

CONSULTATION ON THE DESIGN OF THE GRANT SCHEME "GREEN LABS DK"

REQUESTS FOR CONTRIBUTIONS

In pursuance of its Green Vision, the Danish Government aims to turn Denmark into a "laboratory for green technologies" with the best framework conditions possible for the business community throughout the innovation chain from new ideas in R&D to demonstration and proof of concepts and further on to commercialisation.

The Government has granted 210 million DKK (approx. € 28,2 mio.) over a period of three years to support the construction (not operation) of a few test laboratories – so called Green Labs – where businesses can demonstrate and test new green technologies in full scale and under realistic circumstances¹. The long term objective is to make it attractive for Danish, European and international businesses to place their development activities in Denmark.

The new Green Labs should be developed and operated in cooperation with the industry itself. Thus the Government call on key industries to go along with universities and regional or local authorities etc. to explore possible models for the development for Green Labs.

The Government has decided to initiate a consultation phase before calling in proposals in order to ensure that the criteria in the scheme are in line with the real needs and capacity of the market. All interested parties are therefore invited to submit descriptions of ideas for possible Green Labs by 10 May 2010. The Government suggests that the consultation is used to identify potential joint ventures and, if possible, agree on a coordinated response to the expected call for the submission of proposals in June 2010.

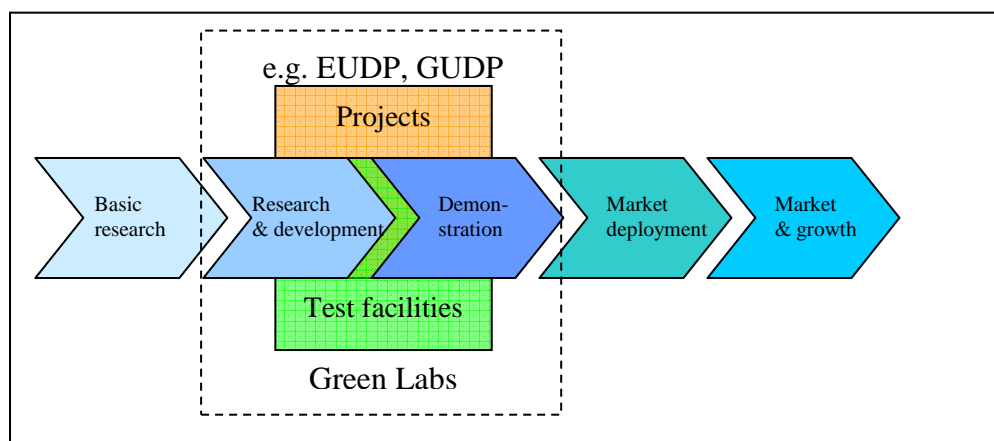
Based in part on the contributions in the consultation, the minister will lay down the final award criteria for Green Labs DK. It is expected that the first round of funding - 60 million DKK – will be awarded in December 2010.

¹ See the Finance Act 2010

GREEN LABS DK – FOR A NATIONAL GREEN TEST INFRASTRUCTURE

The existing Energy Technology Development and Demonstration Program (EUDP) supports projects on development and demonstration of new climate and energy technology. However neither the EUDP nor any other schemes support the construction of facilities to demonstrate and test the same energy technologies on a large scale. This market barrier is particularly felt by small and medium sized businesses that lack capacity to finance the necessary demonstration and test facilities themselves. However, these businesses are fully prepared to pay for access to facilities, which provide a platform to demonstrate and test their new products and solutions.

Green Labs DK closes the gap in the innovation chain by contributing with a government grant to the construction of test facilities covering areas of climate and energy technology with a considerable potential for growth. Small and medium businesses could be end-users of the Green Labs.



“Green Labs DK” has a total financing of 210 million DKK (approx. € 28,2) over three years (60 million DKK in 2010, 70 million DKK in 2011 and 80 million DKK in 2012) according to a political agreement in 2009 on the allocation of globalisation funds for R&D.

THE INITIAL CONSULTATION – PHASE ONE

The Government is attaching great importance to finding models for the new Green Labs, which are based on viable business models and established in areas with a considerable potential for future growth.

In an initial consultation phase, the Government therefore aims to explore the possibilities for establishing strong joint ventures and partnerships, which must be able to ensure:

- That the facilities are established in areas with a considerable potential for growth
- That the business models are viable in the long term
- That the facilities are based on openness and accessibility – also in relation to small and medium sized businesses

Moreover a significant private co-financing will be required.

