

The department for research, innovation and business development

## Contribute to the development of the flexible electricity system of the future

Flexibility is an enabler for increased electrification, more fossil-free electricity production and increased involvement in the transition.

Do you want to carry out a project to develop knowledge or solutions that contribute to the development of flexibility in the electricity system of the future? Then you are welcome to apply for support for your project.

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# 1 We are looking for projects that contribute to the development of flexibility in the electricity system of the future

The Energy Agency is announcing approximately SEK 60 million for projects to develop knowledge and solutions that contribute to the development of flexibility in the electricity system of the future. Do you want to contribute to a project? Then you are welcome to apply for support!

The call is carried out within the framework of the Energy Agency's program Framtidens electricity system, which will promote the transition towards a sustainable energy system by facilitating the electrification of other sectors and at the same time work for an electricity system characterized by security of supply, competitiveness and ecological and social sustainability. The purpose of the call is to support projects that have the potential to contribute value-creating flexibility in the electricity system. Flexibility which in turn can, for example, create space in the electricity grid, increase the price elasticity of electricity and work to ensure that more users and actors are and feel involved in the energy transition in a resource-efficient way. The knowledge that is built up and the solutions that are developed within the projects will be able to speed up the transition by working for; to accelerate electrification in a sustainable way; more fossil-free electricity production in the electricity system, and; that more actors can contribute to a sustainable electricity system.

## 1.1 Do you want to take the challenge?

It is a complex challenge to meet the great demand for flexibility in the electricity system. Demand continues to increase as more actors in various sectors want to participate in electricity markets, in some cases also in new roles. New buildings and new industry want to connect to the electricity grids at the same time as the industrial and transport sectors are also electrified. There is also an increased establishment of weather-dependent and decentralized electricity production. The expansion of electricity grids is important, but even in cases where it is considered cost-effective, it takes a long time, especially for transmission grids. The long time for expansion can be an obstacle to the planning and establishment of new neighborhoods and residential areas as well as new electricity-intensive industry, as well as in the electrification of transport and existing industry.

In line with the increased demand for flexibility, the possibilities have also increased in recent years, for example linked to price signals, policy and other incentives, but also a development of technology. Together, it provides new opportunities for impact and commercialization of products, business models and processes.

However, these are complex challenges where many actors must cooperate in order for the flexibility that is developed to create the best possible value for the electricity system, in terms of all three dimensions of sustainability. An important aspect is that flexibility as a resource needs to become more easily accessible so that more users and actors can participate and contribute in a resource-efficient way. Electricity producers, including cogeneration, play a significant role in the flexible electricity system of the future.

## 1.2 The focus of the call The call is

aimed at projects that take on the challenge of increased flexibility, see 1.1 and 1.4, regardless of the type of solution or knowledge. It is important to take system and/or user perspectives into account in the application. The projects must produce new knowledge about or new solutions for products, services and processes, as well as policy and regulations.

We encourage applications with interdisciplinary<sup>1</sup> approaches to flexibility. The call is particularly aimed at projects where demand owners (e.g. network companies, property owners, municipal companies, aggregators, private individuals, technology suppliers, industrial companies, authorities, etc.) participate in a relevant way, regardless of whether it is as a driving force, project party, participant in a reference group, or as informants.

Objectives for projects relevant to the call may be, **but are not limited to**, that the projects should lead to:

- that more actors should be able or willing to contribute with flexibility in the electricity system
- reinforcement of existing flexibility solutions or that these solutions increases its usefulness, for example, with the help of automation and digitization
- new knowledge about or solutions to, for example, potential interests or goal conflicts for flexibility in the electricity system of the future

Note that the list above is only an example. All projects that contribute to need-based knowledge about flexibility, and all new solutions that can contribute to flexibility in the electricity system in accordance with the purpose of the call are welcome.

## 1.3 Seek support and contribute to the development of the flexible electricity system of the future!

The application can be made as long as the announcement is open. The projects can start on 1 September 2023 at the earliest and run for a maximum of 3.5 years. The timetable for submitting the application, for decisions and start dates for projects can be found in table 1 below.

Table 1. Timetable from when the call for tenders closes to when the project must be finished at the latest. The project start period refers to the period from the earliest to the latest possible start.

Last day for application	Decisions are planned in	Project start at the earliest	The project ends at the latest
23 February 2023 August 2023	2023	September 1, 2023	March 1, 2027

## 1.4 What is flexibility?

There are different ways of looking at flexibility in the electricity system, different *what*, *how* and *why*. Flexibility can be achieved with the help of technical products, (support) services, processes

<sup>1</sup> When expertise, methods, expertise, theories, and/or data from different disciplines are combined to strengthen the whole.

or behavioral changes. Broadly, flexibility resources can be divided into *demand flexibility*, *energy storage*, and *control of electricity production*. To some extent, network expansion can also be included in the concept, but traditionally, flexibility is a tool for utilizing the existing networks. Flexibility is relevant at all levels within the electricity system; from transmission networks to low-voltage networks, all time scales; from seconds to seasons, and regardless of sector connections.

