

## National Recovery and Resilience Plan - Pillar I. Green Transition Component C6. Energy

### Investment measure - Investment I.1 - New capacities for renewable electric power generation

#### Support for investments in new electric power generation capacities from renewable wind and solar energy sources, with or without integrated storage facilities, exempted from State aid notification

- Version February 2022, advisory guide -

**The main objective** is to increase the production of renewable energy from wind and solar sources by installing new renewable energy generation capacities with or without integrated storage facilities.

The implementation of projects to be financed under this scheme aims **to increase** the installed capacity of wind and solar power generation **by approximately 450 MW**, with or without integrated storage facilities, as follows:

- 300 MW installed capacity for solar power generation;
- 150 MW installed capacity for wind power generation.

#### 1. *Eligible applicants*

**Eligible applicants** under this call for projects are **SMEs** and **large enterprises**, old and newly established, set up under Law No 31/1990 on companies, republished, as subsequently amended and supplemented, or incorporated in accordance with the specific legislation of the Member State of which they are nationals, whose **activity is, among others, the production of electric power** (for the purposes of sale or consumption within the company or group of companies) corresponding to **NACE 3511 - Production of electricity**.

#### 2. *Grant value*

**The maximum amount of State aid** (non-repayable public funding) **per undertaking, per investment project** is the equivalent in RON of **EUR 15 000 000** at the Inforeuro exchange rate of the month preceding the opening of the competitive tendering procedure.

The State aid intensity is 100 % of eligible costs within the following maximum ceilings:

- 650,000 Euro/MW for wind energy
- 425,000 Euro/MW for solar energy

**Eligible costs shall be determined as follows:**

According to Article 41(6)(a), (b) and (c) of Regulation (EU) No 651/2014, eligible costs are the extra investment costs necessary to promote the production of energy from renewable sources, to which the State aid intensity applies.

Eligible costs are determined in the light of the State aid rules under Article 41(6)(b) and (c) of the Regulation, applying the following methodology:

**1. For projects with installed capacity:**

- between **1 MW (exclusive) and 40 MW (inclusive)** - for **solar power** generation;
- between **1 MW (exclusive) and 25 MW (inclusive)** - for **wind power** generation.

The following methodology shall apply:

**Art.41.6(b) "where the costs of investment in renewable energy production can be identified by reference to a similar, less environmentally friendly investment which would credibly have been made in the absence of aid, this difference between the costs of the two investments allows the identification of costs related to renewable energy and constitutes eligible costs".**

In this case, eligible costs are determined as the difference between the investment cost of a conventional, polluting power plant and the cost of a power plant using renewable energy sources and are calculated using the following formula:

$$CE = X - \frac{FC_{reg}}{FC_{classic}} Y$$

Where:

**CE** - Eligible Cost, expressed in Euro;

**X** - total investment cost of the plant using renewable energy sources, expressed in Euro (to be completed by the investor);

**FC<sub>reg</sub>** - the capacity factor of the power plant using renewable energy sources, expressed as a percentage (to be completed by the investor);

**FC<sub>classic</sub>** - the capacity factor of an advanced combined cycle gas-fired power plant, expressed as a percentage. For FC<sub>classic</sub>, the value of 35% will be used;

**Y** - the total investment cost of the conventional, polluting power plant of the same capacity as the plant using renewable energy sources, expressed in Euro. The unit cost of 820.000 Euro/MW for an advanced combined cycle gas-fired power plant will be used to calculate Y.

The application of this calculation methodology results in the maximum amount of eligible project costs, on the basis of which the beneficiary determines the amount of State aid requested for the bid submitted, which must be less than or equal to the amount resulting from the application of the calculation methodology, subject to the maximum ceilings of:

- 650,000 Euro/MW for wind energy
  - 425,000 Euro/MW for solar energy,
- up to EUR 15 million per undertaking/project.

## 2. For projects with installed capacities between:

- 0,4 MW (exclusive) and 1 MW (inclusive) for solar power generation,
- 0.4 MW (inclusive) and 1 MW (inclusive) for wind power generation.

