available for this call for proposals: up to NOK 50 000 000

Project duration: 12-36 months

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# Important dates

26 Apr 2023: The call opens for applications

07 Jun 2023: Last deadline for submitting applications (midnight)

07 Dec 2023: Decisions on allocations

DECEMBER 2023: Expected funding decision

01 Jan 2024: Earliest permitted project start

30 Jun 2024: Latest permitted project start

30 Jun 2027: Latest permitted project completion

# Purpose

A Demonstration Project for the Industrial Sector is intended to strengthen the industry's own efforts to demonstrate new technology for applications of high socio-economic benefit. The projects are to contribute to securing expertise, jobs, value creation and a competitive industry in Norway.

Call for proposals

Application results

SHORTCUTS

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# About the call for proposals

This year, only petroleum projects are eligible for support.

Funding is available for projects that promote collaboration to ensure that new innovations are developed and implemented – both products, services and/or processes. You must show that there is a need to pilot and demonstrate new technology for use nationally and for sale in international markets.

For industrial projects that require more extensive research activity, the call <u>Innovation Project for the Industrial</u> <u>Sector 2023</u> (the page opens in a new window) will be more relevant.

You can submit your application at any time up to and including June 7, 2023 at 23:59 CEST. Read more under the heading "Expected funding decision" (under "Administrative procedures" at the end of the call).

The call for proposals constitutes a funding scheme that is notified to the EFTA Surveillance Authority (ESA), and is to be practised in accordance with the EEA state aid rules. Read more about state aid under the heading "Conditions for funding".

Do you also intend to apply for funding from SkatteFUNN for the project? Read more here about this possibility and prerequisites: Incentive effect and combination of policy instruments (only in Norwegian on skattefunn.no, the link opens in a new window).

Please note that you cannot apply for funding for a project that has already started.

The Norwegian-language call for proposals is the legally binding version.

## Who is eligible to apply?

The applicant must be registered in the Norwegian Register of Business Enterprises and have economic activity in Norway. The applicant must be a company that carries out activities of an industrial or business nature.

There is a requirement for collaboration with end users of the technology. You can read more about this under "Requirements for collaboration and roles in the project" below.

Sole proprietorships and research organisations are not eligible to apply.

Who can participate in the project?

# **Requirements relating to the Project Owner**

The company listed as the Project Owner in the application form must have approved the submission of the grant application.

The Project Owner must secure funding for the project (in addition to the Research Council's funding) and other measures necessary to utilise the project results in connection with its own activities.

#### Requirements relating to collaboration and roles in the project

- The Project Owner must carry out the project in effective collaboration with at least one end-user of the technology. For the petroleum sector, these are usually oil companies, but it may also be shipping companies, suppliers or others who operate within the industry as relevant end users. You must register these under "Partner" in the application form.
- The partners are to contribute financial and scientific commitments to the project. This is documented through a letter of intent from each of the partners. In the letter, the partners explain why the project is important to them and describe the scientific and, if relevant, financial obligations in the project.
- The partners must also fulfil the criteria listed under the section 'Who is eligible to apply?' in order to participate in the project and receive funding. Partners enter into effective collaboration with the Project

Owner. This means, among other things, that they share both the risk in the project and the results that come out of it. The partners that receive funding for part of their project costs through our funding will be recipients of state aid.

- Norwegian and international expert communities and research organisations may participate in the
  project as R&D providers with responsibility for performing R&D work on behalf of the companies involved
  in the project. R&D providers are not to contribute to project funding and do not normally have rights to
  project results. They deliver work on assignment and will receive a market price for this. If they are
  nevertheless to retain rights to results, this should be reflected in the price of the work, in that the market
  value of the rights they retain is subtracted from the price of their work. Here you can read more about
  use of R&D providers.
- Other international and public actors may participate in the project, but they should not be included as partners in the application form. This type of collaboration may be described in the project description under section 3.3 "Other collaboration".
- Please note that the Project Owner and partners must be independent of each other, which means that one cannot have controlling influence over the other.
- Nor may the Project Owner or partners have controlling influence over an R&D supplier, or vice versa. Read more about <u>partners and suppliers in innovation projects</u>.
- The basis for our assessment of the application are the relevant collaboration partners and R&D suppliers at the time the application was submitted. It is a crucial condition for us to award funding that they will participate in the project. If you change the composition of the project participants before we enter into a contract with you, we can withdraw our funding commitment.

