we are ICF

ENVIROS

European Commission

Ministry of the Environment of the Czech Republic

Supporting low-carbon transition of the Czech Republic by EU ETS Funding Mechanisms

Webinar to support the design of the implementation modalities of the Modernisation Fund in the Czech Republic

8 June 2020

Document control

Document Title	**Supporting low-carbon transition of the Czech Republic by EU ETS Funding Mechanisms** **Webinar to support the design of the implementation modalities of the Modernisation Fund in the Czech Republic**
Date	05/06/2020 v4
Authored by	ICF: Jerome Kisielewicz & Teodor Kuzov. ENVIROS: Jiři Spitz & Jan Pavlík. UPOL: Michal Petr.
Checked by	ICF: Jonathan Lonsdale. ENVIROS: Pavel Sitný

This project is funded by the EU via the Structural Reform Support Programme and implemented in collaboration with the Czech Ministry of Environment, the State Environmental Fund and the European Commission.

Content

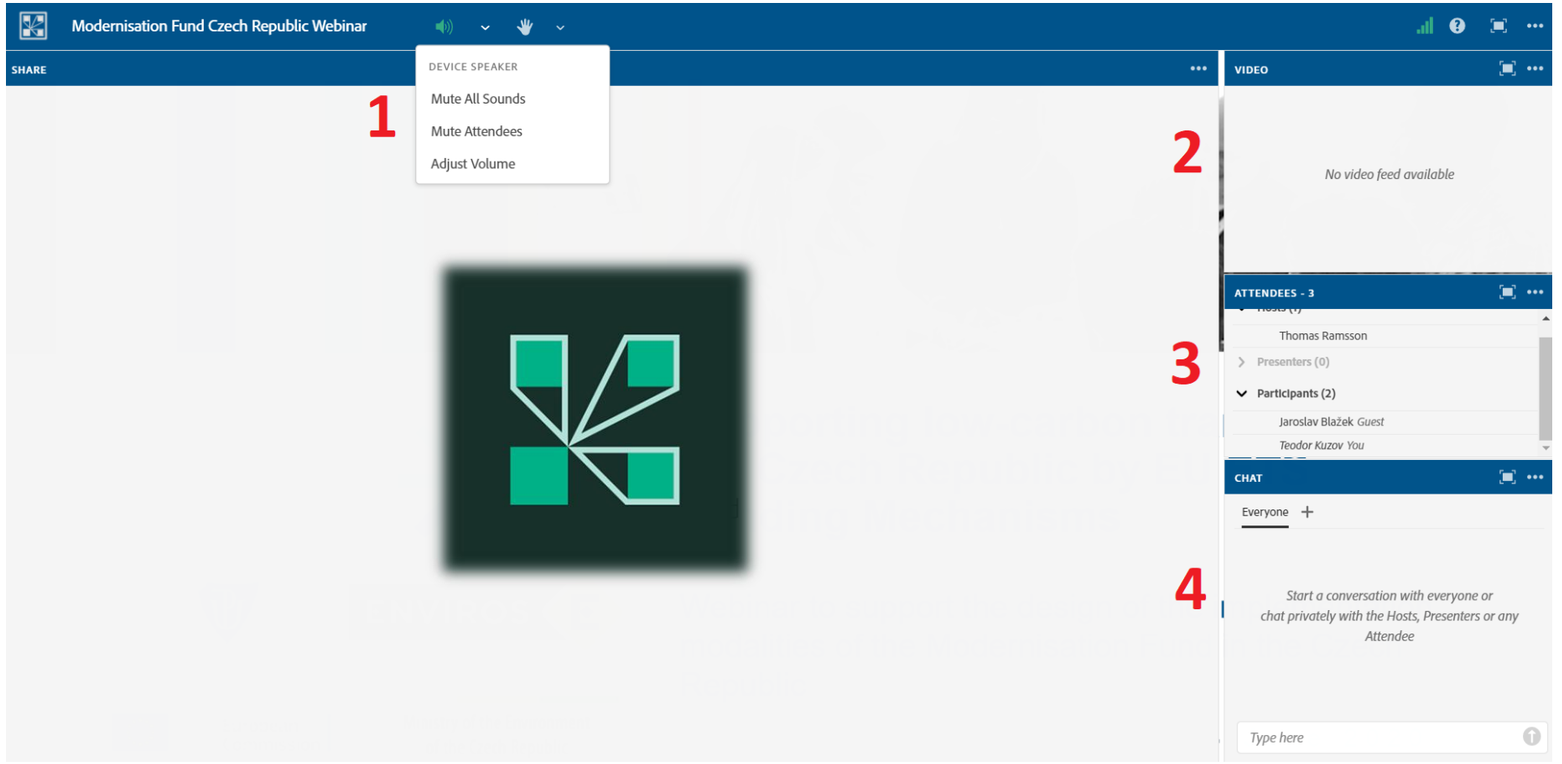
1. Welcome and introduction (Ministry of Environment)
2. Introduction to the project and the objectives of the webinar
3. Results of the stakeholder survey
4. Suggested implementation modalities for the Modernisation Fund
5. Basic state aid considerations for the Modernisation Fund modalities
6. Questions and answers
7. Closing remark (Ministry of Environment)

Adobe Connect

This webinar will be recorded and all attendees will be automatically muted when they join the session!

