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## Green light to the Norwegian State's investment in Mongstad

The Authority adopted a decision today not to raise objections to the Norwegian State's investment in the company that will construct and own the Test Centre Mongstad (hereinafter referred to as the TCM) in the western part of Norway.

The objective of the TCM is to test, verify and demonstrate different concepts and technologies capable of reducing costs and risks related to large scale CO<sub>2</sub> capture. The TCM will test post-combustion carbon capture technologies on emissions from two different sources: a gas-fired combined heat and power plant under construction and an oil refinery cracker at the Mongstad site. The TCM will start its activities in 2010 and operate for a period of 5 years.

In its decision the Authority concludes that state aid is granted to the TCM but that it is compatible with the state aid rules of the EEA Agreement as it pursues an objective of EEA interest, which is the development of carbon capture technologies.

For the purpose of testing out such technologies on an industrial scale, the Authority has concluded that the State's support is necessary for the project to be brought about. The conclusion is reached on the basis that the state aid is for testing activities and that the project has a limited duration of five years. Therefore, it is concluded that distortion of competition will be limited and that positive effects related to enhancing knowledge of carbon capture technologies will offset any negative effects.

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