



Ministerstvo životního prostředí



Programme for the provision of support
from the Modernisation Fund

New Renewable Energy Sources (RES+)



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1. Eligible applicants

Existing or future holders of licenses to operate business in energy sectors (electricity production)¹ and renewable energy communities

In the case of renewable energy communities (hereinafter “communities”), the requirement to hold a license is relevant only if such obligation arises from the legislation currently in force. Community projects must also meet the conditions and requirements arising from Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, namely the requirements under Art. 22.

The need to hold a license does not apply to an applicant for aid for the construction of photovoltaic power plants (hereinafter “PVP”) that is an entity operating a facility within EU ETS in the Czech Republic and is not an electricity producer pursuant to Art. 10c of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, and consumes all of the produced electricity for its own operation.

In the case of an application for aid for PVP construction operated within the heat supply system (hereinafter the “SZTE”) pursuant to Act No. 458/2000 Coll., on business conditions and public administration in energy sectors and amending certain laws (hereinafter the “Energy Act”), the authorised applicants are also the owners and operators of SZTE that have a license for the production of heat and/or electricity and a license to distribute heat, granted by the Energy Regulatory Office pursuant to Section 5 of the Energy Act.

¹ Pursuant to Act No. 458/2000 Coll., on business conditions and public administration in energy sectors and amending certain laws (Energy Act), as amended, or the act that replaces it in the future.

2. Types of supported projects and activities

Only projects that meet the programme objectives and acceptance criteria may be supported. Supported types of projects include:

- Installation of new renewable energy sources (hereinafter "RES") and elements of active energy management:
 - Photovoltaic plants;
 - Geothermal energy sources (hereinafter "GTE").
- Installation of new or modernisation of existing RES and elements of active energy management:
 - Wind farms (hereinafter "WF");
 - Small hydroelectric plants (hereinafter "SHE").

Systems for the accumulation of electricity may be supported only as a part of a comprehensive PVP or WF project installed directly at the site of the aid implementation, and systems for the accumulation of heat energy as a part of a comprehensive GTE project.

3. Allocation of resources

38.7% of the total resources in the Modernisation Fund are allocated to this programme. The programme allocation for applicants is divided as follows:

- | | |
|-----|---|
| 60% | of the allocation is designated for projects from electricity producers pursuant to Art. 10c of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC; |
| 40% | of the allocation is designated for projects from all existing and new electricity producers. |

The detailed breakdown of the allocation between the individual sources and types of projects will be specified in the calls.

² Renovation of power plants producing energy from renewable sources, including the full or partial replacement of equipment or operating systems and equipment in order to substitute capacity or increase the efficiency or capacity of the plant.

4. Form and amount of aid

Aid will be provided in the form of a one-off ex post subsidy paid after submitting documents proving the completed implementation of the project and fulfilment of the conditions stipulated in the contract on the provision of a subsidy (see Chap. 10.4.2).

The maximum extent of aid per project must not exceed 50% of the total project expenses.

4.1 Method of project selection and determination of aid amount

4.1.1 Selection of PVP projects with a capacity of over 1 MW

Projects are submitted in calls for tenders and are evaluated using a multi-criteria point score based on cost efficiency and the technical level of the project. In the case of projects implemented in areas affected by the winding down of coal mining, a regional advantage is taken into account.

Applications will be accepted by the deadline set in the call (but for at least 3 months).

In the application, the applicant specifies the amount of aid pertaining to the installed capacity, which must not, however, exceed the maximum unit amount of aid:

- For projects without accumulation: max. CZK 11,000/kWp;
- For projects with accumulation in the scope as per the specifications in Chap. 5.2.2: max. CZK 20,000/kWp.

The maximum unit amounts of aid take into account all costs directly related to the construction of the plant, including the induced investments and may be updated for each call based on the current technical and economic market developments.

³ Projects in the Karlovy Vary, Moravian-Silesian and Ústí regions.

Multi-criteria point score

All acceptable projects within each call are evaluated according to the following criteria. Applications are then sorted based on the total point score acquired.

A. Cost efficiency (weight: 60%)

Projects will be evaluated by the ratio of the lowest requested subsidy and requested subsidy of the evaluated project, based on the relation:

$$\text{Point score (A)} = 60 \times \frac{\text{Average of the required subsidy from 10 \% of the evaluated projects with the lowest price} \left[\frac{\text{CZK}}{\text{kWp}} \right]}{\text{Requested subsidy} \left[\frac{\text{CZK}}{\text{kWp}} \right]}$$

and at the same time, the maximum number of points that the evaluated project can achieve is 60.

The level of subsidy requested by the applicant must not be higher than permitted by the conditions of public aid (see Chap. 4.2) and must not exceed 50% of the total expenses.

