

General Block Exemption Regulation
The Sustainable Energy Authority of Ireland
Better Energy Communities Grant Scheme

Background of the Scheme

1. Background

- 1.1. This document sets out the full text of the Better Energy Communities (BEC) Scheme for the purposes of 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 (OJ L 187, 26.6.2014, p. 1-78) (hereinafter the Block Exemption Regulation).
- 1.2. The BEC was developed by the Sustainable Energy Authority of Ireland (SEAI) in 2012 as an integral part of SEAI's Better Energy Programme which aims to update Ireland's building stock and facilities to high standards of energy efficiency and renewable energy usage, thereby reducing fossil fuel usage, energy costs and greenhouse gas emissions. The BEC specifically targets achieving high quality energy efficiency within Irish communities. The criteria under the scheme are designed to comply with and benefit from the Block Exemption Regulation.

2. The BEC GRANT

- 2.1. The BEC Grant Scheme aims to bring together groups of buildings under one programme. In doing so BEC facilitates community-wide energy improvements more efficiently and cost effectively than might otherwise be possible. All projects applying for BEC funding should be community oriented, include a cross-sectoral approach and demonstrate an ability to sustainably finance the proposed project. A partnership approach is strongly encouraged in this respect.
- 2.2. The grant scheme encourages applications which include more than one of the following categories: -
 - Cross-sector projects for increasing the energy performance of buildings, community facilities and transport systems
 - Residential housing (public and private) upgrades to stock built prior to 2006
 - Private sector non-residential building works
 - Commercial organisations
 - Voluntary organisations
 - Community-based organisations
 - Public sector non-residential works

3. Eligible Costs

- 3.1. The Grant Scheme will support additional costs incurred by organisations in order to allow for investment in projects that will increase energy efficiency.
- 3.2. Financial support will be provided for all eligible costs subject to the aid intensities set out herein, within the annual grant scheme window. The eligible costs for the purposes of this

scheme will be the extra investment costs necessary to achieve higher levels of energy efficiency and are determined as follows: -

- Where the costs of investing in energy efficiency can be identified in the total investment cost as a separate investment, this energy related cost shall constitute the eligible costs;
- In all other cases, the costs of investing in energy efficiency are identified by reference to a similar, less energy efficient investment that would have been credibly carried out without the aid. The difference between the costs of both investments constitutes the energy efficiency- related costs and constitutes the eligible costs.

4. Objectives of the Scheme

The programme focusses on improving the energy efficiency of Ireland's building stock and supporting the use of renewable energy through:

- Delivering a cost-effective approach to boosting the energy efficiency of low income houses in mixed ownership estates;
- Creating innovative partnership approaches that facilitate community access to existing local resources, thereby boosting and sustaining the impact of BEC support;
- Stimulating employment through sustainable energy upgrading projects;
- Supporting small scale renewable energy projects.
- Domestic combined fabric upgrade packages
- Promoting the use of EPGs (Energy Performance Guarantees), and where applicable, Energy Performance Contracting, collectively known as energy contracting for non-residential retrofits;
- Demonstrating sustainable financing mechanisms to fund retrofits and harness project savings;

5. Legal Basis and Rules

- 5.1. The legal basis is the enabling legislation for the Sustainable Energy Authority of Ireland, the Sustainable Energy Act, 2002 together with the Block Exemption Regulation.

6. Budget

- 6.1. The annual budget of the Scheme shall not exceed €21m in 2017.

7. Who can apply?

- 7.1. The BEC grant scheme is open to both the private and public sectors and to organisations and of any size. Projects are encouraged to submit applications seeking less than €1m in grant funding

8. Incentive Effect

8.1. The scheme shall apply only to aid which has an incentive effect and where the beneficiary has submitted a written application for the aid to SEAI before work on the BEC project starts. The application for the aid shall contain at least the following information:

- a) undertaking's name and size;
- b) description of the project including its start and end dates;
- c) location(s) of project;
- d) list of eligible costs;
- e) type of aid; and
- f) aid amount.

8.2. If work begins before the applicant has submitted a written application to SEAI, the whole project will be ineligible for aid. The start of work on the project 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.

9. Scope of the Scheme

9.1. Funding shall only be provided under the BEC Scheme where it qualifies as exempted from the notification requirement of Article 108(3) of the Treaty pursuant to The Block Exemption Regulation, and in particular Section 7 thereof.

10. Eligible Projects

The following energy efficiency upgrades are eligible for funding as part of a BEC project: -

- Technological improvements, such as boiler replacement or controls upgrades, that boost energy efficiency significantly, are eligible.
- Fabric upgrades. This includes wall insulation as well as energy-smart walls and doors. In the case of insulation work on homes, an optimal whole-element solution must be implemented. Partial solutions will not be eligible for grant support without prior agreement.
- Renewable energy solutions like wind turbines, biomass plants, and photovoltaic systems are eligible where included as part of a broader retrofit.
- Energy efficient lighting. Lighting projects for buildings are only eligible as part of a broader retrofit. Public lighting projects are eligible where 'Energy-smart' lighting is proposed. This can be simple approaches or more complex systems.
- Heat recovery solutions

- Micro generation
- Smart metering
- Energy upgrades to homes constructed prior to 2006
- Domestic Combined Fabric Upgrade.