The following methodology applies:

**Art.41.6(c) "for certain small installations, where a less environmentally friendly investment cannot be identified because there are no small installations, the total investment costs for achieving a higher level of environmental protection constitute eligible costs."**

In this case, **the entire investment cost is eligible for funding.**

The application of this calculation methodology results in the maximum amount of eligible project costs, on the basis of which the beneficiary determines the amount of State aid requested for the bid submitted, which must be less than or equal to the amount resulting from the application of the calculation methodology, subject to the above maximum ceilings.

The aid is granted in the form of reimbursement of expenditure incurred.

**The total allocated budget** for the competitive tendering procedure is as follows:

Action	Budget (euro)	Budget with over-contracting (euro)**
Realisation of new electricity generation capacity from renewable wind and solar energy sources, <b>with or without integrated storage facilities</b>	<b>215.000.000 *</b>	<b>353.000.000</b>
<b>Of which:</b>		
<ul style="list-style-type: none"> <li>▪ <b>Wind energy</b> - For projects with installed capacities between 1 MW (exclusive) and 25 MW (inclusive) for - wind sources</li> </ul>	77.000.000	126.000.000
<ul style="list-style-type: none"> <li>▪ <b>Solar energy</b> - For projects with installed capacities between 1 MW (exclusive) and 40 MW (inclusive) - solar sources</li> </ul>	106.000.000	174.000.000

<ul style="list-style-type: none"> <li>▪ <b>Wind energy</b> - For projects with installed capacities between 0.4 MW (inclusive) and 1 MW (inclusive)</li> <li>▪ <b>Solar energy</b> - For projects with installed capacities between 0.4 MW (exclusive) and 1 MW (inclusive)</li> </ul>	32.000.000	53.000.000
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\* 2022: €61,000,000, 2023: €85,000,000, 2024: €69,000,000. Unused amounts in one year will be carried over to the next year. If the projects submitted allow for the use of amounts from future years, the budget is used in advance.

\*\* The budget allocation with over-contracting is indicative and the Ministry of Energy may decide to limit it. The 30% over-contracting, under the provisions of Article 24 of GEO 124/2021, applies to the total budget of €460,000,000 allocated.

If the budget allocated to a particular technology/capacity installed is not fully used, the remaining funds shall be used to finance projects related to the other technology/capacity installed.

### 3. Eligibility conditions

#### 3.1 Actions and activities eligible for funding

It will be possible to fund projects which aim to implement one of the following **actions**:

1. **The completion of new wind electricity generation capacity**, with or without integrated storage facilities as a secondary activity, with storage accounting for a maximum of 20% of the amount of State aid.
2. **The completion of new solar electricity generation capacity**, with or without integrated storage facilities as a secondary activity, with storage accounting for up to 20% of the State aid amount.

**Both for supply to the transmission and distribution network and for own consumption are eligible**, each project comprising only one technology (solar or wind), projects comprising both technologies are not eligible.

**! Projects proposing only storage capacity are not eligible.**

The development of new electricity generation capacity aims at the creation of new generation facilities, with or without integrated storage facilities, where none have existed so far.

Projects that are proposed to replace older wind/solar power generation capacity and projects that aim to expand electricity generation units are **not eligible**.

The following **activities** foreseen in the project are eligible:

- **Procurement of installations/equipment** for the construction of new electricity generation capacity from **renewable wind and solar energy sources, with or without storage**;
- **Buildings** subject to renewable wind and solar power generation project, with or without

storage.

## General activities:

- Project preparation (preparation of feasibility study, technical design, tender documentation, obtaining approvals, permits, environmental consent, etc.);
- Project management;
- Financial audit (mandatory);
- Information and publicity (mandatory).

**Project activities shall not be started before the Ministry of Energy has notified the beneficiary of the selection** of the bid for financing, with the exception of obtaining land and preparatory works, such as obtaining permits and authorizations and carrying out feasibility studies (and technical studies required by standards and regulations for the preparation of the project), which shall not be considered as commencement of works.