1. Make sure that your speaker icon is in “green” and you gave the appropriate permissions (if prompted by your browser/app).
2. Only presenters and hosts will be able to use their cameras to show video.
3. All presenters and attendees will be listed in the “attendees box”.
4. You can raise questions and comments during the presentation in the “chat box”.

During the Q&A there will be a box for questions



Welcome and introduction

Jan Kříž

Deputy Minister for EU Funds, Financial and Voluntary Instruments, Ministry of Environment

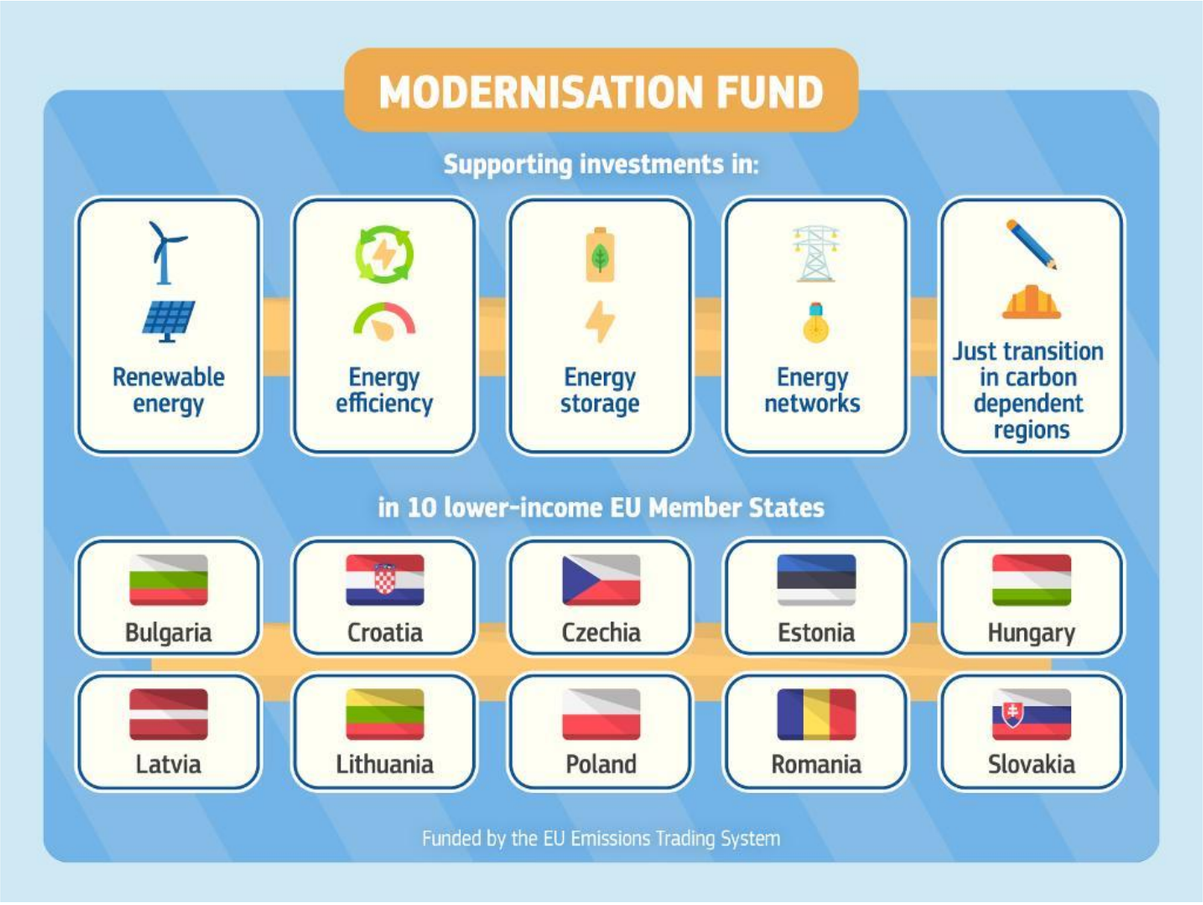
Introduction to the project and the objectives of the webinar

Jerome Kisielewicz, Managing Consultant, ICF

Introduction to the project

- **This project is supporting the Czech authorities to develop an implementation framework for the Modernisation Fund (MF).**
- **Process to date:**
  - Cross-sectoral gap assessment and an analysis of the energy system needs to identify where the MF could be of most use
  - Stakeholder survey to gain insights into initial MF deployment options and the project pipeline
  - Design of an overall structure for the MF and suggested modalities based on a “user” perspective
- **Next steps (until September 2020):**
  - Finalise the suggested modalities based on your feedback
  - Assess the environmental, economic and financial leveraging impact of the suggested modalities
  - Develop a MF guide for applicants
  - Engage with key stakeholders during the project to ensure their buy-in, including through a final event (scope to be defined)