B. Technical conditions (weight: 30%)

Tab. 1 | **Determination of evaluation conditions for the technical project standard**

Parameter	Point score according to criterion B
Accumulation	YES, meets conditions of 5.2.2, battery-based
	$\text{Point score (B1)} = 15 \times \frac{\text{accumulation capacity [MWh]}}{P_{inst} [\text{MWp}]}$
	YES, meets conditions of 5.2.2, alternative
	$\text{Point score (B1)} = 22 \times \frac{\text{accumulation capacity [MWh]}}{P_{inst} [\text{MWp}]}$
	NO, does not meet conditions of 5.2.2
	$\text{Point score(B1)} = 0$
Installation type	Point score(B2):
	Floating and agro photovoltaic plant – 8 points
	Integrated into building structure – 8 points
	Ground plant on brownfields ⁴ – 3 points
	Other ground plants – 0 points

⁴ [For PVP installed on land registered in the National Brownfields Database, managed by the CzechInvest Agency](#)

C. Advantage for regions affected by the winding down of coal mining
(weight: 10%)

Tab. 2 | **Determination of evaluation conditions for the technical project standard**

Parameter	Point score according to criterion C
Region affected by the winding down of coal mining	YES, project in an affected region <i>Point score (C) = 10</i>
	NO, project not in an affected region <i>Point score (C) = 0</i>

Total point score and determination of order

The total point score is determined as the simple sum of the points earned for the individual criteria. The order of individual projects is determined based on the total point score in descending order (from highest to lowest). To ensure the efficacy of the competition between projects, a maximum of 70% of the total sum of the requested aid of all acceptable projects may be supported, up to the amount of the allocation specified in the call.

$$\begin{aligned}
 & \textit{Point score (total)} \\
 & = \\
 & \textit{Point score (A) + Point score (B1) + Point score (B2) + Point score (C)}
 \end{aligned}$$

The weights of the individual categories and partial point scores may be updated for each call based on the current technical and economic market developments, whereas the cost efficiency criterion must always be at least 50%.

4.1.2 Calculation of the maximum amount of aid for PVP projects up to 1 MW (inclusive)

Projects are submitted and evaluated on an ongoing basis within non-tender calls. Unit subsidies are used to determine the maximum amount of aid. The total maximum amount of aid is calculated by multiplying the installed capacity by the unit subsidy:

$$\text{Max. aid amount} = P_{inst} \times \text{unit subsidy as per Tab. 3}$$

The unit subsidies specified in Tab. 3 take into account all costs directly related to the construction of the plant, including the induced investments. The unit subsidies were determined to take into account the maximum level of aid based on the conditions of public aid (see Chap. 4.2) and deduction of alternative investment (as per Chap. 4.2.1); nevertheless, the applicant must prove that the calculated amount of aid will not exceed the limits of public aid and 50% of the total expenses.

Tab. 3 | **Division of technological groups to determine unit expenses for RES projects**

Maximum unit subsidies		
Type of RES / installation	installed capacity	
	up to 1 MW (inclusive)	over 1 MW
Ground PVP	CZK 12,500/kW	call for tenders as per 4.1.1
PVP on building exteriors	CZK 13,000/kW	
Floating PVP	CZK 13,500/kW	
Agro-photovoltaic plant	CZK 18,000/kW	
Accumulation of electricity that meets acceptability criteria	CZK 11,000/kWh	

In the calls from the programme, the levels of individual subsidies will be specified based on the current technical and economic market developments, and will take into account the higher levelized costs of smaller projects.

4.13 Determination of the amount of aid for other types of RES projects

For other types of RES (i.e. WF, SHE and GTE), the amount of aid will be determined as a percentage of the eligible project expenses. The amount of aid must not exceed the maximum extent of aid determined by the conditions of public aid (see Chap. 4.2), after deducting alternative investments (as per Chap. 4.2.1) and must not exceed 50% of total project expenses.

Systems for the accumulation of electricity are eligible for aid only as a part of a comprehensive WF project and must be installed directly at the site of aid implementation. For these projects, the technical parameters of electricity accumulation and capacity range described in Art. 5.2.2 apply. Thermal energy accumulation systems are likewise eligible as a part of comprehensive GTE projects.

4.2 Public aid

Given the character of projects, support will be provided within the system of public aid pursuant to Commission (EU) Regulation No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter the "GBER")

The rules on public support are relevant for all applicants and beneficiaries, regardless of the legal form, if the beneficiary can be characterized as an enterprise in connection with the project (there is or will be an offer of goods or services on the market). According to this definition, an enterprise can also be a municipality, a non-profit organization or association and other entities.

Public support and de minimis support will be provided for the Modernization Fund in accordance with the following regulations (full text of the regulations at www.compet.cz):

- Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (General Block Exemption Regulation – GBER) – only selected relevant articles (hereinafter referred to as the "GBER Regulation").
- Guidelines on State aid for environmental protection and energy 2014-2020 (2014/C 200/01) (hereinafter „EEAG“).
- Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (hereinafter „de minimis“).