## 3.2 Applicant eligibility

**Applicants** must cumulatively fulfil the following institutional, legal and financial conditions:

- a. **The applicant has legal personality** (small, medium-sized or large enterprise), is legally established in accordance with the specific legislation of the Member State of which it is a national <sup>1</sup>;

*Branches, agencies, representative offices of companies or other dismemberments without legal personality are not eligible.*

*The NACE code of the activity for which the applicant intends to access non-reimbursable funds under the NRRP will be taken into account.*

*For companies also operating through subsidiaries/branches/working points, which together meet the eligibility conditions, the parent company will be eligible for funding for all coordinated structures.*

- b. **The applicant activates in the electricity generation sector;**  
*All enterprises must have as activity registered in the Statute of the company, main or among others, the activity of production of electricity (corresponding to NACE code 3511 - Production of electricity); this will be proved by a certificate from the Trade Register.*
- c. The applicant falls into one of the categories: **small enterprise/medium enterprise/large enterprise**, including start-ups;
- d. The applicant **does not** fall into one of the following situations:
1. is in default/insolvency according to the provisions of Law no. 85/2014 on insolvency

<sup>1</sup> In the case of project selection, the beneficiary registered in another Member State shall provide proof that it is registered in Romania at the time of the first payment of the grant.

- prevention and insolvency proceedings, as amended and supplemented, as the case may be;
2. is bankrupt or being wound up, is having its affairs administered by an insolvency administrator, has its affairs suspended or is the subject of an arrangement with creditors, or is in any analogous situation dealt with above which is regulated by law, or is the subject of proceedings for a declaration that it is bankrupt or being wound up, is having its affairs administered by an insolvency administrator;
  3. has not fulfilled its obligations to pay taxes, duties and social security contributions to the component budgets of the general consolidated budget, in accordance with the legal provisions in force in Romania;
  4. is found to be in serious breach of the provisions of public procurement legislation and/or of obligations assumed under a contract/agreement for the financing of public funds;
  5. *The applicant/legal representative of the applicant* has been convicted by a court of law of professional misconduct contrary to the law, and the decision has been made by a court of res judicata;
  6. *The applicant/legal representative of the applicant* has been the subject of a judgement of res judicata for fraud, corruption, involvement in criminal organisations or other illegal activities to the detriment of the financial interests of the European Community;
  7. is the subject of an unenforced recovery decision of the Competition Council, the European Commission, a State aid provider/administrator or the court, by which State aid has been declared unlawful and incompatible with the internal market;
  8. is a company in difficulty within the meaning of Article 2(18) of Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.
- e. The legal representative of the applicant, including members of the Project Implementation Unit (PIU)/project team, **is not in a situation of conflict of interest** as defined in national legislation;
- f. The applicant demonstrates **project management ability**, through information on the PIU (Project Implementation Unit)/ project team;
- g. The applicant demonstrates **technical capacity** to support the project activities (*Evidence of the employee's/structure's studies/experience in the implementation of projects/activities in the field relevant to the position held within the project: CVs, job descriptions and other similar relevant information (diplomas/internal diplomas)*);
- h. The applicant demonstrates **financial capacity** to support the implementation of the project; **Total Debt to Equity ratio must be < 7.5 in the last financial year.**

*If the applicant does not meet this criterion or does not have a completed financial year, a binding **letter of comfort** issued by a banking institution must be submitted at the time of*

*application to secure a loan covering the full amount required for the co-financing of the project and the ineligible costs of the project.*

- i. The applicant **justifies the need for financing** the project through State aid (*the incentive effect, for projects covered by State aid as defined by Regulation 651/2014*).