## Characteristics of the project

- A Demonstration Project is to demonstrate and verify a specific innovation among the companies
  participating in the project. The innovation can be in the form om a new product, a new service, a new
  production process or a new way of delivering products and services. The innovation may also be in the
  form of significant improvements in or new characteristics of existing products, services or processes.
- The companies are dependent on R&D activities in the form of demonstration and verification of the innovation, before market introduction and further commercialisation. R&D activities are primarily experimental development as defined in <u>article 25 of the state aid rules</u>.
- In the project, you must demonstrate a probable and significant positive effect within one or more sustainability goals. We assume that the effects from the project will take place without any harmful effects in other areas. Examples of this are emission reductions, climate adaptation, resource efficiency, well-functioning ecosystems or social/societal conditions.
- The project partners have defined tasks and a clear role in the implementation of the project.
- The project must contain clear objectives and a concrete plan for implementation and utilisation of the results.
- Demonstration and qualification must be done under real conditions. A clear plan for this must be included in the project description.
- The scope and risk profile of the project indicates that the companies will not be able to carry out the
  project without public funding. Support from the Research Council will provide critical risk relief for
  carrying out the activities. The project support must be crucial for triggering further private investment in
  the company on the way to realising the innovation.

#### What can you seek funding for?

We can provide support to cover parts of the R&D project costs to the participating companies. Funding may cover both direct and indirect project costs to the extent that they constitute costs related to industrial research or experimental development. This applies both to costs associated with R&D activities that the industry participants carry out and costs that you incur for the purchase of R&D services.

The Research Council does not provide funding for operational activities and measures to exploit the R&D results, such as protection of intellectual property rights, market surveys and marketing. Nor is funding provided for costs that will not be recorded in the Project Owner's or partners' official accounts, such as unpaid work effort. Commercial rates for infrastructure owned by a collaboration partner or equipment/data sets provided for the project free of charge are also not approved project costs and are not to be included in the application's budget tables.

Read more detailed and important information about what the budget should contain.

## Scope of funding

The minimum amount of funding that may be sought is NOK 1 million, while the maximum amount of funding is NOK 12 million.

Projects must last from one to three years.

We expect you to define the majority of project activities under the category experimental development.

Some industrial research may also be included in the project, but no increased funding will be provided for this category. We do not provide additional support for *effective collaboration*. The aid intensity will vary from 25 per cent to a maximum of 45 per cent, depending on the size of the company, as defined in the <u>state aid rules</u>.

Type of company / type of activity	Industrial Research	Experimental Development
Small Business	45 %	45 %
Medium Business	35 %	35 %
Large Business	25 %	25 %

The aid intensity is calculated for each actor and their costs in the project, and not on the basis of the project's total costs. For applications awarded funding, the final funding amount will be determined in connection with the conclusion of the contract.

# **Conditions for funding**

This call for proposals constitutes an aid scheme that is notified to the EFTA Surveillance Authority (ESA).

Funding awarded under the scheme is awarded in accordance with Article 25 of the General Block Exemption Regulation (Commission Regulation (EU) No 651/2014). In addition, the general conditions set out in Chapter I of the Regulation must be met. <u>See the General Block Exemption Regulation in a consolidated version with amendments up to and including May 2023</u> (the link opens in a new window).

The scheme is to be practised in accordance with the EEA state aid rules. Conditions and concepts are interpreted in accordance with corresponding conditions and concepts in the state aid rules. In the event of conflict between the call for proposals and the state aid rules, the latter shall take precedence. For the same reason, the call for proposals may also be adjusted.

State aid may not be awarded to undertakings that have not met the repayment requirements pursuant to a prior decision by the EFTA Surveillance Authority/the European Commission declaring aid illegal and incompatible with the internal market. Nor may aid be awarded to *undertakings in difficulty* under EEA law.

The call for proposals has been approved as an aid scheme by the EFTA Surveillance Authority (ESA) and has the reference: GBER 35/2023/R&D&I.