Basic conditions:

- GBER and EEAG aid cannot be granted to an applicant who has been issued a recovery order to recover unjustified incompatible public aid that has not yet been reimbursed. For this condition, the applicant (enterprise) is understood as a group of connected and partner enterprises according to Annex I of Commission Regulation (EU) No. 651/2014 of 17 June 2014, including its links to foreign entities.
- GBER and EEAG aid cannot be granted to a firm in difficulty under Article 2 (18) of the GBER.

- The aid must have an incentive effect, which is fulfilled if the aid application was submitted before the start of work on the project. Commencement of work means either the commencement of construction work as part of an investment, or the first legally enforceable obligation to order equipment or another obligation as a result of which the investment becomes irreversible, whichever occurs first. The preparation of preliminary feasibility studies, the purchase of land or the acquisition of a permit are not considered as initiations. The step when the investment is made irreversible is considered to be the day on which the Decision on the selection of the most suitable tender in the tender/selection procedure is sent.
- An incentive effect is required for all GBER and EEAG articles relevant to the Modernization Fund; eligible expenditure is also incurred from this date.
- According to the GBER Regulation, support can be provided only in a limited amount, therefore individual notification thresholds apply to individual projects within the GBER Regulation, which differ according to the category of support and up to which support can be provided without prior discussion with the EC. If they are exceeded, notification under the EEAG would be required. The thresholds must not be circumvented by splitting projects.
- Aid granted under the GBER and the EEAG may not be cumulated with other public aid under the Modernization Fund in such a way that the maximum allowable aid intensity given by the individual articles is exceeded.
- SME applicants can be granted a bonus of 10% for medium and 20% for small business. In this case, the size of the company must be assessed in accordance with Annex I of the GBER. These bonuses are reflected in the Table 4.
- Information on public support provided in excess of EUR 500,000 will also be published in the TAM (Transparency award module) information system.

If the aid is subject to notification, the legal act will not be concluded before a positive EC decision is issued. The notification is made by the grant provider.

For more details, see [Analysis of compliance with rules for public aid](#).

The aid will be granted in accordance with Article 41 of the GBER – Investment aid for the promotion of energy from renewable sources), where the maximum intensity of support is defined in Tab. 4. The intensities of aid specified below are maximal and the applicant is obliged to take into account the alternative investment/scenario without public aid when determining the eligible project expenses.

Tab. 4 |

Article 41 – Investment aid for the promotion of energy from renewable sources – maximum aid intensity		
Enterprise/aid (%)	Prague	Other regions
Large enterprise	45	60
Medium-sized enterprise	55	70
Small enterprise	65	80

The above aid intensities are effective for the period of validity of the existing public aid legislation.

4.2.1 Alternative investments

In the case of public aid pursuant to the GBER, it is necessary to take into account expenses for alternative investment/scenario that could be implemented without aid and is considered less environmentally friendly. These expenses are deducted from the expenses for project implementation and the final amount constitutes the eligible expenses for the calculation of the maximum public aid. The percentage of intensity of aid pursuant to Tab. 4. is then applied to these expenses.

For projects with an installed **capacity of up to 1 MW** (inclusive), the alternative investment is calculated as the expense to purchase a diesel power source corresponding to the production capacity of the new renewable energy source. Hence, the applicant will not calculate the alternative investment separately and will only use these unit subsidies.

For projects with an installed capacity of over 1 MW, the alternative investment is calculated as the expense to purchase a diesel source, or gas source (for projects with an installed capacity of over 10 MW).

5. Selection criteria for project acceptability / project evaluation

5.1 General acceptability criteria

- The period of project implementation, from the date of the decision of the Ministry of Environment on the provision of resources from the State Environmental Fund ("SEF") of the Czech Republic (hereinafter the „Decision“), must not exceed 3 years in the case of PVP projects with an installed plant capacity of up to 1 MW inclusive, or 5 years in the case of other projects⁵
- The project must be implemented in the Czech Republic.
- The project must fulfil the general and specific conditions of public aid.
- The applicant must not be an enterprise in difficulty⁶.
- The applicant must not be in default, liquidation, must not have any outstanding liabilities towards state or public budgets, arrears on taxes and must not be a business corporation in conflict of interests⁷

5.2 Specific acceptability criteria

5.2.1 Project definition, division and aggregation of projects

For all plants, regardless of the type of source and size of installed capacity, it applies that:

- The electricity producer is obliged to equip the power plant pursuant to the conditions stipulated:
 - In the contract on connection to the transmission or distribution grid;
 - In Commission (EU) Regulation No. 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators;
 - In the Rules for Operation of the Transmission or Distribution Grid (hereinafter the "PPDS").