### 3.3 Project eligibility

For a project to be declared eligible for funding, the following conditions must be met:

- a) The project **falls within the categories of eligible actions** and demonstrates contribution to the results of the NRRP;
- b) The project **includes eligible actions**;
- c) **The installed capacity** proposed for realisation by the project is:
  - ✓ minimum of 0,4 MW and maximum of 25 MW - for wind electric power generation;
  - ✓ minimum 0,4 MW and maximum 40 MW - for solar electric power generation;
- d) **The amount of State aid requested per MW installed** is a maximum of:
  - 650,000 Euro/MW for wind energy;
  - 425,000 Euro/MW for solar energy.
- e) The project is **implemented on the territory of Romania**;
- f) **The implementation period** of the project is within the period of eligibility of expenditure, i.e. between the date on which the MoE notifies the applicant of the selection of the bid for funding and the expected date of completion, but no later than 30.06.2024. Certain activities related to the project (Feasibility Study, land acquisition, etc.) may be carried out before the eligibility start date, i.e. the date on which the Ministry of Energy sent the applicant the notification declaring the project eligible, but they will not be eligible for reimbursement from European funds;
- g) **The project complies with the "incentive effect" principle** as set out in Article 6(6). 1 and 2 of Regulation (EU) No 651/2014;
- h) The project implementation **period** does not exceed **30 June 2024**;
- i) The information in the Offer and the annexes to the Offer are correlated with the information in the feasibility study prepared on the basis of GD no. 907/2016.  
The amount of State aid requested does not exceed EUR 15 million per undertaking, per investment project (RON equivalent at the Inforeuro exchange rate of the month preceding the opening of the competitive bidding procedure);
- j) The project has been approved by the applicant in accordance with the applicable legislation;
- k) **The economic activity identified by the NACE code for which funding is requested is eligible** and the project does not support in any way activities/sectors excluded under Article 1(3) of Regulation (EU) No 651/2014.

- l) The project complies with national and Community regulations on eligibility of expenditure, promotion of equal opportunities and non-discrimination policy, sustainable development, information technology, public procurement, information and publicity, state aid and any other legal provisions applicable to European funds.;
- m) **The investment(s) has/have not previously benefited from public funding**, with the exception of preliminary studies - pre-feasibility study, geo-topographical analysis, feasibility study, technical design, execution details and on condition that they are not requested for funding under this competitive bidding procedure;
- n) The budget of the project complies with the indications of the categories of expenditure.

When signing the financing contract, the applicant shall provide proof of ownership/concession/administration/surface rights for the estates (land and/or buildings) covered by the project for which the documents required by law to initiate the procedure for obtaining these rights have been submitted with the offer.

Ownership/management deed/concession/area contract, valid for at least another 5 years at the expected date of the last payment under the project are accepted.

**The properties (land and/or buildings) shall be free of any encumbrances**, not subject to pending litigation before the courts as to their legal status, not subject to claims under special laws on the subject or common law.

In the case of projects comprising several wind turbines, the applicant must demonstrate the unitary nature of the project.

A project shall be considered a **single project** if it meets all of the following conditions:

- Has a single, clearly defined overall objective;
- Its component equipment and installations are interdependent in terms of technical and functional and work together to achieve the project's objective;
- Unitary operation of components is economically justified.

In order to fulfil the above conditions cumulatively, **the beneficiary shall submit only one project per location.**

The unitary project cannot be divided into sub-projects without affecting the pre-established objective.

Objectives with a high degree of generality (e.g. energy production from RES) are not accepted, but specific objectives.

After the conclusion of the grant contract, the beneficiary will not be able to receive funding from other public sources for the same eligible expenditure of the project, under penalty of termination of the Grant Contract and return of the reimbursed amounts. Also it has not received support from public funds for the proposed project.

With regard to biodiversity and ecosystems, the applicant shall ensure that **the project will not be**

## implemented on the following types of land:

- arable land and cultivated land with a moderate to high level of soil fertility and below-ground biodiversity as mentioned in the EU LUCAS study;
- green land with a recognised high biodiversity value and land serving as a habitat for endangered species (flora and fauna) listed on the European Red List or the IUCN Red List;
- forest land (whether or not covered by trees), other wooded land or land that is partly or entirely covered or intended to be covered by trees, even if these trees have not yet reached the size and cover to be classified as forests or other wooded land as defined according to the FAO definition of forests.