Demand flexibility is about moving power withdrawal in time by redirecting your electricity use to the times when it is most favorable for the system based on, for example, market signals. Demand flexibility can be found both in households, residential areas and neighborhoods, as well as in industry, and it can be both manual and automatic. Demand flexibility can increase price elasticity on the demand side of the electricity market.

Energy storage enables the energy to be used at other times or in other places. Conventional energy resources often come from the start in "stored form" (nuclear fuel, biofuels, hydropower, etc.), which means that storage needs to be solved in a different way if the energy mix changes, for example with batteries.

Controlling production is about increasing or decreasing the electricity supply to ensure the balance or electricity quality in the electricity system or to manage bottlenecks in the electricity network.

Another perspective on flexibility is; a way to *shift* one's electricity demand, *absorb* electricity power peaks from production by using the electricity for the production of other resources ("power-to-X"), or to *supplement the* electricity grid's need for electricity by conversion from another energy resource, for example heat or hydrogen.

## 2 Who can apply?

All actors who can contribute to the call's described purpose and challenges. It can be, for example

- company •  
institute
- universities and colleges' social sciences, humanities, technical and natural science disciplines
  - organizations from the public sector

Projects where different actor types (industry, research institute, academia, the user side, etc.) cooperate constructively are seen as positive. In particular, it is beneficial if the project is driven by, includes or collaborates with the needs owners in cases where it is considered relevant. Then describe it clearly in the application

how the need owner participates in the project, and please support the application with a letter of intent (LOI).

Equality and diversity must be taken into account when composing the project group, when choosing a project manager and when implementing the project, its content, as well as its goals and effects.

### 3 The project application is assessed based on the following criteria

Below are the criteria on which your project application is assessed, as well as selected guiding questions that link to each criterion. Note that a project application can receive a high grade within a criterion without necessarily answering all questions or parts of questions under the criterion.

#### **• Potential to contribute to the purpose of the call - How**

*well is the purpose of the call addressed in the application, and to what degree does the knowledge or solution have the potential to contribute to flexibility in the electricity system?*

#### **• Degree of innovation and novelty value - To**

*what degree is the project innovative and original, and/or to what extent does the project include a new solution and/or how well does the project contribute to moving the knowledge front forward?*

- *To what extent has previous research and state-of-the-art in the field been considered in the application?*

- *To what degree a need is met in relation to existing ones solutions to the intended target market?*

- *To what extent is the benefit of the solution or new knowledge from outside taken into account relevant system and user perspectives?*

#### **• Collaboration**

- *To what degree do the owners of the needs participate in a relevant way for the project, for example as driving force, project party, through a reference group or informants?*

- *To what extent is collaboration planned between relevant actors and types of actors in the project and how well anchored is the collaboration?*

**ÿ Beneficial**

- *To what extent is there a plan for the dissemination of knowledge, for example through dialogue creation with other actors in the field, publications, seminars or via information platforms?*
- *To what extent is there a plan for how the solution is to be commercialized or implemented in the long term, for example through new goods, services or processes?*

**ÿ Feasibility**

- *To what degree are the goals of the project measurable, concrete, well-defined and reasonably ambitious?*
- *To what extent is the proposal for a work plan concrete and realistic in terms of time in relation to set goals?*
- *To what degree are the project's scope, schedule and budget realistic i relation to the set goals?*
- *To what extent do the actors have the right skills and the right resources to carry out the investment?*
- *How expedient and appropriate are the project's methods for answering selected questions?*
- *If the gender perspective is relevant to the project, how well is this incorporated in the project implementation?*
- *How well do applicants take gender equality into account in the composition of the project group, division of labor and working conditions?*

## 4 How to apply - start early

Follow these steps and your application will be processed faster:

- Use the e-service "Financing of research and innovation" on My Pages to write your application (<https://minasidor.energimyndigheten.se>) • Start by applying for authorization to represent the coordinator, i.e. the organization that will coordinate the project, that will receive the support from the Energy Agency and that will pass on support to any other recipients of support that participate in the project. Apply for authorization well in advance, as it may take a couple of days to obtain the authorization. You will receive an email when your application has been approved.
- Once you have been authorized for the e-service, you have access to the form "Application for funding of research and innovation", which you must complete and submit.

