



# EPC Energy Savings Programme – Call VI

Within the EPC Energy Savings Call, an option to use the Energy Performance Contracting method (energy services with guaranteed savings, hereinafter the "EPC") for the design, implementation, monitoring and evaluation of savings has been newly introduced. The EPC contract is a business model where the Energy Service Company (hereinafter the "ESCO Company") prepares a cost-saving project tailored to the customer, always with guaranteed savings achieved that are always financially expressed. Any failure to achieve these financial targets then results in the ESCO Company compensating the customer for these unachieved savings. The exact financial expression of the expected savings enables to relate them to the repayments of investments made by the ESCO Company, and an agreement on their gradual amortisation can be reached.<sup>1</sup>

## SCHEDULE

### Receipt of aid applications:

- 01/04/2020 – 30/09/2021

## SUPPORTED ACTIVITIES

- Modernisation and reconstruction of electricity, gas and heat distribution in buildings and energy management of production plants to improve efficiency.
- Implementation and modernisation of measurement and control systems, e.g. hardware and networks including relevant software.
- Modernisation, reconstruction of existing energy production equipment for captive use leading to increased efficiency.
- Modernisation of lighting systems of buildings and industrial premises (only in case of replacing obsolete technologies with new efficient lighting systems, e.g. light emitting diodes – LED).
- Implementation of measures to reduce the energy efficiency of buildings in the business sector (insulation of the building envelope, exchange and refurbishment of doors and windows, other construction measures having

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<sup>1</sup> More detailed information on this option is provided in the Guidelines for Applicants using the combination of support from the Operational Programme Enterprise and Innovations for Competitiveness and the EPC method, which are included in the annexes to the Call - Annex No. 6.

proven effects on the energy performance of the building, installation of air-conditioning with waste heat recovery units).

- Use of waste energy in industrial processes.
- Reduction of energy efficiency / increase of energy efficiency of production and technological processes, except for measures on energy sources for distribution, not for captive use leading to increase of its efficiency.
- Installation of RES for the company consumption (biomass utilisation, solar systems, heat pumps and photovoltaic systems).
- Installation of a cogeneration unit using electricity and heat, or cooling for the company consumption, taking into account its operating conditions.
- Installation of a storage of electric energy (the storage must be operated in energy management, which has its own source of electricity from RES (e.g. PVP) or from CHP (except for coal, light and heavy fuel oils).

## APPLICANT

The applicant/ beneficiary is a business entity that:

- is a small or medium-sized enterprise pursuant to the definition in Annex I to Commission Regulation (EU) No 651/2014, or a large enterprise pursuant to the programme conditions, which keeps accounts or tax records including special requirements or keep separate accounts for the project;
- is authorized to conduct business corresponding to the supported economic activity which is to be carried out through the project;
- is, based on its sworn declaration, registered as an income tax payer in any of the EU member states and has been so continuously for at least two closed tax periods preceding the date of submitting the application; the applicant notes that it will have to have an establishment or a branch established in the Czech Republic at the moment of receiving the support;
- is not, based on its sworn declaration, in arrears to selected institutions in the country of its registration, or in the country where its branch is registered, and to providers of support from projects co-financed from the EU budget;
- does not have any outstanding liabilities, according to its sworn declaration, based on its employees' wage and salary claims.

## SECTORAL DEFINITION

- The aid shall support projects with outputs affecting the sectors defined in Annex 1, Part A, to the Call.
- The aid shall not support projects with outputs affecting the sectors defined in Annex 1 (B) to the Call.

## KEY CONDITIONS OF THE CALL

- The applicant must have ownership or other rights to the property and land plots where the project will be implemented and demonstrate such rights upon request.
- The project must include all mandatory elements listed in the Call for its submission.
- The project does not expect any aid for activities linked to the quantities exported (export subsidies), aid for the establishment and operation of a distribution network abroad or for other current expenditure linked to the export activity (customs duties, insurance, etc.) or any aid contingent upon the use of domestic goods instead of imported goods.

- The project was not launched prior to the date of filing the aid application (start of works means the earlier of either the start of construction works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible).
- The project must not violate EU horizontal policies and their basic principles, in particular equal opportunities for men and women, equal opportunities and non-discrimination and sustainable development.
- The financial health of the applicant, expressed in a simplified economic assessment of the intermediate body, must not be lower than 5 points.
- Projects with total eligible expenditure at and over CZK 5 million and at the same time with investment expenditure that forms more than 50% of the total eligible expenditure will be required to carry out a Financial Analysis of the investment. Projects with total eligible expenditure at and over CZK 100 million and at the same time with investment expenditure that forms more than 50 % of the total eligible expenditure will be required to carry out an economic analysis taking into account socio-economic impacts of the project based on a set code-book.

## ELIGIBLE EXPENDITURE

- Tangible fixed assets
- Intangible fixed assets (if required for due operation of the tangible fixed assets)
- Energy assessment
- Engineering
- Project documentation
- Costs of project management organisation

## FORM AND AMOUNT OF AID

- The minimum grant provided for a project is CZK 500 thousand and the maximum grant is CZK 200 million.
- **Aid intensity for expenditure on preparation of energy assessment, project documentation and expenditure on preparation of tender**
  - If the grant beneficiary is a small enterprise, the support is provided up to 50% of EE.
  - If the grant beneficiary is a medium-sized enterprise, the support is provided up to 40% of EE.
  - If the grant beneficiary is a large enterprise, the support is provided up to 30% of EE.
- **Aid intensity for the project**
  - If the grant beneficiary is a small enterprise, the support is provided up to 50% of EE.
  - If the grant beneficiary is a medium-sized enterprise, the support is provided up to 40% of EE.
  - If the grant beneficiary is a large enterprise, the support is provided up to 30% of EE.