**The investments will be completed**, i.e. installed and connected to the grid, including commissioning, by **the end of the second quarter of 2024 at the latest**.

## 4. Eligible expenses

To be eligible, all expenditure must comply with the provisions of the regulations, correspond to the objectives of the NRRP, be essential to achieve the objectives of the project, be included in the approved tender and broken down in the budget presented in the tender.

**! Costs which are not directly linked to achieving a higher level of environmental protection are not eligible.**

### Categories of eligible expenditure

- Audit costs purchased by the beneficiary for the project;
- Information and publicity costs for the project resulting from the beneficiary's obligations;
- Project management team salary costs;
- Expenditure on project management services;
- Expenditure for landscaping works;
- Expenditure on environmental protection and restoration to baseline condition;
- Expenditure for the provision of the necessary utilities;
- Field studies;
- Expenditure for obtaining approvals, agreements, authorisations;
- Design and engineering;
- Expenditure on organising procurement procedures;
- Expenditure on consultancy for market research/evaluation;
- Expenditure on consultancy in the field of executive management;
- Expenditure on technical assistance from the designer during implementation;
- Expenditure on payment of site supervisors;
- Expenditure on buildings and installations;
- Expenditure on equipment (machinery, equipment with and without installation, fittings);

- Intangible asset expenditure;
- Expenditure for construction works and installations related to site organisation;
- Expenditure related to site organisation;
- Miscellaneous and unforeseen expenses;
- Expenditure on training of operating staff;
- Expenditure on technological samples and tests.

Expenditure on information, publicity and financial audit is compulsory.

Expenditure on **information and publicity activities of the project will not exceed 2%** of the eligible project value.

**Project management costs will not exceed 5% of the eligible** value of the project, but not more than €10,000 (at the InforEuro rate of the month preceding the submission of the bid).

**! Investment aid is granted only for new installations.**

It is necessary for the applicant to include the investment costs in the category of eligible expenditure in close correlation with the general estimate drawn up in accordance with the provisions of GD No 907/2016.

Aid is neither granted nor reimbursed once the installation has started operating.

**Ineligible expenditure under this operation is as follows:**

- expenditure relating to the contribution in kind;
- depreciation charges;
- land acquisition costs;
- expenditure relating to acquisition in the form of leasing;
- expenditure on the purchase of buildings already constructed;
- rental expenses other than those provided for in general administrative expenses;
- expenditure on the purchase of means of transport;
- administrative overheads;
- value added tax;
- debit interest except in respect of grants made in the form of an interest subsidy or guarantee fees;
- expenditure on commissions, fees, charges;
- other commissions related to loans;
- purchase of second-hand equipment;
- fines, penalties, costs;
- the costs of operating the investment objectives;

- expenditure on own-account investment projects;
- **expenditure on preparatory work, such as obtaining permits and authorisations, feasibility studies (and technical studies required by standards and regulations for the preparation of the project), carried out before the date of notification of project eligibility by the Ministry of Energy.**

## **5. Period for projects submission**

Competitive tendering procedure for the selection of projects is launched through the dedicated e-Platform NRRP.

This guide implements the Competitive Tendering Procedure in line with the objectives of the NRRP and within the allocated budget.

**Date and starting time for submission of projects: 31.03.2022, 10,00 a.m.**

**Closing date and time for submission of projects: 30.04.2022, 17,00**

The Ministry of Energy may extend the submission deadline depending on applications received, project contracting rates, decisions to reallocate funds or other considerations.

## APPENDIX 1 Minimum technical requirements

Applicants for funding must also ensure the following minimum equipment requirements, depending on the specific project:

### 1. Photovoltaic panels:

- a. The efficiency of the panels must be:
  - > 19% for monocrystalline silicon panels;
  - > 18% for polycrystalline silicon panels;
  - > 12% for thin or semi-transparent panels.
- b. Standard test conditions (STC):
  - Solar radiation 1000 W/m<sup>2</sup>;
  - air mass AM 1,5;
  - cell's temperature 25°C.