Submit the application no later than **February 23, 2022**. We provide support until 16:00 the same day. We do not accept additions after the application deadline.

## 5 What must be included in the application?

Write your application text in the application form on My pages. Read more about what the application must contain in Instructions for the e-service at the following link: <https://www.energimyndigheten.se/om-oss/stod-och-bidrag-att-soka-pa-energiomradet/mina-sidor/alla-e-services/funding-of-research-and-innovation/>

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The application can be written in Swedish or English. An English text must be supplemented with a Swedish summary. Think especially about writing the text in such a way that those who are not familiar with the subject still have the opportunity to follow your reasoning and understand what the project is about and contribute. **Be very careful to describe and justify how the project contributes to the purpose of the call and other assessment criteria!**

Please note that the project description must appear on the application form and must not be attached as an attachment. The attachments must clearly and only be used to supplement the application form and can be:

- The project manager's and other key personnel's CV of a maximum of one A4 page each. These must be combined in one document and are mandatory.
- Any references, figures or images referred to in the text.  
These should be joined as far as possible.
- If relevant; a Letter of Intent (LOI) between applicable parties.
- Extended schedule and budget.

## 6 How much support can each project party receive?

In this call, a total of approximately SEK 60 million is available for the project parties that are granted support. The maximum allowed support per project is SEK 9 million. The projects can last a maximum of 3.5 years, but the projects can be shorter than that.

How large a share of the costs each project party can receive support for depends on, among other things

- how large eligible costs the project party has
- whether the project party is a company or carries out non-economic activities
- which research category the activities in the project are considered to correspond to.

Table 4 below summarizes the maximum aid levels allowed based on the points above.



## 6.1 Support for research and development projects

### ***Eligible costs***

The following costs are eligible if the project activities for which you are applying for support constitute research or development according to Article 25 of the Commission Regulation (EU) No 651/2014<sup>2</sup> :

- a) Personnel costs: researchers, technicians and other support staff to the extent that they work with the project.
- b) Costs for instruments and equipment to the extent and during the time they are used for the project. If the instruments and equipment are not used during the entire life cycle of the project, only the depreciation costs corresponding to the life cycle of the research project, calculated on the basis of generally accepted accounting principles, are considered eligible. c) Costs for buildings and land to the extent and during the time they are used for the project. In the case of buildings, only the depreciation costs corresponding to the life cycle of the research project, calculated on the basis of generally accepted accounting principles, are considered eligible. For land, costs of transfer on commercial terms or actual capital costs are eligible. d) Costs of contract research, know-how and patents purchased or leased from external sources on market terms, as well as costs of consultancy services and similar services used exclusively for research activities.
- e) Other overheads and other operating costs, including costs for material, stock items and similar products, incurred as a direct result of a project.

### ***Support for actors who carry out non-economic activities***

Project parties that do not conduct economic activities (such as universities, colleges, municipalities and research institutes, to the extent that the work is conducted within the non-economic activities) can receive support with up to 100 percent of the project party's eligible costs in the project. Support for actors who carry out non-economic activities is granted according to the current regulatory letter for the Energy Agency.

The following rules apply to indirect costs when the aid recipient carries out non-economic activities:

- Universities and colleges may make surcharges for indirect costs according to the full cost principle they apply

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<sup>2</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty (OJ L 187 26.6.2014, p. 1).

- Other recipients of aid who do not engage in economic activity may receive aid for indirect costs with a maximum of 30 percent of their eligible direct costs for personnel (salary and salary ancillary costs). This also applies if a beneficiary carries out both economic and non-economic activities, provided that the project is carried out in the non-economic activities.

**Support for**

**companies** Support for research and development projects is given to companies in accordance with § 12 of the regulation (2008:761) on state support for research, development and innovation in the energy field. In order to receive support, companies must meet the conditions in Article 25 of Commission Regulation (EU) No. 651/2014. Any entity, regardless of legal form, that carries out economic activities is considered a company. Economic activity means providing goods or services on a market. Enterprises are thus considered to be units that practice a craft or other activity individually or within the family, associations of persons or associations that conduct a regular economic activity.

The percentage of a company's eligible costs (the so-called support level) that the support from the Energy Agency may cover is determined by Article 25 of Commission Regulation (EU) No. 651/2014. The level of support is determined, among other things, on the basis of which research category the various research and development activities in the project are considered to correspond to, and on the basis of the size of the company that will receive the support. The size of the company is determined according to the rules in Annex I to Commission Regulation (EU) No. 651/2014. The rules are also described in the Commission's User Guide on the definition of SMEs. <sup>3</sup>

Beneficiaries who are companies (beneficiaries carrying out economic activities) cannot receive support for indirect costs. This also applies if a beneficiary carries out both economic and non-economic activities, if the project is carried out in the economic activities.