Potential candidates are called upon to use the consultation phase to elaborate on possible models for Green labs and explore the possibilities for e.g. developing innovative concepts,

integrating different areas of technology and creating viable business models and forms of organisation. Further, the new Green Labs should engage in establishing connections to the strategic research done in the area and, if possible, build upon existing regional business clusters and business growth policies.

Participants in the consultation phase are also encouraged to engage in dialogue with the Ministry of Climate and Energy.

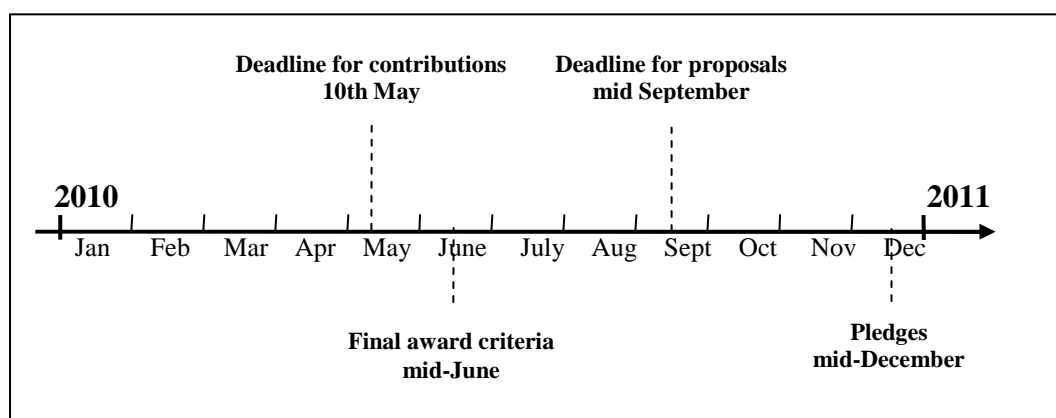
Based on contributions from the consultation phase, the minister will lay down the concrete award criteria.

The consultation phase is not binding and participation is not a requirement for submitting proposals. However, participation in the first consultation phase offers a unique opportunity to influence the award criteria.

THE SUBSEQUENT CALL FOR PROPOSALS – PHASE TWO

The call for the submission of proposals is expected to be published in June 2010 with a deadline in mid-September 2010. The call is expected to encompass a demand that candidates provide evidence of a significant co-financing as well as documentation for the growth potential for the particular technology and a viable business strategy, including a budget for the long term operations.

The board of the EUDP will serve as an independent program board for the scheme with the competence to assess proposals and make decisions on the allocation of Green Labs DK funds. Pledges and rejections are expected to be communicated during December 2010.



Preferences with respect to content and form

Interested parties are requested to submit written contributions containing descriptions of potential Green Lab of maximum 10 pages, including possible annexes. The contribution should include a description of:

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| Technology | It should be stated which technologies and industries are being targeted, including possible synergies to other technologies and systems solutions. |
| Growth potential | There should be an account of existing and potential markets, including Danish expertise and potential share of the markets. It should also be explained why the |

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| | facilities are necessary in order to realise these potentials. |
| Justification for public co-funding | It should be explained why actors on the market are unable to establish the facilities themselves without public co-funding. |
| Facilities and activities | There should be an account of the specific activities envisaged. It should further be explained how the activities differ from existing facilities in Denmark and abroad as well as the concrete need for new test infrastructure. |
| Organisation | There should be an account of the structure of ownership, and how it will be ensured that the facilities stay accessible (open) for other interested parties, including foreign and small businesses. |
| Business Model | There should be an account of the overall budget, both with regards to initial cost of establishment (who will provide the funding e.g. private, public, EU-funds) and ongoing operational costs and revenues. |

Who are entitled to participate?

Green Labs DK is conceived as a grant scheme for the construction of test facilities in Denmark. It is both intended to attract national and foreign actors.

Applicants can be joint ventures including participation of both public and private parties. In that respect the regional growth forums could play a part in the development of the initiative.

Does the European Union's State Aid rules apply?

The scheme falls within the provisions of state aid rules in the Treaty of the European Union,

Questions and further information

For questions, please contact special advisor Peter Sehestedt at the Danish Energy Agency, Energistyrelsen via telephone +45 3926687 or e-mail pse@ens.dk. Information regarding the scheme is also to be found on the Energy Agency's homepage www.ens.dk under Green Labs DK.

Contributions are to be sent electronically to the Danish Energy Agency

greenlabs@ens.dk 10 May 2010 at the latest.