11. Ineligible Projects

11.1. This Scheme shall not apply to the following activities: -

- Aid granted in the fishery and aquaculture sector, as covered by Regulation (EU) 1379/2013;
- Aid for processing and marketing of agricultural products
 - a) where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned; or
 - b) where the aid is conditional on being partly or entirely passed on to primary producers;
- Aid to facilitate the closure of uncompetitive coal mines, as covered by Council Decision No 2010/787;

11.2. Where an undertaking is active in the excluded sectors referred to in point (a) or (b) and also in sectors which fall within the scope of this Scheme, this scheme applies only to aid granted in respect of the latter sectors or activities. SEAI will ensure by appropriate means, such as separation of activities or distinction of costs that the activities in the excluded sectors do not benefit from the aid granted in accordance with this scheme.

11.3. The following aid is not permitted under the scheme:

- a) aid to export related activities towards third countries or Ireland, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to the other current costs linked to export activity;
- b) aid contingent upon the use of domestic over imported goods;
- c) operating aid;
- d) ad hoc aid;
- e) aid subject to conditions that the beneficiary establish its headquarters in Ireland or to be predominantly established in Ireland;
- f) aid measures where the grant of aid is subject to the beneficiary's use of nationally produced goods or national services;
- g) aid exceeding the threshold amounts for environmental aid as set out in the Block Exemption Regulation; and
- h) aid other than environmental aid.

11.4. The following beneficiaries are ineligible for aid under the scheme:

- a) A beneficiary who is subject to an outstanding recovery order following a previous Commission decision declaring the aid illegal and incompatible with the internal market; and
- b) A firm in difficulty as defined by Article 2(18) of the Block Exemption Regulation.

12. Aid Intensity and Eligible Costs

- 12.1. The scheme will comply with Article 7 of the Block Exemption Regulation regarding aid intensity and eligible costs. For the purposes of calculating aid intensity and eligible costs, all figures used shall be taken before any deduction of tax or other charge. The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary.
- 12.2. Aid payable in several instalments shall be discounted to its value at the moment it is granted. The eligible costs shall be discounted to their value at the moment the aid is granted. The interest rate to be used for discounting purposes shall be the discount rate applicable at the moment the aid is granted.

13. Cumulation of Aid

- 13.1. The scheme will comply with Article 8 of the Block Exemption Regulation regarding cumulation.
- 13.2. In determining whether the notification thresholds set out in Article 4 of the Block Exemption Regulation and the maximum aid intensities set out in Chapter III of the Block Exemption Regulation are respected, the total amount of State aid for the aided activity or project or undertaking shall be taken into account.
- 13.3. Where Union funding centrally managed by the institutions, agencies, joint undertakings or other bodies of the Union that is not directly or indirectly under the control of the Member State is combined with State aid, only the latter shall be taken into account, provided that the total amount of public funding granted in relation to the same eligible costs does not exceed the most favourable funding rate laid down in the applicable rules of Union law.
- 13.4. Aid with identifiable eligible costs exempted by the Block Exemption Regulation may be cumulated with the following:
 - a) any other State aid, as long as those measures concern different identifiable eligible costs; and
 - b) any other State aid, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity or aid amount applicable to this aid under the Block Exemption Regulation¹.
- 13.5. Aid without identifiable eligible costs exempted under Articles 21, 22 and 23 of the Block Exemption Regulation may be cumulated with any other State aid with identifiable eligible costs. Aid without identifiable eligible costs may be cumulated with any other State aid

¹ However, aid in favour of workers with disabilities may be cumulated with other aid exempted under the Block Exemption Regulation in relation to the same eligible costs above the highest applicable threshold under the Block Exemption Regulation, provided that such cumulation does not result in an aid intensity exceeding 100% of the relevant costs over any period for which the workers concerned are employed.

without identifiable eligible costs, up to the highest relevant total financing threshold fixed in the specific circumstances of each case by this or another block exemption regulation or decision adopted by the European Commission.

- 13.6. Aid exempted under the Block Exemption Regulation shall not be cumulated with any de minimis aid in respect of the same eligible costs if such cumulation would result in an aid intensity exceeding those laid down in Chapter III of the Block Exemption Regulation.

14. SEAI use of Environmental Aid exemptions under the Block Exemption Regulation

- 14.1. SEAI grants under BEC may benefit from the exemption as set out below

Aid	GBER maximum aid intensity	BEC maximum aid intensity
Investment aid for energy efficiency measures.	30%	30%

15. Investment aid for energy efficiency measures

- 15.1. Aid granted for energy efficiency measures is subject to the conditions laid down in Article 38 of the General Block Exemption Regulation.
- 15.2. Investment aid will only be provided for projects that have been approved and supported as a qualifying BEC project.
- 15.3. The eligible costs will be as noted in 3.2 above.
- 15.4. The investment aid granted will be up to 30% of those eligible costs.

16. Increased Aid Intensity for Small and Medium Sized Enterprises Regarding All Eligible Projects

- 16.1. No additional increased Aid intensity is allowed for Small and Medium sized enterprises under the Scheme.

17. Form of Aid

- 17.1. Only transparent aid may be paid under the scheme. Transparent aid is aid in respect of which it is possible to calculate precisely the gross grant equivalent as a percentage of eligible costs ex ante without the need to undertake a risk assessment and includes capital grants funded by BEC.

18. Definitions

- 18.1. For the purposes of this scheme the definitions set out in Article 2 of the Block Exemption Regulation shall apply.

19. Period of Validity

- 19.1. This scheme shall operate from 1 January 2017 to 31 December 2020.