**The project activities are divided into research categories**

The maximum level of support that a company can receive depends on which research category the activities in the project are considered to correspond to. The activities in the project can also be considered to correspond to several different research categories. The maximum permitted levels of aid that a company can receive for research and development projects are set out in Article 25 of Commission Regulation (EU) No 651/2014. Table 2 below describes the different research categories. Table 4 then shows the maximum support levels.

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<sup>3</sup> The user manual is available on the website of the Publications Office of the European Union: <https://op.europa.eu/sv/publication-detail/-/publication/756d9260-ee54-11ea-991b-01aa75ed71a1>

Table 2. Classification of research activities in research and development projects<sup>4</sup>

<b>Feasibility study</b>	evaluation and analysis of the potential of a project aimed at support the decision-making process by objectively and rationally revealing the project's strengths and weaknesses, opportunities and risks as well as identifying the resources required to carry it out, and finally the prospects for the project to be a success.
<b>Basic research</b>	experimental or theoretical work aimed primarily at acquiring new knowledge about the fundamental causes of phenomena and observable facts, and not aimed at any direct commercial application or use.
<b>Industrial research</b>	planned research or critical analysis, aimed at acquiring new knowledge and new skills to develop new products, processes or services, or to significantly improve existing products, processes or services. This includes the creation of components that form part of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems and to pilot operations, if this is necessary for the industrial research, in particular for general technology validation.
<b>Experimental development</b>	<p>to acquire, combine, shape and use existing scientific, technical, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This can also include e.g. activities aimed at conceptual definition, planning and documentation of new products, processes or services.</p> <p>Experimental development may involve the prototyping, demonstration, piloting, testing and validation of new or improved products, processes or services in environments that correspond to realistic operating conditions, where the primary purpose is to make further technical improvements to the products, processes or services that have yet to be developed. are not fixed. This may include development of a commercially useful prototype or pilot work that is necessarily the final commercial product and is too expensive to produce to be used only for demonstration and evaluation.</p> <p>Experimental development does not include routine or recurring changes to existing goods, manufacturing methods, manufacturing processes, services or other ongoing operations even though these changes may involve improvements.</p>

Please note that if the company to which the Energy Agency grants support has received or is receiving funding for the project in the form of other public support (such as other state, regional or municipal support), this support must be taken into account when calculating how much support the company can receive from the Energy Agency. According to EU state aid rules, the *total* public aid granted to the company for the same eligible costs may not exceed the maximum aid levels set out in Commission Regulation (EU) No 651/2014.<sup>5</sup>

### ***The size of the support depends on the size of the***

**company** The maximum level of support that a company can receive for research and development projects also depends on the size of the company. If the applicant is a small or medium-sized company, the support level may be increased by 20 and 10 percentage points, respectively, as stated in Article 25 of Commission Regulation (EU) No. 651/2014.

<sup>4</sup> The definitions appear in Article 2, paragraphs 84-87 of Commission Regulation (EU) No 651/2014. A link is available on the call's webpage.

<sup>5</sup> See Article 8 of Commission Regulation (EU) No 651/2014.

The size of the companies is determined according to the rules in Annex I to Commission Regulation (EU) No. 651/2014. The rules are also described in the Commission's User Guide on the definition of SMEs.<sup>6</sup>

When assessing a company's size, one must take into account the number of employees, annual turnover and balance sheet total, as well as the company's possible connections to other companies. In order to be counted as a small company, it is required that the company has fewer than 50 employees and that *either* the company's annual turnover *or* total assets do not exceed EUR 10 million per year. In order to be counted as a medium-sized company, it is required that the company has fewer than 250 employees and that the company's annual turnover does not exceed EUR 50 million *or* that the company's total assets do not exceed EUR 43 (see below). This is apparent from Article 2 of Annex I to Commission Regulation (EU) No. 651/2014.

Table 3. Definition of company size<sup>7</sup>

Size	Number of employees* Annual turnover or total assets**	
Small business	< 50	≤ 10 million €
Medium-sized companies	< 250	≤ 50 million € or ≤ 43 million €
Big companies	≥ 250	> 50 million € or > 43 million €

\*) By employees is meant not only wage earners but also owners who work in the company without being employees and consultants who are in a dependent position to the company.

\*\*) Information from the most recently approved financial year is taken into account. For a threshold value to be considered passed, the company must have had higher or lower values for two years in a row.