Recap on the Modernisation Fund



Source: https://ec.europa.eu/clima/clima/policies/budget/modernisation-fund_en

- **The MF was established by the Revised EU ETS Directive**
- **70% of total funds must be allocated to priority areas**
- **Deployment modalities depend on the EU Member State**
- **In Czech Republic, 10c allocations were transferred to the MF. This represents around EUR 5 billion over the 2021-2030 period (assuming EUR 25/EUA).**
- **Sectors targeted by our study include:**
  - Power generation;
  - Combined Heat & Power production (CHP) and district heating;
  - Industrial sectors (under ETS and non-ETS);
  - Services;
  - Public buildings;
  - Households (family houses and multi-apartment blocks);
  - Waste;
  - Transport; and
  - Energy communities.

ICF ENVIROS European Commission Ministry of the Environment of the Czech Republic

Objectives of the webinar

- **The objective of the webinar is to present the following information:**
  - Provide an update on the work completed since December, including the results of the stakeholder survey completed in April;
  - Present an initial suggestion for the overall structure for the MF in Czech Republic; and,
  - Present details on each of the suggested modalities, ranging from the types of likely project categories through to potential eligibility criteria and appropriate funding support mechanisms.

- **But also to:**
  - Test and refine the potential use of the MF across sectors;
  - Discuss the specific sectoral priorities/categories that the MF should aim to address;
  - Discuss the sequencing of the MF deployment with the objective to scope out what should be funded in priority and via which funding mechanisms; and,
  - Answer your questions!

Results of the survey

Jerome Kisielewicz, Managing Consultant, ICF

Results of the survey on initial MF deployment options

- **35 respondents from all the relevant sectors and representing a range of organisations**
- **Good signal in terms of MF priorities:**
  - Support to integrated RES & storage projects (17 votes)
  - Support to RES projects not covered by other mechanisms (14 votes)
  - Support to RES and fuel-switching projects of heat producers falling under the EU ETS (13 votes)
  - Support to investment in community energy systems (12 votes)
- **Good insights regarding the potential intervention rate of the MF across sectors and modalities.**
  - Will be used as one source of information alongside more detailed analysis
- **28 project examples identified containing detailed technical and economic data**

Suggested implementation modalities for the Modernisation Fund

Jonathan Lonsdale, Consulting Director, ICF

Guiding principles for the MF

Principles	Implication for the MF
Primary objectives	• GHG emission abatement is the MF's primary objective, cost-efficiency (EUR/tCO_2e reduced or EUR/kWh generated) will therefore guide the selection of projects across most modalities to maximise the MF impact. • Additional objectives are to support carbon-intensive regions and power/heat storage projects
Distribution across sectors	• 65% of the MF is made of allowances coming from 10c transitional allowances, so electricity producers falling under the EU ETS will therefore benefit from this important MF support.
Disbursement rhythm is largely dictated by the MF Implementing Act (based on latest ICF insights into the MF Implementing Act)	• The MF Implementing Act envisages two Disbursement Decisions per year. • Investments in priority areas will have to be submitted by Member States 10 weeks prior to the Disbursement Decision • Investments in non-priority areas will have to be submitted by Member States 14 weeks prior to the Disbursement Decision • Provided that the legislative process does not face any delay and given that the first Disbursement Decision is expected for July 2021, this means that the Czech authorities should be ready to submit their first investments to the EIB by March-April 2021. • For each disbursement round, Member States will have to achieve at least 70% of spending on priority areas in order to access the 30% of the MF monies that could be spent on non-priority areas. • Spending on priority areas could also represent up to 100% of total MF monies.

Analysis of prevailing support, stakeholder feedback and policy objectives provides rationale for approach

Modalities for the MF in Czech Republic have been designed to ensure:

1. **Coverage of all key energy activities** where action is required to help meet energy & climate targets
2. **Complementarity with existing programmes** (e.g. OPE & OPTAK) to avoid duplication of support
3. **Workability with potential final beneficiaries** (i.e. end-users):
   - Includes familiarity of eligibility criteria for some modalities in line with existing OPs (e.g. buildings and industry in Prague)
   - Alignment of project categories and funding instruments with likely project types and scale of funding needs
   - Grants to be deployed across most modalities
   - Current investigation of MF-wide guarantee scheme via CMZRB to help projects achieve Final Investment Decision

Analysis of prevailing support, stakeholder feedback and policy objectives provides rationale for approach (2)

Modalities for the MF in Czech Republic have been designed to ensure:

4. **Administrative ease of application –** from the perspective of both applicants, SEF and other potential implementing agencies:
   - Grouping of activities into likely end-user project types
   - Scale of funding round issues
5. **Close monitoring of 10c allocations included in the MF** through:
   - Designing a modality (1a) with a ring-fenced 'window' which is restricted to applications from 10c installations only
   - 10c installations are also eligible under competitive bidding for new RES (1b), whose disbursement will be monitored on an annual basis to understand the relative share which is accruing to 10c installations.
6. **State aid compliance is more manageable for Czech authorities**.