If the project is awarded funding, you must revise the application. The revised application must include updated and supplementary information about the project and its partners, including documentation of implementation capacity and own financing. Companies participating in the project must also submit a declaration confirming that they are eligible to receive state aid.

In addition, you must be aware of the following should you receive a grant from us:

- The latest date for project start-up will be six months after notification of funding. Projects that have been approved for funding, but not started within this time, may lose their funding.
- You must send us an annual project account report documenting incurred project costs and how they
  are financed.
- Other public funding allocated to the project, or for activities under the project, may affect the amount of funding from the Research Council.
- If you receive state aid from us that corresponds to EUR 500 000 or more, we will make it known in the Register of State Aid.
- You must notify any partners listed on the stock exchange or who have applied to be admitted to trading
  on the stock exchange as soon as possible, so that they can assess whether the allocation of project
  funding is sensitive inside information.

The Research Council's requirements relating to allocations can be found in our General Terms and Conditions for R&D Projects on the information page about <u>what the contract involves</u>.

# Relevant thematic areas for this call

This call only covers the thematic area petroleum in 2023.

# Petroleum

REDUCING GREENHOUSE GASES, ENERGY EFFICIENCY AND THE ENVIRONMENT SUBSURFACE UNDERSTANDING DRILLING, COMPLETION, INTERVENTION AND PERMANENT PLUG AND ABANDONMENT OF WELLS

#### Funding for petroleum projects∨

Funding is available for projects addressing issues related to petroleum activities in open areas on the Norwegian continental shelf. For issues related to safety in the Norwegian petroleum industry, onshore facilities may also be relevant.

Funding is available for projects within the following five priority areas:

- Reducing greenhouse gases, energy efficiency and the environment
- Subsurface understanding
- Drilling, completion, intervention and permanent plug and abandonment of wells (P&A)
- Production, processing and transport
- · Major accidents and the work environment

For more information about thematic areas and priorities, see the Petroleum portfolio plan.

Applications outside these five priority areas will be rejected.

We expect clear plans for how research results will be brought to innovations (technology or services) on an open international market, if the research in the project succeeds.

# Energy efficiency and reduction of greenhouse gas emissions on the Norwegian continental shelf

Particular priority will be given to projects within "Energy efficiency and reduction of greenhouse gas emissions on the Norwegian continental shelf". In the application, you must provide an account of the estimated total emission reductions for the technology(s) the project will develop, including quantitative climate accounts. You must also describe the time perspective and framework conditions for implementing the knowledge/technology and see it in the context of the industry's new climate targets for 2030 and 2050.

Across the calls for proposals Knowledge-building Project for Industry, Innovation Project for the Industrial Sector and Demonstration Project for the Industrial Sector (this call), we wish to allocate at least NOK 35 million in 2023 to projects aimed at improving energy efficiency and reducing greenhouse gas emissions related to petroleum activities on the Norwegian continental shelf.

# Plug and abandonment of wells (P&A)

If the quality is otherwise equal, priority will be given to projects involving cost-effective abandonment of wells. These are not earmarked funds. The number and quality of applications therefore determine how many projects receive funding.

#### Refinements

All applications must clearly target the petroleum industry. The Petroleum portfolio will only prioritise projects where the technology is directly applied in the Norwegian petroleum activities and linked to the thematic priorities set out in the petroleum portfolio plan.

Grant applications that are mainly aimed at the renewable energy sector, including CCS, geothermal, offshore wind and hydrogen, are not to seek thematic area petroleum.

#### **UN Sustainable Development Goals**

We will emphasise the extent to which you **specifically** describe how the project will contribute to achieving one or more of the sustainable development goals. We have described in the Petroleum portfolio plan which sustainability goals we believe may be relevant to different thematic areas, but you must make your own assessment of how the project contributes.

# Relevance assessment

When we award a mark for the application's relevance, we will consider how well the project complies with the requirements and guidelines set out in the call (see the assessment criterion "Relevance to the call").