The company's relationship with other companies also affects the assessment of the company's size. Of importance are primarily the company's owners and the degree of control that other companies exercise over the company. How ownership and the degree of control affect the assessment of the company's size is described in more detail in Article 3 of Annex I to Commission Regulation (EU) No. 651/2014 and in the Commission's User Guide on the definition of SME companies.

The table below shows the maximum level of support that can be provided to actors for research and development projects.

<sup>6</sup> The user manual is available on the website of the Publications Office of the European Union: <https://op.europa.eu/sv/publication-detail/-/publication/756d9260-ee54-11ea-991b-01aa75ed71a1>

<sup>7</sup> Commission Regulation (EU) No. 651/2014, Annex 1, Article 2. A link to the regulation can be found on the call's website.

Table 4. Overview of maximum support levels

Type of research and development	Small companies	Medium companies	Big companies	Non-economic activities*
Feasibility study	70%	60%	50%	100%
Basic research	100%	100%	100%	100%
Industrial research	70%	60%	50%	100%
Experimental development	45%	35%	25%	100%

\*) For example universities and research institutes.

## 6.2 Funding from other organizations than The Energy Agency

The Energy Agency's support to companies often does not cover the applicant company's entire cost of the project activities for which the company is seeking support. When this is the case, the company must either cover the remaining cost itself, or find other private funding in the form of cash.

The part of your company's eligibility costs that the Energy Agency does not finance is called co-financing. Please note that any actor other than your company itself cannot co-finance your company's costs through so-called own contributions (so-called in-kind contributions). This is because the cost of an own effort carried out by another actor does not arise with your company, but with the other actor. In other words, the cost of the other actor's own effort is not an eligible cost for your company.

Please also note that if an actor other than your company is to co-finance your company's costs, such co-financing may not be done with public (state, regional or municipal) funds. This is because the total public support for the same eligible costs may not exceed the maximum permitted support levels or amounts resulting from the applicable EU rules.<sup>8</sup> If your company has applied for, received or plans to apply for support from another public financier for the same costs for which you are applying for support from the Energy Agency, you must therefore notify the Energy Agency. This is important to avoid that your company may later become liable for repayment for granted support.

In the event that your company has applied for, received or plans to apply for support that is managed directly by the EU institutions without the involvement of Swedish authorities (e.g. programs such as Horizon Europe or Cosme), you must also notify the Energy Agency when you seeking support from us. This is important to avoid a possible repayment obligation, as the total support from the EU institutions and the Energy Agency for the same eligible costs may not exceed the maximum permitted support levels or amounts resulting from the applicable EU rules.<sup>9</sup>

Please note that the Energy Agency may make higher demands on other financing of aid recipient companies' costs than the Commission's

<sup>8</sup> See Article 8.3 of Commission Regulation (EU) No. 651/2014.

<sup>9</sup> See Article 8.2 of Commission Regulation (EU) No. 651/2014.

Regulation (EU) No. 651/2014 requires. The Energy Authority can also require other funding from actors who carry out non-economic activities to which the authority grants support against the regulatory letter for the Norwegian Energy Authority (such as universities, colleges, municipalities and research institutes, to the extent that the work is carried out within the non-economic activities).

If a beneficiary has received other state aid, such as other state, regional or municipal aid, this aid must be marked as public funding in the application form.

### **6.3 International activities**

The Energy Agency is restrictive in giving research funds to actors who have no operations in Sweden. This can happen in exceptional cases if all of the criteria below are met:

- 1 It can be proven that the actors who have no operations in Sweden have one unique competence that is not found in actors in Sweden.
- 2 The project is essential to achieving the program's goals.
- 3 There can be a clear transfer of knowledge to actors in Sweden.

The Energy Agency can deny financing to actors who have no operations in Sweden, even if all of the above criteria are considered to be met.

## **7 What happens after I submit my application?**

Your application will be evaluated according to a given assessment process which consists of the following four steps:

1. Check that the application meets the basic formality requirements specified in the announcement.
2. External experts act as assessors, where each assessor makes an individual review of a number of applications. Statements and grades are given for each assessment criterion on a 5-point scale. We strive to receive at least three independent and unbiased assessments per application.
3. An assessment meeting for the external experts where the individual assessments are supplemented with a dialogue about each application.
4. The Energy Agency makes a balance and final assessment of the applications where the assessors' statements and grades are included. In the balance, the distribution between research and

innovation area and composition of actors. The external experts act as advisors to the Swedish Energy Agency.

The Swedish Energy Agency then decides whether to approve or reject your application based on the final ranking. The decision is planned for August 2023. You will shortly thereafter receive a notification from us about the decision that has been made and the reasons for the decision has been understood.

It is the version of the application that you submitted before the call's closing date that is assessed. We do not accept additions after the application deadline, apart from those that we expressly request. We may therefore request that you complete the application if we find reasons for this.