MF will be complementary with Operational Programmes (OPs) in Czech Republic

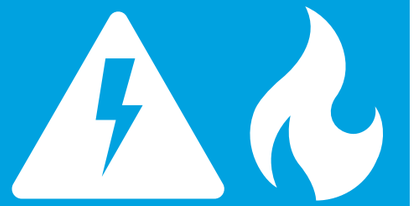
	RES	Energy Efficiency	Storage	Networks	Transport	Fuel Switch
MF in relation to OPs	▪ Covers companies part of EU ETS (**Modality 1A**) ▪ Complements OPTAK for companies outside ETS (**Mod. 1B**) ▪ Covers community energy (**Mod. 4**) ▪ Does not cover residential houses covered by OPE and New Greenlight for Savings	▪ Covers companies part of EU ETS (**Mod. 2A**) ▪ Complements OPTAK for companies in Prague (**Mod. 2B**) ▪ Complements OPE for public buildings in Prague (**Mod. 3A**) ▪ Covers public lighting in CZ (**Mod. 3A**)	▪ Covers storage in other modalities as a bonus (**Mod. 1B**) ▪ Does not cover standalone storage projects, which will be supported by OPTAK	▪ Covers district heating networks (**Mod. 1A**) ▪ Does not cover electricity and gas networks, which are covered by OPTAK	▪ Covers public transport infrastructure (**Mod. 5A** after IROP+OPDt are spent) ▪ Covers public vehicles (**Mod. 5B** after IROP is spent) ▪ Does not cover private companies and private infrastructure, covered by OPTAK	▪ Covers replacement of coal boilers with other fuels, heating plants under 10c, enterprises within EU ETS (**Mod. 1A**)

Proposed modalities for MF in Czech Republic

	POWER & HEAT		INDUSTRY		BUILDINGS & PUBLIC LIGHTING		CES*	MOBILITY	
	1A	1B	2A	2B	3A	3B	4	5A	5B
Modality	**Decarbonise combustion plants & district heating networks**	**Generate new low carbon capacity**	**Decarbonise EU ETS installations**	**Decarbonise non-EU ETS installations**	**Decarbonise municipal & public buildings & infrastructure**	**Decarbonise central government buildings**	**Support Community Energy Systems**	**Decarbo-nise public transport**	**Decarbo-nise mobility**
Key activities	Fuel switching for power, heat & CHP (including industry)	New RES including with storage	EE & GHG abatement		EE & GHG abatement		RES	Transport electrification & modernisation	
Geographic coverage	Czechia		Czechia	Prague to complement OP	Prague (complementing OP) and Czechia (public lighting calls)	Czechia	Czechia	Czechia – After depletion of Operational Programmes	
Support instrument	Grant	Competitive bidding	Grant	Grant	Grant	Grant	Grant	tbc	

* Community Energy System

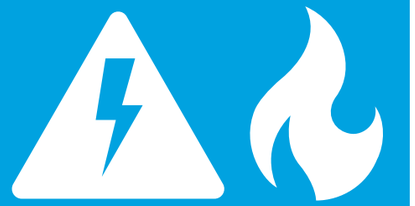
Modality 1A
Decarbonisation of combustion plants and district heating networks



TECHNICAL COVERAGE	
Targeted activities	Fuel switching for coal/lignite/oil fired power generation, CHP (including industrial) and district heating plants
Targeted project categories	• Boiler retrofit for natural gas and biomass compatibility: ➢ Coal/lignite to natural gas (or biogas) ➢ Coal/lignite to biomass ➢ Coal/lignite to waste (Refuse Derived Fuel, RDF) • The following categories become eligible when integrated into a boiler fuel-switching project ➢ Auxiliary components and control systems (filters, pipework, economisers, etc.) ➢ Monitoring and verification equipment ➢ Renovation of heat networks • Thermal Storage (e.g. for industrial CHP and district heating) – exact scope to be defined
Out of scope	• Co-firing of other fuels with coal (or other high carbon-intensive fuel such as tar/oil) • Green field / new combustion generation plants

GEOGRAPHICAL COVERAGE & ELIGIBLE BENEFICIARIES	
Suggested coverage	Czechia
Targeted beneficiaries	Electricity and heat producers, other (industrial) Combustion Plants

Modality 1A
Decarbonisation of combustion plants and district heating networks



SUPPORT SCHEME	
Suggested support instrument	Competitive grant programme based on cost-efficiency (EUR/tCO_2e reduction) as primary selection criteria
Suggested eligible cost	Capital expenditure (CAPEX)
Suggested award criteria	• Cost-efficiency (value for money): EUR/tCO_2e reduction • GHG abatement potential: Absolute GHG emission avoided over lifetime of the project • Quality and soundness of the proposed projects based on proposed technical, delivery and cost evidence base including ability to leverage private finance • Extra points to projects in carbon-dependent regions (Moravskoslezský, Karlovarský, Ústecký) • Other positive externalities (e.g. level of innovation; local supply chain development)
Suggested call frequency	• Annual call, first call Q4 2020
Disbursement & funding rules	• No retrospective funding allowed; large projects must become operational within 4 years (1.5 years for small scale) of grant award; payments will be made based on key project milestones, including on financial close, construction, commissioning and operational performance monitoring/verification of planned emissions for final payment of project completion. Failure to achieve less than 75% of forecast project performance could lead to grant claw back.