Projects shall not be artificially divided into separate applications so as to evade the limit values determined by the programme, i.e. especially the limit of 1 MW and GBER limit values. In the case of projects divided into multiple stages, the stages are considered separate projects if the period between two consecutive stages of implementation is longer than 3 years⁸.

⁵ Termination of implementation refers to the date of commencing permanent operation pursuant to Act No. 183/2006 Coll., on zoning planning and the building code (Building Act), as amended (occupancy permit, deferral of addressing the building authority, or written consent that the building can be used).

⁶ Pursuant to Art. 2(18) of the GBER.

⁷ A business corporation in conflict of interests for the purposes of this programme refers to a business corporation, in which the public functionary specified in Section 2(1)(c) of Act No. 159/2006 Coll., on conflict of interests, as amended, or its controlled entity owns a share corresponding to at least 25% of the member's participation in the business corporation, as per Section 4c of Act No. 159/2000 Coll., on conflict of interests. If the applicant is a legal entity, its ownership structure and beneficial owners must be substantiated pursuant to Act No. 253/2008 Coll., on certain measures against the legalisation of proceeds from crime and the financing of terrorism, as amended. In accordance with the general requirement for transparency and limitation of potential conflict of interests, the applicant for aid is checked for whether it meets the restrictions stipulated by Section 4c of Act No. 159/2006 Coll., on conflict of interests, as amended.

⁸ If the applicant is considering implementing the project in stages, the consecutive implementation of which is at an interval of less than 3 years from concluding the previous stage, such project will be considered one independent project with a total sum of installed capacity (for all project stages), with the corresponding selection, evaluation and level of aid.

A single site of implementation may be applied within one project, meaning one offtake or handover point or group of decentralised RES plants, which form a "virtual" power plant⁹.

5.2.2 Photovoltaic power plants (PVP):

- The PVP must not be built on agricultural land fund surfaces¹⁰ (this restriction does not apply to agro-photovoltaic projects¹¹) or land designated to serve as a forest¹².
The installation of PVP on agricultural land fund surfaces is possible only in the case of protection classes based on farmland classification of land lots (BPEJ) III through IV, and only subject to permission to use the affected land lot to construct the PVP from the respective state administrative authorities.
- Only plants where exclusively photovoltaic modules, inverters and accumulators are installed can be supported:
 - With independent verified parameters substantiated by copies of certificates issued by accredited certification bodies¹³;
 - With a lifetime guaranteed by the manufacturer of at least 20 years for modules and 10 years for inverters and accumulators.
- Minimum efficiency of modules during standard testing conditions (STC)¹⁴:
 - 19.0% for monofacial modules of monocrystalline quartz;
 - 18.0 % for monofacial modules of monocrystalline quartz;
 - 19.0% for bifacial modules with 0% bifacial profit;
 - 12.0% for thin-layer modules;
 - Not stipulated for special products and uses¹⁵.
- Minimum efficiency of inverters 97.0% (Euro efficiency).
- Aid to construct an accumulation system for produced energy may be provided only for systems with a capacity¹⁶:
 - Min. 20% of the theoretical hourly production at the installed peak PVP capacity (hereinafter "THVzPinst¹⁷");
 - Max. 100% THVzPinst.
- In the case of battery accumulation, technologies based on lead, NiCd or NiMH will not be supported.
- Only plants with installed inverters (alternators) with seamless or discreet controllability of supplied capacity to the electricity grid, enabling a change of the supplied plant capacity, can be supported.

⁹ A virtual power plant refers to a group of decentralised renewable energy sources. A major characteristic of this group of sources is the fact that it is operated using a common control system, but the individual sources can be physically distant from one another. The installed capacity of the virtual power plant is determined by the sum of the individual sources comprised in it.

¹⁰ Pursuant to Act No. 334/1992 Coll., on protection of the agricultural land fund, as amended.

¹¹ The use of land for agricultural activity and simultaneous installation of photovoltaic modules on high or vertical structures without restricting agricultural production, or for the purpose of positively influencing agricultural production and subject to issuing a consenting opinion from the respective ALF protection authority.

¹² Pursuant to Act No. 289/1995 Coll., on forests and on amending certain laws (Forestry Act), as amended.

¹³ A declaration of compliance issued by the manufacturer does not suffice. It is necessary to provide adequate certificates (certified proof of compliance with type specification) issued by accredited certification authorities (accredited entities pursuant to CSN EN ISO/IEC 17065:2013)

5.2.3 Wind farms (WF):

- Minimum yield as per the assessed wind conditions at the site;
- Fulfilment of requirements based on the issued environmental impact assessment (EIA);
- In the case of modernisation of an existing WF, it is possible to support only the renovation of a WF, including the full or partial replacement of equipment or operating systems and equipment in order to substitute capacity or increase the efficiency or capacity of the plant.