Please note that we take credit information on applicant companies.

You can follow what is happening in your case on My Pages.

## 8 If you are granted support

Payment of the support takes place according to a payment plan that can be found in the decision, which you can find on My pages. For more information on payment, see the General conditions for support that accompany the decision on support. After that, your focus is to carry out the project in the best way based on the goals that have been set and with the conditions that are in the decision. The projects are followed up by a manager at the Energy Agency who is also your contact person for any questions along the way of the project.

## 9 The announcement is part of the program

### The electrical system of the future

The research program Framtidens electricity system is one of the Energy Agency's main investments in research and development related to the electricity system and finances research and innovation projects that highlight challenges linked to electricity production, electricity use and the electricity grid of the future.

The program shall promote the transition towards a sustainable energy system by facilitating the electrification of other sectors and at the same time work for an electricity system characterized by security of supply, competitiveness and ecological and social sustainability.

The program runs during the years 2022 through 2027, but may be extended if necessary. Initially, the budget framework is 552 million for the entire program period.

## 10 If you have questions

We at the Energy Agency will be happy to answer any questions about the call for proposals. However, we are not allowed to comment on project ideas or make recommendations, but can only answer questions about the call itself.

Keep in mind that there are usually many people who call on the last day that the announcement is open and that it may therefore be more difficult to get help then. The Energy Agency is only available for questions until 4 p.m., after which you cannot count on getting help and support.

Please note that applications for this call are made in the My Pages tool. [Here there are](#) instructions on how to proceed.

If you have questions or concerns about this announcement, please email us in the first instance:

[elsystem.forskningochinnovation@energimyndigheten.se](mailto:elsystem.forskningochinnovation@energimyndigheten.se)

We have a continuous overview in the emails and try to respond immediately, usually within 24 hours. If you need verbal contact, you can reach two of our case managers on the following phone numbers:

Kristina Starborg, 016-544 20 47

Fredrik Brändström, 016-544 23 66



## Annex – conditions for granted projects

The conditions that apply to granted projects will appear in the Energy Agency's decision on granted support. Below is a description of the terms.

### Definitions

Beneficiary in these *terms* refers to the organization or organizations that, according to the Energy Agency's decision, receive support from the Energy Agency.

In the case of projects with several participating organizations, *project party* refers to the organizations that participate in the project (but not organizations that carry out consulting assignments on behalf of the aid recipient).

In the case of projects with several project parties, *coordinator* refers to the project party that coordinates the project, receives the support from the Swedish Energy Agency and which forwards support to other recipients of support participating in the project in accordance with the Swedish Energy Agency's decision.

### Section 1

**General** The support is granted to finance the implementation of the project specified in the Energy Agency's decision on support.

The beneficiaries are entitled to decided funds only if the Energy Agency receives the required funds from the government.

The aid recipient must finance the part of the costs that are not covered by the support from the Energy Agency with its own funds or with funds from another financier.

The beneficiary is responsible for financing cost increases that occur during the project period.

In all presentations of the project, it must be stated that the work was carried out with support from the Swedish Energy Agency (the name is rendered in English with Swedish Energy Agency).

**§ 2 The coordinator's obligations in projects with several project parties** In the case of projects with several project parties, the coordinator has the following obligations, in addition to what applies to all aid recipients. That is the responsibility of the coordinator

- to be authorized to represent other aid recipients regarding the project in relation to the Energy Agency to receive the Energy Authority's payment of aid to transfer the Energy
- Authority's support to other aid recipients in accordance with the authority's decision on
- aid to prove, at the Energy Authority's request, how each payment has been distributed between the various aid recipients
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- to immediately forward the Energy Authority's decisions, amendment decisions and other information from the Energy Authority relevant to aid recipients to other aid recipients to report during the project period according to the Energy Authority's decisions
- and instructions in accordance with § 7 to ensure that the Energy Authority is immediately notified if such circumstances arise as stated in § 8 to apply for changes in the project in accordance with § 8.
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### **§ 3 Eligible costs**

#### **3.1 General requirements**

Eligible costs mean the costs on which the support from the Energy Agency is calculated. Which costs are eligible for support in a project and what proportion of these costs the recipient can receive support for depends on the support basis the Energy Agency has made its decision on support against.

The basis for support appears from the Energy Agency's decision.

For a cost to be eligible for support, these general requirements apply:

- The cost must be reasonable. •

The cost must have been incurred for the implementation of the project. •

The cost must be actual and auditable, which means that it must be found in the aid recipient's accounting. An aid recipient cannot, for example, receive aid for work performed without pay. The cost must not be either appreciated.