* Inspired by CEF-Energy

Modality 1B
Generate new low carbon capacity

TECHNICAL COVERAGE	
Targeted activities	New RES capacities including RES + electricity storage
Targeted project categories	• All types of RES • RES + electricity storage • RES + thermal storage
Out of scope	• Solid waste combustion • Standalone storage (to be covered by OPTAK) • Projects on agricultural land, unless it is for AgroPV

GEOGRAPHICAL COVERAGE & ELIGIBLE BENEFICIARIES	
Suggested coverage	Czechia
Targeted beneficiaries	RES project developers, including both companies and non-profit organisations (existing and new-entrants)

Modality 1B
Generate new low carbon capacity

SUPPORT SCHEME	
Suggested support instrument	Competitive bidding scheme – several options being explored which require further deliberation
Key suggested characteristics of the scheme:	• **Multiple-item auction**, bidders compete with their projects which they have pre-developed at their chosen sites • **Technology neutral** scheme with differentiated floor and ceiling price per RESe technologies (or group of technologies if they have comparable LCOE) to encourage fuel mix diversification • **Static sealed bid auction**, all developers simultaneously submit their bid directly to the auctioneer without information on the competitors' bids, to avoid dynamic disclosure of bids • **Capacity-oriented scheme**, capacity targets for each round (possibility to require high capacity factor across technology to encourage combination with storage)
Winner selection criteria	• Cost efficiency: lowest bids (EUR/kWh) to meet demand • Extra points to projects located in carbon-dependent regions (Moravskoslezský, Karlovarský, Ústecký) • Extra points to projects supporting storage • Extra points to projects generating local jobs and supply chain cluster creation • Project must be past feasibility and FEED stage and have 1.5 years to 5 years to become operational
Call frequency	• Bi-annual to match with the MF disbursement cycle
Disbursement & funding rules	• Exact rules to be developed

Modality 2A
Decarbonize EU ETS installations

TECHNICAL COVERAGE	
Targeted activities	Industrial decarbonisation through energy from RES , energy efficiency projects and heat recovery for EU ETS installations
Targeted project categories	• Industrial waste heat recovery for heat or electricity generation • On-site RES – Solar, Wind, Bioenergy – for on-site consumption • Energy Storage equipment and carriers (batteries, hydrogen, thermal and fuel cells) • Resource efficiency and replacement of raw materials with secondary materials • Promoting the efficiency of technologies and processes through procurement of high efficiency products and process optimisation • Electrification of heat (power to heat) process upgrade
Out of scope	• Fuel switching of combustion plant (see Option 1a) • Upgrade of manufacturing processes where increased productivity is primary output of works • New manufacturing sites

GEOGRAPHICAL COVERAGE & ELIGIBLE BENEFICIARIES	
Suggested coverage	Czechia
Targeted beneficiaries	All EU ETS installations

Modality 2A
Decarbonize EU ETS installations

SUPPORT SCHEME	
Suggested support instrument	Competitive grant programme based on cost-efficiency (EUR/tCO_2e reduction) as primary selection criteria
Eligible cost	Capital expenditure (CAPEX)
Suggested award criteria	• Cost-efficiency (value for money): EUR/tCO_2e reduction • GHG abatement potential: Absolute GHG emission avoided over lifetime of the project • Quality and soundness of the proposed projects based on proposed technical, delivery and cost evidence base including ability to leverage private finance • Extra points to projects in carbon-dependent regions (Moravskoslezský, Karlovarský, Ústecký) • Other positive externalities (e.g. level of innovation, local supply chain)
Call frequency	• Multiple calls during year
Disbursement & funding rules	• No retrospective funding; large projects must become operational within 3 years of grant award; the project should be at FEED stage and be able to prove that there is a clear investment gap; payments will be made based on key project milestones, including on financial close, construction, commissioning and operational performance. Failure to achieve less than 75% of forecast project performance could lead to grant claw back.

Modality 2B
Decarbonise non-EU ETS installations

TECHNICAL COVERAGE	
Targeted activities	Energy efficiency, energy from RES, smart systems & energy accumulation
Targeted project categories	• Reducing the energy intensity of buildings (insulation, technical equipment) • Modernisation of distribution systems (power, gas, heat, cold, compressed air) • Increasing the energy efficiency of production and technological processes • Energy from RES of all kinds with emphasis on local consumption of electricity • Support to ESCOs for projects financed through EPC, PBC and using the D&B method • Development of intelligent energy systems, networks and storage at the local level • GHG emissions reduction from technological / production processes
Out of scope	• Coal boilers

GEOGRAPHICAL COVERAGE & ELIGIBLE BENEFICIARIES	
Suggested coverage	City of Prague
Targeted beneficiaries	• Business entities (including companies up to 100% owned by the public sector) • Operators of energy distribution and transmission systems (ie. holders of licenses for transmission and distribution of electricity, transmission, distribution and storage of gas, incl. production of alternative gases from RES)