5.2.4 Small hydroelectric plants (SHE):

- The installed plant capacity must not exceed 10 MW;
- Fulfilment of requirements based on the issued environmental impact assessment (EIA);
- In the case of modernisation of an existing SHE, it is possible to support only the renovation of a SHE, including the full or partial replacement of equipment or operating systems and equipment in order to substitute capacity or increase the efficiency or capacity of the plant.

5.2.5 Geothermal power plants (GTE):

- The installed electrical capacity within one plant must be at least 200 kW;
- Fulfilment of requirements based on the issued environmental impact assessment (EIA),

¹⁴ Standard Test Conditions – radiation intensity 1000 W/m², spectrum AM 1.5 Global and module temperature 25 °C.

¹⁵ E.g. agro-photovoltaic plant with sunshare technology, special photovoltaic surfaces, technologies for flat roofs with low load-bearing capacity.

¹⁶ Battery storage capacity refers to “usable storage capacity”. This capacity must be proven by guarantee tests before launching operation of the system. With the rising share of unstable sources (PVP, WF) in the Czech electricity grid, the conditions of this programme may be amended as concerns the mandatory share of accumulation as part of the plant, including its minimum and maximum scope.

¹⁷ For the purposes of this programme, THVzPinst is calculated according to the following example: A 1 kW PVP system has a THVzPinst. = 1 kWh.

6. Eligibility of expenses

6.1 General conditions for eligibility of expenses

Aid may be provided only on the basis of eligible expenses, which meet all of the conditions set forth below:

- They comply with the legal regulations of CZ and EU;
- They comply with the programme, respective call and issued methodical instructions;
- They are incurred in accordance with the 3E rule (economy, effectiveness, efficiency)¹⁸;
- They comply with the conditions for providing public aid;
- They are reasonable, i.e. correspond to usual prices at the time and place;
- They are duly identifiable, demonstrable and substantiated;
- They are directly and exclusively related to project implementation, incurred during its implementation and are a part of the budget;
- They are eligible, if the expense was incurred after filing the application.

6.2 Specific conditions for eligibility of expenses

The basic eligible expenses related to the investment include in particular:

6.2.1 Direct implementation expenses

These are expenses for construction works, deliveries and services directly related to the subject of aid, which contribute to fulfilling the goals of the respective project.

In the case of Design & Build (& Operate) mode, direct implementation expenses may also include expenses related to project documentation.

6.2.2 Activities of expert technical, authorial supervision, OHS

These are expenses for the activities of an expert technical or authorial supervisor and ensuring occupational health and safety on the construction site (OHS coordinator), which may be considered eligible for maximally 3% of the direct implementation expenses of the project.

¹⁸ Pursuant to subsections (m), (n), (o) of Section 2 of Act No. 320/2001 Coll., on financial inspection in public administration and amending certain laws, as amended.

6.2.3 Extra works

Extra works refer to construction works, deliveries and/or services which are not included in the subject of work pursuant to the contract, but the contractor agreed on their performance with the client later, after concluding the contract for work.

Extra works can be considered eligible only in the case of substantiated objective reasons, when the performance of extra works is essential to complete project implementation and fulfil its objectives and parameters. Furthermore, the rules of public procurement pursuant to Act No. 134/2016 Coll., Public Procurement Act, as amended, must be fulfilled.

Eligible expenses can only include extra works corresponding to the maximum value of eligible reduced works on the respective contracts for work within the same project.

6.2.4 Promotional measures

Eligible expenses within the project refer to expenses for promotional measures, which were incurred in direct relation to the project and in connection with requirements to ensure promotion, stipulated in the call and in accordance with the [Graphic Manual for Projects Financed from the Modernisation Fund](#).

6.2.5 Value added tax

Value added tax (hereinafter „VAT“) may be considered an eligible expense only for beneficiaries that cannot claim value added tax deductions at the input pursuant to Act No. 235/2004 Coll., on value added tax, as amended. If the claim to a VAT refund arises later, the beneficiary is obliged to return the relevant aid regardless of whether or not it applied the claim with the financial authorities.

Eligible VAT applies only to performance which must itself be considered eligible. If the performance is only partly eligible, the VAT pertaining to this performance is eligible in the same proportion.

6.2.6 Receivables

If receivables/liabilities were offset between the aid beneficiary and contractor (payment of invoices is not fully substantiated by bank statements), it is always necessary to submit the written contract/agreement on off-setting mutual performance of the same type (receivables and liabilities) accrued on the basis of the contractual relationship between the recipient of the invoice and the invoicing contractor, signed by the beneficiary and contractor. This mutual agreement must be concluded in accordance with the Civil Code. The agreement must specify the contracting parties, identification of the project and invoice(s) (in the case of a different variable symbol compared to the invoice number, it is advisable to indicate the variable symbol), mutually offset amounts and currencies, date of signing by the parties and the signatures of both parties.