- The cost must be borne by the beneficiary, which means that a beneficiary may only cover their own recorded costs.
- The cost must be determined in accordance with good accounting practice. •

The cost must have been incurred in the project and during the project period which appears from the decision. Costs incurred before or after the project period specified in the decision are not eligible for support.

In the beneficiary's accounting, the project costs must be reported in such a way that they can be distinguished from the beneficiary's other transactions.

#### **3.2 Especially regarding salary costs**

Direct costs for personnel (gross salary and additional salary costs) must be reported as salary costs to the extent that these people work in the project. Salary ancillary costs refer to social security contributions according to law, mandatory pension provisions, mandatory insurance and fees and holiday pay. The salary cost must be auditable. Time records must be able to be displayed at the request of the Energy Agency.

- *Support recipients who are universities and colleges* can receive support for direct salary costs according to the full cost principle they apply.

- For *other aid recipients* (who are not universities or colleges) the total eligible wage costs can amount to an average cost of a maximum of SEK 800/hour. In accordance with the general requirements in 3.1, the cost must be actual, which means that the cost *must not* be a template. This means that if the actual wage costs are higher than SEK 800/hour, a maximum of SEK 800/hour is eligible for support. Conversely, if the actual costs are below SEK 800/hour, the lower, actual costs must be taken up. Average cost means that if a support recipient has several people with different salary levels working in the project, the average salary cost must not exceed SEK 800/hour to be eligible for support. The calculation must be made based on the total actual wage costs divided by the total number of hours spent on the project. If the result in the calculation exceeds SEK 800/hour, the wage costs must be reduced when reporting to the Energy Agency.

### **3.3 Especially about indirect costs**

Indirect costs (overhead costs) are general overhead costs that do not arise as an immediate consequence of the project during the project period. This applies e.g. salaries and fees for staff who do not work specifically with the project (such as staff who work with finance or administration which is not project-specific), office supplies and IT systems.

- *Beneficiaries who are universities and colleges* can receive support for indirect costs according to the full cost principle they apply.
- *Beneficiaries who do not engage in economic activity* can receive support for indirect costs with a maximum of 30% of their eligible direct costs for personnel (salary and salary ancillary costs). This also applies if a beneficiary carries out both economic and non-economic activities, provided that the project is carried out in the non-economic activity and that the beneficiary clearly distinguishes its non-economic activity, its costs and financing from its economic activity.
- *Beneficiaries who are companies* (beneficiaries who carry out economic activities) cannot receive support for indirect costs. This also applies if a beneficiary carries out both economic and non-economic activities, if the project is carried out in the economic activities.

### **3.4 Especially regarding consulting costs**

Compensation to people who are not employed by a beneficiary must be reported as purchased services (consulting costs). Compensation for purchased services must be market-based. Within the project, the project party may not be a subcontractor to another project party.

## **§ 4 Payment of grants The**

payment plan appears in the decision on support. Payment of grants takes place without prior requisition, unless otherwise stated in the decision. The contribution covers value added tax only when this arises as a net cost of

the beneficiary. The aid recipient must submit verifications for the reported costs if the Energy Agency requests it. The Energy Agency has the right to withhold aid payments if the aid recipient has not worked up at least 90 percent of previously paid funds in the same project.

#### **§ 5 Employer relations** The Energy

Agency is not the employer or client of the aid recipient or anyone else he hires for the project. The Energy Agency therefore does not make deductions for taxes, social security contributions, etc.

#### **§ 6 Notification obligation regarding financing** The aid recipient

must immediately notify the Energy Agency if the aid recipient applies for or receives funds for the project from a financier other than the Energy Agency. This also applies to other changes to the financing of the project compared to what appears in the Energy Agency's decision on support.

#### **Section 7 Reporting and follow-up** Reporting

and follow-up must take place in accordance with the Energy Authority's instructions and decisions on support.

If, according to the decision, a project party receives funds equivalent to three million kroner or more from the Energy Agency, an auditor's certificate from an authorized or approved auditor regarding this project party must be attached to the final report. Auditors' certificates from internal auditors are accepted for municipalities, county councils, government authorities, universities and colleges. An auditor's certificate must also be attached to the final report if the Energy Agency so specifically requests. Through the certificate, the auditor must confirm that the costs reported for the project party in the final report have been taken from its accounting, that the costs have been incurred during the project period as shown in the decision, that the costs have been verified (substantiated) and that the project party's accounting routines are designed in accordance with good accounting practice.