Modality 2B
Decarbonise non-EU ETS installations

SUPPORT SCHEME	
Suggested support instrument	Grant (disbursed via CMZRB)
Eligible cost	Capital investment (CAPEX)
Suggested award criteria	• Cost-efficiency (value for money): EUR/tCO_2e reduction • GHG abatement potential: Absolute GHG emission avoided over lifetime of the project • Quality and soundness of the proposed projects based on proposed technical, delivery and cost evidence base including ability to leverage private finance • Positive externalities (e.g. level of innovation, social benefits)
Call frequency	• Multiple calls during year
Disbursement & funding rules	• No retrospective funding; large projects must become operational within 4 years of grant award; the project should be at FEED stage and be able to prove that there is a clear investment gap; payments will be made based on key project milestones, including on financial close, construction, commissioning and operational performance. Failure to achieve less than 75% of forecast project performance could lead to grant claw back.

Modality 3A
Decarbonise municipal & public buildings and infrastructure

TECHNICAL COVERAGE	
Targeted activities	• Insulation and other measures leading to a reduction in the energy consumption of buildings • Technologies for the use of waste heat • Low-emission and renewable energy sources
Targeted project categories	• Thermal insulation of the building envelope & replacement and renovation of opening fillings • Measures having a demonstrable impact on the energy performance of the building • Forced ventilation systems with waste heat recovery, systems using waste heat • Source for heating, cooling or preparation of hot water of up to 5 MW using RES or gas • Installation of solar thermal collectors and photovoltaic panels • Lighting and technology modernization (e.g. smart building controls) • Street lighting (Czechia wide)
Out of scope	• Heating and cooling sources with installed capacity above 5 MW • Coal boilers

GEOGRAPHICAL COVERAGE & ELIGIBLE BENEFICIARIES	
Suggested coverage	City of Prague (street lighting would be Czechia wide)
Targeted beneficiaries	• Public institutions and public research institutions and research organizations • Contributory organizations and companies owned 100% by a public entity • Universities, schools and educational establishments and school legal entities • Non-governmental, non-profit organizations, churches and religious societies and their unions • Regions, municipalities and voluntary unions of municipalities (for lighting only)

Modality 3A
Decarbonise municipal & public buildings and infrastructure

SUPPORT SCHEME	
Suggested support instrument	Grant
Eligible cost	Capital investment (CAPEX)
Suggested award criteria	• Cost efficiency (EUR/kWh) • Energy savings (tCO_2, MWh) • Quality and soundness of the proposed projects based on proposed technical, delivery and cost evidence base including ability to leverage private finance • Positive environmental and social impacts with emphasis on local conditions
Call frequency	• Annual calls
Disbursement & funding rules	• No retroactive funding; payments will be made based on key project milestones, including on construction and operational performance monitoring/verification of the works and forecast energy savings, based on a post-completion energy audit for final payment.

Modality 3B
Decarbonise central government buildings

TECHNICAL COVERAGE	
Targeted activities	• Insulation and other measures leading to a reduction in the energy consumption of buildings • Technologies for the use of waste heat • Low-emission and renewable energy sources
Targeted project categories	• Thermal insulation of the building envelope & replacement and renovation of opening fillings • Measures having a demonstrable impact on the energy performance of the building • Forced ventilation systems with waste heat recovery, systems using waste heat • Source for heating, cooling or preparation of hot water using RES or gas, heat pumps • Installation of solar thermal collectors and photovoltaic panels • Lighting and technology modernisation (e.g. equipment of kitchens)
Out of scope	• Coal boilers

GEOGRAPHICAL COVERAGE & ELIGIBLE BENEFICIARIES	
Suggested coverage	Czechia including Prague
Targeted beneficiaries	• State organizational units • Organisations founded by the state organizational units

Modality 3B
Decarbonise central government buildings

SUPPORT SCHEME	
Suggested support instrument	Grant
Eligible cost	Capital investment (CAPEX)
Suggested award criteria	• Cost efficiency (EUR/kWh) • Energy savings (tCO_2, MWh) • Quality and soundness of the proposed projects based on proposed technical, delivery and cost evidence base including ability to leverage private finance • Extra points to projects in carbon-dependent regions (Moravskoslezský, Karlovarský, Ústecký).
Call frequency	• Annual calls
Disbursement & funding rules	• No retroactive funding; payments will be made based on key project milestones, including on construction and operational performance monitoring/verification of the works and forecast energy savings, based on a post-completion energy audit for final payment.

Modality 4
Support Community Energy Systems

TECHNICAL COVERAGE	
Targeted activities	• Establishing community energy projects, which can produce, consume, store and sell energy, as well as own, establish, maintain, purchase or lease distribution networks
Targeted project categories	• Citizen Energy Communities and Renewable Energy Communities (depending on CZ future legislation in transposing Directive (EU) 2019/944 and Directive (EU) 2018/2001)
Out of scope	• Projects that might interfere with existing efficient district heating networks.