### 2. Inverters:

- a) in accordance with the provisions of ANRE Orders no. 228/2018 and no. 132/2020;
- b) European efficiency: > 97%.

### 3. Storage systems:

- No lead, NiCd or NiMH technologies

### 4. Wind turbines:

- Comply with IEC/SR EN 61400
- Wind classification to match historical wind data in the installation area

**NOTE:** If the technical connection approval (TCA) for the generation site (if the project involves connection to the public electricity network) has not been submitted with the offer, its submission is mandatory at the conclusion of the financing contract.

## Appendix 2 Technical and economic evaluation grid for tenders

Technical and economic evaluation grid for tenders	Maximum	Minimum
<p><b>1. Amount of State aid requested for the project from eligible expenditure/ installed MW of production</b></p> <p><i>The aim is to achieve as good ratio as possible so that the applicant, taking into account the lower technology costs, covers a large part of the investment from its own funds, so that the public subsidy offered per MW installed is as low as possible and overcompensation is avoided. The amount of State aid is related to the installed production capacity (Euro/MW installed):</i></p>		
<p>Awarding the score:</p> <ul style="list-style-type: none"> <li>➤ Lowest amount of State aid requested (Euro/MW) - 75 pct</li> <li>➤ Highest amount of State aid requested (Euro/MW) - 0 pct</li> <li>➤ The intermediate values of the requested State aid (Euro/MW) are calculated accordingly,</li> </ul> <p><i>(differences from the lowest Euro/MW produced are deducted from the maximum score of 75 pct.)</i></p>	75	0
<b>Criteria 1 total score</b>	<b>75</b>	<b>0</b>
<p><b>2. Storage capacities assumed in the project</b></p> <p><i>Given the uncontrollable intermittent nature of RES generation (PV and wind) storage capacities ensure that the maximum possible intermittent RES capacity can be integrated into the system and the security of electricity supply is increased.</i></p> <p><i>Example: for a RES generation capacity of 60 MW, 10 points are awarded for a storage capacity of at least 20 MWh (representing the storage of energy produced at the rated power of the plant for 20 minutes) and 5 points for a storage capacity of at least 10 MWh (representing the storage of energy produced at the rated power of the plant for 10 minutes).</i></p>		
<ul style="list-style-type: none"> <li>➤ Storage capacity allowing the storage of the energy produced (at the rated power of the RES plant) for a minimum period of 12 minutes</li> </ul>	10	0
<ul style="list-style-type: none"> <li>➤ Storage capacity allowing storage of the energy produced (at the rated power of the RES plant) for a minimum of 6 minutes</li> </ul>	5	0
<b>Criteria 2 total score</b>	<b>10</b>	<b>0</b>

<p><b>3. Use by the beneficiary of at least 50% of the electricity generated by the project for its own consumption</b></p> <p><i>Given the need to encourage industrial operators to produce renewable energy, it is an advantage to use at least 50% of the energy produced for the beneficiary's own consumption.</i></p> <p><i>It is evidenced by:</i></p> <ul style="list-style-type: none"> <li>✓ <i>Affidavit, when submitting the application for funding, that at least 50% of the electricity generated within the project will be used for own consumption;</i></li> <li>✓ <i>Immediately after the commissioning of the project, through relevant documents attesting the energy produced and the proportion used for own consumption.</i></li> <li>✓ <i>Self-consumption of at least 50% shall be demonstrated, during the monitoring period, by the annual submission by the beneficiary of the energy production curve, the consumption curve and, where applicable, the energy storage curve</i></li> </ul>		
<p><b>Criteria 3 total score</b></p>	<p><b>15</b></p>	<p><b>0</b></p>
<p><b>TOTAL score (criteria 1 to 3)</b></p>	<p><b>100</b></p>	<p><b>0</b></p>