#### **§ 8 Changes in the project** The

aid recipient must apply in advance in writing to the Energy Agency to be allowed to make changes within the implementation and cost plan that appears in the Energy Agency's decision on support. This applies e.g. change of project manager, change of aid recipient, changed project duration, change in implementation or delay in reporting to the Energy Agency. Shifts are accepted between the cost classes within the cost plan that appears from the Energy Agency's decision up to and including ten (10) percent. The aid recipient must apply to the Energy Agency for changes that exceed ten (10) percent if the amount is greater than SEK 50,000.

The beneficiary must immediately notify the Energy Agency in writing if the project is canceled or delayed, if the beneficiary becomes insolvent or if another circumstance of significant importance occurs. The aid recipient must also immediately report a change of name and address to the Energy Agency.

**§ 9 Amendment of decision**

Amendments or additions to the Energy Authority's decision on support must be drawn up in writing by the Energy Authority in order to apply.

**§ 10 Right to results** The

grant recipient or the right holder of the results has the right to use project results that arise within the project. The project results may be transferred or leased to another. However, aid recipients may not hand over or assign project results, or otherwise take any action, which means that it is a question of indirect state aid.

**Section 11 Inspection right**

The Energy Agency or another appointed by the Energy Agency (e.g. authorized auditor) has the right to follow the work and take part in documents that contain information about e.g. the technical and financial development of a project. To enable review, the Energy Agency has the right to issue special instructions for reporting.

The Energy Agency has the right to follow up on completed projects by requesting a follow-up report that must be drawn up and submitted according to the Energy Agency's instructions. Such a report can be requested on three occasions within a ten-year period counted from the date of project end.

**§ 12 Reimbursement of unused funds** Granted and

disbursed funds that have not been used by the aid recipient must be reimbursed to the Energy Agency. After submitting the final financial report, the Energy Agency will notify whether there is a repayment obligation and with what amount.

**Section 13 Sanctions**

The Swedish Energy Agency may decide that a granted grant shall not be paid out in whole or in part

1 the person who applied for support by providing incorrect information or in some other way has caused the support to be granted incorrectly or with too high an amount,

2 the support for some other reason has been granted incorrectly or with too high an amount and the recipient should have realized this, or

3 the conditions for the support have not been followed.

The aid recipient is liable for repayment if any of the grounds stated in points 1–3 above exist. The Energy Agency may then fully or partially demand back the support together with interest according to the Interest Act (1975:635).

In the event that the support from the Energy Agency constitutes illegal state aid, the recipient is obliged to repay the support if repayment is not received

is prohibited under EU law. This is apparent from Section 3 of the Act (2013:388) on the application of the European Union's state aid rules. The state's energy authority must then, in accordance with the same law, recover the support together with interest from the date of payment.

The Energy Authority can withhold payments of support until further notice if the authority is considering but has not yet decided on sanctions. The authority can also choose not to pay out aid if investigation of sanctions against the same aid recipient is ongoing in another project financed by the Energy Agency.

**Consent to making information** available The Energy Agency makes available information about projects financed by the authority on the agency's website ([www.energimyndigheten.se](http://www.energimyndigheten.se)). There, the public can search for information about ongoing and completed research projects based on various keywords, such as research topic, research organization, project title and project leader. The beneficiary is responsible for the holder of any copyright having consented to making it available and must ensure that the copyright holder has the right to give consent in each individual case. The Energy Agency's decision on the granting of funding is accompanied by a form on consent to making information available. By signing the document, the authorized representative of the aid recipient agrees/does not agree that information not covered by confidentiality according to the Publicity and Confidentiality Act (2009:400) that appears in the project may be made available to the public.

**Consent for personal data** processing The Energy Agency makes information about projects financed by the authority available on the agency's website ([www.energimyndigheten.se](http://www.energimyndigheten.se)). The Energy Agency's decision to grant funding is accompanied by a consent form for personal data processing. By signing the document, the project manager consents/does not consent to his personal data being processed by the Energy Agency to be made available to the public on the agency's website. More information about how the Swedish Energy Agency processes personal data is available on the Swedish Energy Agency's website ([www.energimyndigheten.se](http://www.energimyndigheten.se)).

#### **Public document and confidentiality** In

principle, all mail and e-mail to the Energy Agency becomes public document. This means, among other things, that the public and mass media have the right to request access to the content. Even letters and decisions sent from the Energy Agency are public documents. The right to take part in public documents that are public is part of the principle of openness.

However, the Energy Agency may not disclose information that is subject to confidentiality according to the Publicity and Confidentiality Act. It means that an act or certain

information in a document may be protected by confidentiality. A confidentiality assessment is therefore carried out before a document is released in each individual case.

Confidentiality applies, for example, to information about an individual's business or operating conditions, inventions or research results if it can be assumed that the individual will suffer damage if the information is disclosed.