6.3 Ineligible expenses

Aid cannot be provided for:

- Measures which do not correspond to the focus of the programme and conditions of the given call;
- Purchase of used equipment;
- Expenses for processing project documentation and project activity (except in Design & Build (& Operate) mode as per Art. 6.2.1);
- Expenses to purchase real estate;
- Fees for extract of land from the agricultural land fund or land lots designated to serve as forests and establishment of servitudes;
- Taxes – VAT (except as per Art. 6.2.5), direct taxes, donation and inheritance tax, property tax, property transfer tax, road tax, customs duty;
- Expenses to procure the relevant opinions;
- Incited investments which are not related exclusively and directly to the purpose of the project;
- Loan instalments, interest;
- Extra works beyond the value of eligible reduced works;
- Administrative fees (e.g. notarial fees, entry into the land registry, fees for issued building permit, fees for release of wastewater into surface waters);
- Budget reserve;
- Payroll and other expenses for employees, overhead and operating expenses.

7. Project benefits and reported indicators

Within the implemented projects, both binding indicators which determine the minimum requirements for project benefits and tracked indicators are monitored and evaluated.

Binding indicators, which are a part of the application for aid and will be the subject of the contractual obligation, help to monitor and measure the achievement of the stipulated outputs of the project. The fulfilment of binding indicators is under direct control of the project and they must be achieved within the predefined timeframe. If the target values for the project's relevant binding indicators are not met, a correction of up to 100% may be applied (depending on the degree of non-fulfilment).

Tracked indicators are not binding but are beneficial for monitoring the outputs of the project in terms of its contribution to national strategic objectives.

7.1 Binding (mandatory) project indicators

Binding indicators, depending on the type of project, the value of which must be substantiated by an energy assessment:

List of binding indicators (unit)	Indicator description
Reduced consumption of a primary non-renewable energy source [MWh/year]	Reduced consumption of a primary non-renewable energy source related to project implementation in MWh per year.
Reduction of CO2 emissions [t CO2/year]	Reduction of CO2 emissions related to project implementation in tonnes of carbon dioxide per year
Newly installed RES capacity [MWp]	Capacity of the newly built RES plant in MW (divided by type of plant).
Energy production from RES [MWh/year]	Minimum volume of energy products from RES in MWh per year.
New capacity of electricity accumulation from RES [MWh]	Newly installed usable capacity of electricity accumulation from RES in MWh.

7.2 Tracked (non-binding) project indicators

The following are tracked and reported within the supported projects as non-binding indicators:

List of tracked indicators (unit)	Indicator description
Quantity of eliminated SPP emissions [t/year]	Reduction of solid polluting particle (SPP) emissions from stationary air pollution sources.
Quantity of eliminated emissions PM ₁₀ [t/year]	Reduction of suspended PM ₁₀ particle emissions from stationary air pollution sources.
Quantity of eliminated emissions PM _{2.5} [t/year]	Reduction of suspended PM _{2.5} particle emissions from stationary air pollution sources.
Quantity of eliminated emissions SO ₂ [t/year]	Reduction of sulphur dioxide (SO ₂) emissions from stationary air pollution sources.
Quantity of eliminated emissions NO _x [t/year]	Reduction of nitrogen oxide (NO _x) particle emissions from stationary air pollution sources.
Quantity of eliminated VOC emissions [t/year]	Reduction of volatile organic compounds (VOC) emissions from stationary air pollution sources.
Quantity of eliminated emissions NH ₃ [t/year]	Reduction of ammonia (NH ₃) emissions from stationary air pollution sources.

8. Basic technical and economic attachments to the application

- **Project study of the construction and/or technical solution** (based on the published pattern) or **project documentation on the level for a building permit** (for relevant projects), or **higher level of project documentation** including an itemised budget, or in the case of application of the FIDIC P&DB conditions (Yellow Paper) a technical report with a technical description and framework budget – at a state of preparation that enables the assessment of measures and assessment of the possibility of providing aid for its implementation, ongoing and final inspection in material, economic and environmental terms, if relevant for the given project. The structure and breakdown of the budget will correspond (if permitted by the submitted level of technical documentation) to a regular itemised budget, i.e. breakdown into building units and operation units based on the text part of the project documentation (study). It must include a draft of the fire safety solution based on the respective regulations.
- **Energy assessment** compiled pursuant to the implementing regulations valid at the time of filing the application, arising from Act No. 406/2000 Coll., on energy management, as amended (hereinafter the “Act on Energy Management”), drafted by an energy specialist with the relevant authorisation pursuant to the Act on Energy Management.
- Conclude valid **contract on connection**, or **agreement on a future contract on connection** to the transmission or distribution grid.
- Consent (binding opinion or decision) from the agricultural land fund protection authority on **extraction of land from the ALF** (if relevant),
- Documents proving the resolved property law relationship of the applicant to the affected real estate for the term of implementation and term of project sustainability (as per Chap. 9.2),
- **Economic attachments to evaluate enterprises in difficulty** specified in [SEF Instruction for evaluating enterprises in difficulty](#) (concerns applicants subject to public aid with the exception of de minimis aid).