For petroleum, the thematic and budgetary guidelines will involve an assessment of how well the points above are met, in addition to assessing whether the project:

- is mature enough for early start-up and implementation, and secures jobs, expertise and value creation for the petroleum industry in Norway
- · solves problems where there are no existing solutions in the market already. We will not

prioritise further development of proven technology or projects that border on normal product development.

• involves cooperation of a substantial nature, not purely pro forma

#### Amount, duration and funding available

Roughly NOK 53 million has been set aside for projects relating to Petroleum for 2023.

The scope and quality of the projects will be considered in connection with the call for proposals for Innovation Project for the Industrial Sector. Based on this, it may be appropriate to adjust the framework for allocation somewhat up or down.

The projects are to have a duration of one to three years, and can receive between NOK 1 and 12 million in funding.



# **Practical information**

# Requirements for this funding scheme

The deadline for this call for proposals is **7 June, at 23:59**. Please note that you can only submit an application once. If you submit the application before the deadline and afterwards see that it still needs to be changed, you can create a new application – e.g. as a copy of the one you have already submitted – and thus submit a new version before the deadline expires.

- All attachments must be in PDF format and uploaded in the application form. You will find all the fixed templates at the end of the call.
- The project description must follow a fixed template and all points must be answered.
- In the application form, you must state whether the same grant application or closely related applications have been sent to other Research Council calls for proposals.
- All project costs are to be budgeted in accordance with <u>the Research Council's guidelines for budgeting</u>.

## **Mandatory attachments**

• Project description of maximum 10 pages. Use the default template.

- Partner data for the Project Owner and for each of the partners. Use the default template.
- CV for the project manager and other key project participants. Use the default template. A maximum of five CVs can be submitted per application, and each CV must be a maximum of four pages.
- Letters of intent from all registered partners. The letters of intent must contain an explanation of why the
  project is important to them, as well as a description of the financial and/or scientific obligations in the
  project.

Note that all templates are new for 2023.

All requirements set out in the call must be met. Grant applications that do not satisfy the formal requirements, requirements relating to the Project Owner, collaboration and roles will not be processed.

All attachments to the application must be submitted together with the application. We do not accept attachments submitted after the application submission deadline unless we have requested additional documentation.

We will not consider attachments other than those specified above or documents and websites linked to in the application. Be sure to upload the correct attachment type under the correct category, as there are no technical restrictions on what kind of templates it is possible to upload in the application form.

# Assessment criteria

Grant applications will be assessed in the light of the objective of the call and on the following criteria:

## Excellence

To what extent does the project represent an ambitious innovation that is supported by relevant R&D activities of high quality?

- To what extent does the innovation represent something new?
- To what extent is the innovation targeted towards clear needs or new market opportunities for the Project
- Owner and the companies that are partners in the project?
- To what extent does the project build on relevant and updated knowledge?
- To what extent does the project employ relevant and recognised R&D methods?
- To what extent are the R&D activities ambitious and essential for the success of the innovation?
- To what extent does the project give appropriate consideration to ethical issues and/or gender perspectives in the research?

#### Impact

To what extent does the project facilitate sustainable development and positive impacts for society and the project partners, and to what extent has this been adequately described and substantiated?

• To what extent does the project contribute to achieving the UN Sustainable Development Goals?

- To what extent can the project have positive external impacts for trade and industry, the public sector and society at large?
- To what extent will the project have significant financial benefits for the Project Owner and the companies that are partners?
- To what extent is the plan for implementation of the R&D results and realisation of benefits relevant and appropriate?

# Implementation

To what extent does the R&D project plan provide a good basis for implementing the activities?

• To what extent does the R&D project plan incorporate appropriate and effective objectives, work packages, milestones, resources and relevant risk assessments?

- To what extent does the project have a clear and distinct plan for demonstration/piloting?
- To what extent will the project have access to the necessary R&D expertise and adequate capacity to carry out the R&D tasks?
- To what extent does the project manager have appropriate expertise and experience to lead the R&D project?

• To what extent does the project have an appropriate project organisation with a clearly defined and relevant distribution of the budget, roles and responsibilities?

• To what extent does the project reflect the strategic priorities of the Project Owner and the companies that are partners?

• To what extent is the budget and funding plan realistic and feasible?