GEOGRAPHICAL COVERAGE & ELIGIBLE BENEFICIARIES	
Suggested coverage	Czechia
Targeted beneficiaries	• Community developers • Citizens • Municipalities • Energy companies

Modality 4
Support Community Energy System

SUPPORT SCHEME	
Suggested support instrument	Grants
Eligible cost	Capital investment (CAPEX)
Suggested award criteria	• Cost-efficiency (value for money): EUR/tCO_2e reduction • GHG abatement potential: Absolute GHG emission avoided over lifetime of the project • Quality and soundness of the proposed projects based on proposed technical, delivery and cost evidence base including ability to leverage private finance • Positive externalities (e.g. level of innovation, social benefits)
Call frequency	• Annual calls
Disbursement & funding rules	• No retroactive funding; Payments will be made based on key project milestones, including on construction and operational performance monitoring/verification of the works and forecast energy savings, based on a post-completion energy audit for final payment.

Key principles underpinning funding allocation and disbursement

Allocation by modality

- 10c allocation ringfenced (suggested that at least 60% into decarbonised power (1a), with monitoring of award for new RES capacity for 10c installations within RES competitive bidding modality 1b)
- Funding allocations would be agreed across remaining modalities

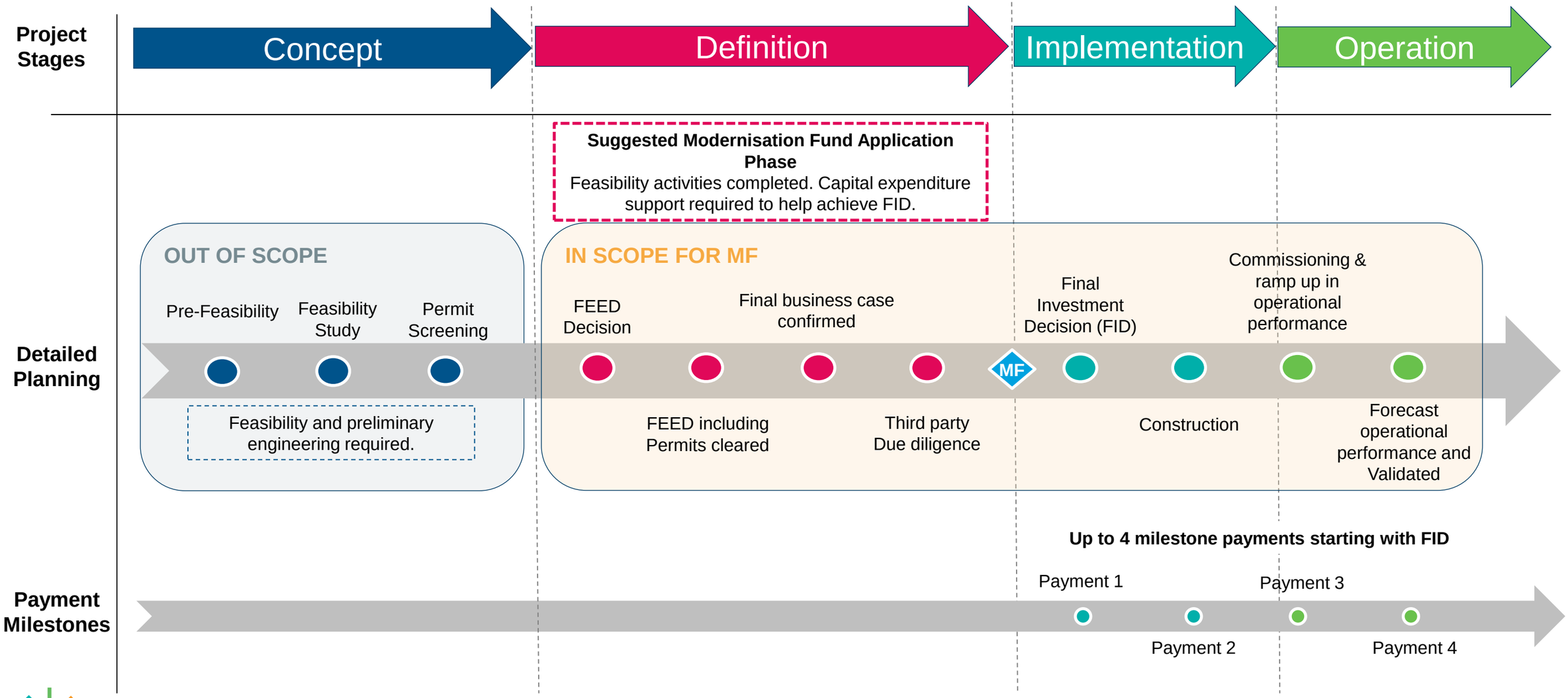
Frequency of calls for proposals

- Depends on modality and could range from single to multiple calls for proposals

Reallocation of monies between modalities

- Within each modality outside 10c, if projects failed to materialise or funds remained undisbursed, then the MF Steering Committee would consider reallocation of funds into those modalities that demonstrated a ready supply of viable projects
- If 10c installations failed to benefit from modality 1b, money could be allocated into 1a to increase to 65%