List of attachments needed to perform technical and economic evaluation beyond the foregoing scope may be specified by the respective call to submit applications for aid.

9. Legal framework of the subject of aid

9.1 Legal relationship to the subject of aid and operation

Aid is provided to the applicant if the applicant is, or will become after completion of the project, the owner of the subject of aid, unless specified otherwise in the text below or in a legal act. For this purpose, the owner is also deemed to be the entity that manages the subject of aid pursuant to the law, or has management rights towards it (e.g. allowance organisation, state enterprise).

If not precluded by the character of the given project, the aid beneficiary may also be the lessee of the subject of aid, or the party authorised to implement the project and ensure its sustainability. It must be evident from the lease relationship that the owner consents to project implementation and will enable the observance of the following stipulated conditions of project sustainability. If the object purchased with the requested aid is not and will not be included in the real estate (buildings or land) where they are located, it is possible for the applicant to be the lessee of the respective real estate.

The aid beneficiary will ensure project **sustainability for a period of 10 years**¹⁹ from its completion²⁰. Observance of the sustainability obligation may be the subject of inspection by the SEF and other authorised institutions. If the sustainability obligation is not fulfilled, the beneficiary may be ordered to return the aid or part thereof in extreme cases.

The aid beneficiary is then obliged to retain the subject of aid in its property for at least the term of sustainability, i.e. 10 years (unless stipulated otherwise in a legal act). For this purpose, the owner is also deemed to be the entity that manages the subject of aid pursuant to the law, or has management rights towards it (e.g. allowance organisation, state enterprise).

If the subject of aid is co-owned, all the co-owners must be authorised beneficiaries. One of these co-owners then acts as the applicant and submits the consent of the other co-owners to project implementation, including a declaration on allowing the retention of project implementation results for at least 10 years (or for the period determined for the given type of project) from its completion.

¹⁹ Except for special legal facts consisting of an extraordinary, unforeseeable, unavoidable event not attributable to the beneficiary (respectively vis maior).

²⁰ Conclusion of the project refers to the date of commencing permanent operation pursuant to Act No. 183/2006 Coll., on zoning planning and the building code (Building Act), as amended (occupancy permit, deferral of addressing the building authority, or written consent that the building can be used).

In cases to which the aforementioned conditions cannot be definitively applied, the SEF will assess the admissibility of the applicant's legal relationship to the subject of aid.

9.2 Legal status of the subject of aid

Without the knowledge of the SEF, the subject of aid cannot be legally encumbered in any manner, in particular in the form of liens and easements, where the exercising of the inferred rights could threaten implementation or fulfilment of the purpose of the subject of aid, including the aid beneficiary's ownership rights, except for:

- Real estate encumbered by a statutory lien or a lien established to secure the fulfilment of obligations upon provision of a subsidy from the state budget, etc.;
- Installation of utility networks on the land lots.

The aid beneficiary is obliged to always inform the SEF about the legal encumbrance of the subject of aid even during the sustainability period (see Chap. 9.1), which will assess the character of the legal encumbrance and potential economic health of the beneficiary and determine the further procedure. The SEF has the right to request the necessary documents for assessment.

10. Conditions and manner of implementing the programme

10.1 Reception and evaluation of aid applications

10.1.1 Pre-registration call and project venture

Before actually announcing the call to submit applications for aid, the SEF may announce a pre-registration call to submit project ventures. The data obtained from these project ventures will be used to better target the aid, its distribution in time, and will open the opportunity to consult applicants for the prepared projects even before filing a full application for aid.

The project ventures and information about planned investments will be accepted through the SEF Agenda Information System and no mandatory attachments will be required.

10.1.2 Announcement of calls from the Programme

The text of the call including the related documentation will be published on the SEF website no later than on the date of announcing the call, and will contain all the details and conditions for the provision of aid.

Applications are managed in electronic format in the [SEF Agenda Information System](#).

10.1.3 Assessment and evaluation of applications

After submission, applications are checked in terms of formal requirements and acceptability conditions, stipulated by the Programme and call, which result in elimination if not fulfilled.

Along with the evaluation of project acceptability, the applicant is also assessed in terms of fulfilling the elimination condition of an enterprise in difficulty, as per Art. 2(18) of the GBER (if relevant). The procedure for evaluating an enterprise in difficulty is set forth in the [SEF Instruction for Evaluating Enterprises in Difficulty](#).