## Relevance to the call for proposals

To what extent does the project meet the requirements and guidelines set out in the call for proposals?

 To what extent have the conditions set out in the call for proposals with regard to collaboration and specification of roles been met?

• To what extent can support from the Research Council be expected to trigger increased R&D investment among the Project Owner and the companies that are partners in the project and provide added value to the project beyond the financial support?

• To what extent does the project meet the topic's guidelines and priorities?

#### Administrative procedures

The application and the mandatory attachments will be made available digitally in a web portal for professionals who will assess the criteria "Excellence", "Impact" and "Implementation". Each application will be assessed by a referee panel comprising at least three referees. The referee panel will submit a consensus-based assessment of the grant application for each of the three criteria.

Following the panel review, a case officer at the Research Council will assess the grant application on the basis of the criterion 'Relevance to the call for proposals'. The assessment of the four criteria will be consolidated into a single, overall mark that indicates the merit of the application.

The Research Council administration then submits the projects to the portfolio board for the final consideration. The portfolio board will attach importance to achieving a balanced project portfolio within its area of responsibility, also in light of ongoing projects and applications submitted for other calls for proposals. These assessments will be based on the budget framework, the text of the call for proposals and documents referred to in the description of the thematic area under this call. You can see which projects are in progress in <u>Prosjektbanken</u> (which is an overview of all the projects we have supported, the link opens in a new window).

The portfolio board will also apply the Research Council's general policy for allocation of funding, including:

- prioritisation of projects on the basis of their impact on sustainability and the environment, assuming all
  other quality-related factors are essentially equal;
- prioritisation of projects involving female project managers, assuming all other quality-related factors are essentially equal;
- research ethics requirements

## **Expected funding decision**

Application assessing will be in the period from 7 June to mid-December 2023. We expect to publish which applications will be awarded funding in the second half of December.

See also: How we process applications.

# Download templates

*	Mal for prosjektbeskrivelse - Demonstrasjonsprosjekt i næringslivet 2023.docx	<u> </u>
*Doc	Template for Project Description - Demonstration project for the industrial sector 2023.docx	<u> </u>
* Doc	Mal for partneropplysninger for bedrifter.docx	<u> </u>
*Doc	Template Information about applicant and partner companies.docx	<u> </u>
* Doc	Template for CV.docx	<u> </u>
🖈 MAND	ATORY ATTACHMENT	

Download all templates 上

About the results of the application assessment process

Total amount sought	96 000 000
Amount awarded	50 424 000
Total number of applications	12
Number of approved applications	8

# Approved applications

Organization -	Project title 🔻	Subject 🔻	Sought 🔻	Published -
WELLSTRØM AS	T-3000 - Through tubing, riggløs plugging av brønner med Bismuth Alloy (M3)	Petroleum	12 000 000	07.12.2023
PRORES AS	At-the-Bit Piggyback Drilling Solution - an integrated while drilling solution for mud loss control.	Petroleum	4 000 000	07.12.2023
FISHBONES AS	Fishbones Drilling, Extended Reach Laterals	Petroleum	1250 000	07.12.2023
COMPERA AS	GrønnPuls: Digitalt visualiseringsverktøy for måling og rapportering av bærekraft i verdikjeden	Petroleum	2 955 000	07.12.2023
FLAPUMP AS	Phase 3: Pilot Testing of Flapump Hydraulic Downhole Oil Well Pump	Petroleum	6 911 000	07.12.2023
QWAVE AS	Videreutvikling av teknologi for bedre undergrunnsforståelse og innsamling av data for mer effektive boreoperasjoner	Petroleum	5 308 000	07.12.2023
Risavika Gjenvinning AS	Pilot gjenvinningsanlegg til behandling og nyttegjøring av petroleumsavfall med borekaks som råvare i tilslags masse til mørtel og betong	Petroleum	6 000 000	07.12.2023
TECHOUSE AS	Demonstrate and test a new Compact Once Through Steam Generator (COTSG) as a core component of offshore Combined Cycle Power Plants (CCPP).	Petroleum	12 000 000	07.12.2023
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Messages at time of print 15 July 2025, 09:41 CEST

No global messages displayed at time of print.