

## **General Block Exemption Regulation – Commission Regulation (EU) No. 651/2014**

### **Support Scheme for Renewable Heat – Heat Pump Installation Grant**

#### **1. Objective of Scheme**

1.1 The primary objective of the Support Scheme for Renewable Heat (SSRH) is to contribute to meeting Ireland's renewable energy targets while also reducing greenhouse gas emissions.

1.2 The Investment Aid element of the SSRH (the Scheme) consists of an installation grant to support investment in renewable heating systems that use the following technologies:-

- (a) Air source heat pumps
- (b) Ground source heat pumps; and
- (c) Water source heat pumps

#### **2. Legal Basis and Rules**

2.1 The legal basis is Government Decision No. S180/20/10/1210A of 5 December 2017 approving the introduction of the Support Scheme for Renewable Heat and the General Block Exemption Regulation (Commission Regulation (EU) No. 651/2014) (GBER).

2.2 The Minister for Communications, Climate Action & Environment has appointed the Sustainable Energy Authority of Ireland (SEAI) as the Scheme administrator. The Terms & Conditions of the SSRH have been developed by SEAI and approved by the Minister.

2.3 SEAI has developed more detailed Operating Rules, within the framework of the Terms & Conditions, to provide clarity for applicants and to ensure the efficient operation of the Scheme.

#### **3. Budget**

3.1 The average annual budget of the Support Scheme for Renewable Heat – Heat Pump Installation Grant shall not exceed €150 million.

#### **4. Scope of Scheme**

- 4.1 The Scheme is open to non-domestic heat users at sites not covered by the EU Emissions Trading System.
- 4.2 The right to apply does not impose any obligation to provide funding to an applicant.
- 4.3 The Scheme shall not apply to the following activities:-
- (a) Aid granted in the fishery and aquaculture sector, as covered by Regulation (EU) 1379/2013;
  - (b) Aid granted in the sector of processing and marketing of agricultural products, in the following cases:
    - (i) 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
    - (ii) where the aid is conditional on being partly or entirely passed on to primary producers;
  - (c) Aid to facilitate the closure of uncompetitive coal mines, as covered by Council Decision No 2010/787;
- 4.4 Where an undertaking is active in the excluded sectors as referred to in points (a) or (b) at 4.3 above, and in sectors which fall within the scope of this Scheme, this Scheme applies to aid granted in respect of the latter sectors or activities, provided that appropriate means, such as separation of activities or distinction of costs, are taken to ensure that the activities in the excluded sectors do not benefit from the aid granted in accordance with this Scheme.
- 4.5 The following aid is not permitted under this Scheme:-
- (a) Aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current costs linked to the export activity.
  - (b) Aid contingent upon the use of domestic over imported goods.
  - (c) Aid where the grant of aid is subject to the obligation for the beneficiary to have its headquarters in Ireland or to be predominantly established in Ireland,

although the requirement to have an establishment or branch in Ireland at the moment of payment of the aid is allowed.

(d) Aid subject to the obligation for the beneficiary to use nationally produced goods or national services.

(e) Aid which restricts the possibility for the beneficiaries to exploit the research, development and innovation results in other Member States.

4.6 The following undertakings are ineligible for aid under the scheme:

(a) An undertaking which is subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market; or

(b) An undertaking in difficulty as defined by Article 2(18) of the GBER.

## **5. Maximum Amounts payable under the Scheme**

5.1 Total investment aid to any one project will not exceed €1 million.

## **6. Transparency of Aid**

6.1 Aid will be awarded by way of grants, in line with Article 5 of the GBER.

## **7. Incentive Effect**

7.1 This Scheme shall apply only to aid which has an incentive effect.

7.2 Aid shall be considered to have an incentive effect if the beneficiary has submitted a written application for the aid to the SEAI before work on the project starts. The application for 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 of the project

(d) List of project costs

(e) Type of aid (i.e. grant) and amount of public funding needed for the project

## **8. Aid intensity and eligible costs**

8.1 For the purposes of calculating aid intensity and eligible costs, all figures used shall be taken before any deduction of tax or other charge.

8.2 The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary.

8.3 The eligible costs shall be the extra investment costs necessary to promote the production of energy from renewable sources. They shall be determined as follows:

(a) where the costs of investing in the production of energy from renewable sources can be identified in the total investment cost as a separate investment, for instance as a readily identifiable add-on component to a pre-existing facility, this renewable energy-related cost shall constitute the eligible costs;

(b) where the costs of investing in the production of energy from renewable sources can be identified by reference to a similar, less environmentally friendly investment that would have been credibly carried out without the aid, this difference between the costs of both investments identifies the renewable energy-related cost and constitutes the eligible costs;

(c) for certain small installations where a less environmentally friendly investment cannot be established as plants of a limited size do not exist, the total investment costs to achieve a higher level of environmental protection shall constitute the eligible costs.

8.4 The costs not directly linked to the achievement of a higher level of environmental protection shall not be eligible.

8.5 The aid intensity shall not exceed 30% of the eligible costs.

## **9. Cumulation**

9.1 The Scheme will comply with Article 8 of the GBER regarding cumulation.

9.2 In determining whether the notification threshold set out in Article 4 of the GBER and the maximum aid intensity set out at 9.4. are respected, the total amount of State aid for the aided activity or project or undertaking shall be taken into account.

9.3 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 considered for determining whether notification thresholds and maximum aid intensities or maximum aid amounts are respected, 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.

9.4 Aid with identifiable eligible costs granted under this Scheme may be cumulated with:-

- (a) Any other State aid, as long as those measures concern different identifiable costs,
- (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 GBER.

9.5 Aid granted under this Scheme 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 that set out at 8.5.

## **10. Monitoring & Reporting Requirements**

10.1 Records with the information and supporting documentation necessary to establish that all the conditions laid down in the GBER are fulfilled will be kept for 10 years from the date of the last award of aid under the Scheme.

10.2 Details for any award exceeding €500,000 granted under this Scheme will be published on a dedicated State aid website within 6 months from the date the aid was granted.

10.3 An annual report on the expenditure under this Scheme will be provided to the Commission.

10.4 Where the Commission requests information and documentation which the Commission considers necessary to monitor the application of the GBER, such information and documentation shall be provided within 20 working days of receipt of the request from the Commission or such longer period as may be fixed in the request.

## **11. Period of Validity**

11.1 This Scheme shall operate from 12 September 2018 to 31 December 2023.