Preliminary disbursement and milestone plan for complex projects (subject to EIB and CLIMA approval)



Basic state aid considerations for MF modalities

Doc. JUDr. Michal PETR, Associate Professor of EU Law,
Univerzita Palackého v Olomouci

Basic state aid considerations

- **Ongoing review of EU legislation and guidelines by DG Competition**
  - Implications for the overall set of state aid regimes which will impact on the MF from 2021-2030
- **Compatibility of the state aid with single market**
  - **General Block Exemption Regulation (GBER)**
    - (relatively) low thresholds concerning the total amount of aid and aid intensity
    - below the thresholds in line with the Internal market: no notification to the Commission (subject to specific conditions, e.g. not energy from food-based biofuels)
  - **Guidelines on State aid for environmental protection and energy 2014-2020 (EEAG)**
    - guidelines on assessing notifiable state aid
    - 7 principles for compatibility with Internal market (proportionality, transparency, …)
    - detailed provisions to assess different forms of aid; higher thresholds
    - suitable for notifying aid schemes (even though individual aid may still need to be modified)

→ **Aid not in line with the Guidelines – not likely to be cleared**

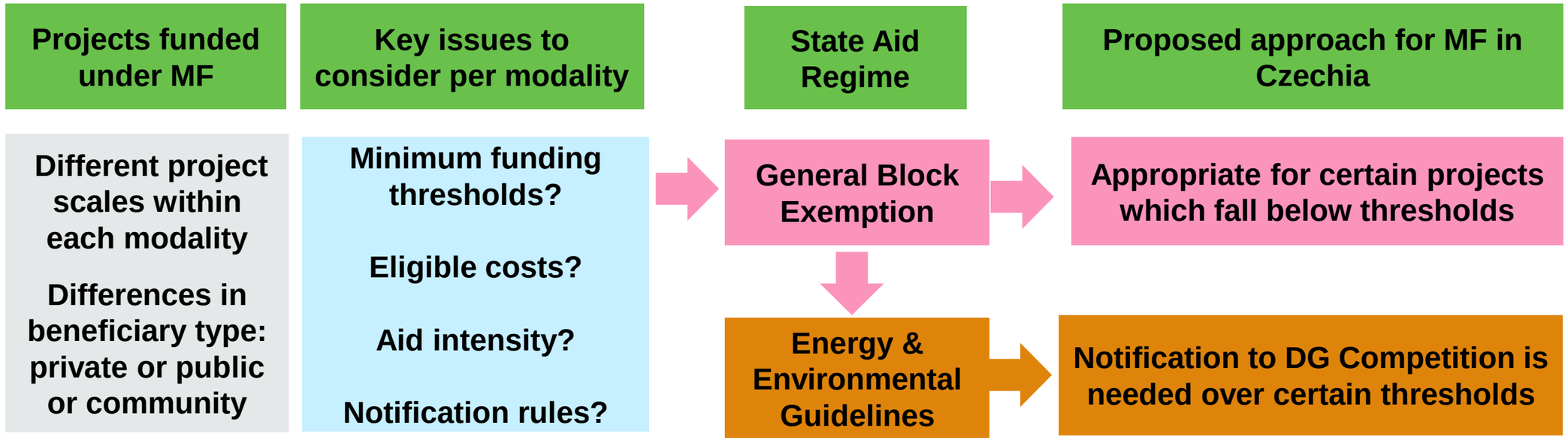
State aid considerations – threshold examples

GBER	
Form of aid	Aid limit / intensity
Investment aid for energy efficiency projects	EUR 10 mil.
Investment aid for environmental protection	EUR 15 mil.
Investment aid for energy infrastructure	EUR 50 mil.
Investment aid for energy efficiency measures	30%
Aid enabling to go beyond EU standards for environmental protection	40%
Investment aid for the promotion of energy from renewable sources	45%
Aid for environmental studies	50%

EEAG	
Form of aid	Aid limit / intensity
Aid enabling to go beyond EU standards for environmental protection	40%
Aid for renewable energies	45 % (100 %)
Aid for energy-efficiency	30 % (100 %)

EEAG - individually notifiable aid	
Form of aid	Aid limit / intensity
Investment aid	EUR 15 mil.

MF State aid decision tree – covers all funding modalities, but project type and scale of support will dictate the most suited state aid regime



Basic state aid considerations

- **Several modalities might not constitute state aid (3A, 3B) - no notification**
- **Several modalities might fall within the GBER thresholds → no notification, immediate implementation, but lower total amounts of aid**
- **Most modalities are notifiable under the EEAG → notification required as individual aid / aid scheme**
- **A single notification is possible, but**
  - Timing issue (2 – 18 months): modalities to be implemented first might need earlier notification
  - Complexity issue: modalities clearly within the EEAG limits might be "safely" notified separately

Questions and answers

Jonathan Lonsdale, ICF; Jan Pavlik, ENVIROS & Michal Petr, UPOL

Closing remarks

Ministry of Environment

Thank you.