Projects financed within Energy Performance Contracting (hereinafter "EPC") will be assessed in terms of ensuring the applicant's own resources needed to implement the project. The applicant states the fact that it intends to finance the method via EPC in the application for aid.

10.1.4 Selection of projects for financing

The fulfilment of the objectives of the call, acceptability criteria and other requirements stipulated by the call will be decisive for providing aid. For ongoing calls, positively evaluated applications are ranked according to the date of application registration. The size and type of the project are decisive for the further project selection procedure, whereby:

a) **projects below the GBER threshold:**

Applications submitted under calls that do not reach the GBER threshold will be evaluated and approved in accordance with the procedures set out in Chapter 4.1. The fulfilment of the objectives of the call, the eligibility criteria (see Chapter 5) and other requirements set by the call will be decisive for the provision of support.

b) **projects above the GBER threshold:**

Applications submitted under the announced calls that exceed the GBER thresholds (according to Chapter 4.2) will be evaluated in accordance with the procedures set out in Chapter 4.1.1 (for PV projects over 1 MW), or 4.1.2 (for other types of RES) and submitted individually for assessment by the European Investment Bank and the issuance of a decision by the European Commission²¹. Individually submitted applications must have a decision of the European Commission on state aid issued before they are submitted for assessment. More detailed information on project submission, project selection and funding will be provided in the call, and individual applications must also always meet the objectives of the call, the eligibility criteria (see Chapter 5) and other requirements set out in the call.

For these projects, a specific financial and at the same time economic analysis (cost-benefit analysis, so-called CBA) may be required, in the form of an annex, which demonstrates the need to co-finance the project and assess the sustainability of the project.

The list of evaluated projects is submitted for discussion to the Board of the SEF and subsequent decision to the Minister of Environment.

²¹ Pursuant to Articles 6 and 7 of Commission Implementing Regulation (EU) 2020/1001 of 9 July 2020 laying down detailed rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the operation of the Modernization Fund supporting investments to modernise the energy systems and to improve energy efficiency of certain Member States.

10.2 Contract on provision of financial resources from the Modernisation Fund

The contract on provision of financial resources from the Modernisation Fund within the Programme forms an attachment to the call and is concluded between SEF and the aid beneficiary upon issuing of a decision from the Minister of Environment on provision of resources from the SEF (hereinafter the "Decision"). The contract contains the maximum value of provided financial aid, specifies the purpose and objectives of the supported project, rights and obligations of both parties and other conditions of providing aid, including potential financial corrections and adjustments.

10.3 Public contracts within the project

When awarding contracts/public contracts, the applicant is obliged to proceed in accordance with Act No. 134/2016 Coll., on public procurement, as amended at the time of the commencement of the tender procedure and/or according to the Instructions for awarding contracts for programs co-financed from the SEF CR budget. This document is listed on the SEF CR website. Details for the application of these Instructions are set out in the Call.

10.4 Monitoring the implementation stage and final project evaluation

10.4.1 Project monitoring

Project implementation and the achieved progress are monitored by the SEF through **ongoing monitoring reports** submitted by the aid beneficiary at the end of each calendar year of project implementation. The applicant submits the ongoing monitoring reports through the Agenda Information System, with information about material and financial performance in the past calendar year.

10.4.2 Conclusion and final project evaluation

The aid beneficiary is obliged to submit, through the SEF Agenda Information System no later than within 6 months from launching permanent operation of the facility, a document permitting the use of the structure for permanent operation²² and all financial (e.g. copies of accounting documents, account statements, etc.), material and other facts proving the fulfilment of indicators and conditions stipulated by the contract on provision of the subsidy (e.g. documents proving fulfilment of the specific conditions and compliance with the Energy Act or emission assessment). Based on these references, the SEF will pay the respective amount of aid and subsequently conduct the Final project evaluation.

10.4.3 Control of project implementation and controlling activity

The applicant and aid beneficiary are obliged to allow the entities performing verification and controlling activity to access the facility at which the supported measure was, is or will be implemented, and to provide all the necessary cooperation for due fulfilment of the purpose of verification and control. The inspection activity of the SEF is conducted based on Act No. 255/2012 Coll., on inspection (Inspection Code), as amended, and Act No. 320/2001 Coll., on financial inspection in public administration and amending certain laws (Act on Financial Inspection), as amended.

²² in accordance with Act No. 183/2006 Coll., on zoning planning and the building code (Building Act), as amended (occupancy permit, deferral of addressing the building authority, or written consent that the building can be used)

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from the Modernisation Fund**

New Renewable Energy Sources (RES+)

Published by: State Environmental Fund of the Czech Republic
Olbrachtova 2006/9, 140 00 Prague 2
Murch 2021



STATE ENVIRONMENTAL
FUND OF THE
CZECH REPUBLIC