

**Ministry of Industry and Trade
of the Czech Republic
Structural Funds Division – Governing Body of OPEI**



**CALL FOR SUBMISSION OF PROJECTS
WITHIN THE OPEI
ECO-ENERGY**

Call identification	ECO-ENERGY
Priority axis	3 – Effective energy
Call No.	III.
Date of Call publication	1 February 2010
Receipt of Registration Applications	1 March 2010 – 30 June 2010
Receipt of Full Applications	1 May 2010 – 30 September 2010
System of collecting applications	By round
Planned allocation for this Call	CZK 3 000 million
Acceptance of applications for payment	No later than 30 June 2013

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1. Basic provisions

- a) The aid provider and administrator of the programme is the Governing Body of OPEI – the Ministry of Industry and Trade of the Czech Republic (hereinafter referred to as the “MIT”), with its registered office at Na Františku 32, Prague 1, (www.mpo.cz).
- b) The mediating entity: CzechInvest, an organisation of the MIT, with its registered office at Štěpánská 15, 120 00 Prague 2 (hereinafter referred to as CI), (www.czechinvest.org).

State aid provided via this programme fulfils all conditions of Article 13 of Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the EC Treaty (hereinafter referred to as “Commission Regulation (EC) No. 800/2008”), and can therefore be compatible with the common market within the meaning of Article 107(3) of the Treaty on the Functioning of the European Union and is exempted from the notification obligation under Article 108(3) of the Treaty on the Functioning of the European Union.

1.1. Objective of the Call

This call for the ECO-ENERGY programme satisfies the objective of stimulating the entrepreneurs’ activities in the area of reducing production energy intensity and the consumption of primary energy sources.

2. Supported activities

2.1. The following are supported activities within this Call:

- a) The use of renewable and secondary energy sources:
 - The construction of new facilities and the renovation of existing facilities for generating and distributing electrical energy and heat generated from water, biomass and secondary energy sources (landfill gas)
- b) Increasing the efficiency of energy generation, transmission and consumption (energy savings):

- Upgrading existing energy generation facilities for one's own consumption leading to their improved efficiency,
- Introducing and upgrading measuring and controlling systems,
- Upgrading, renovating and reducing losses in electricity and heat distribution networks,
- Improving the thermal technical properties of buildings, excluding residential buildings,
- Using waste energy in industrial processes,
- Increasing energy efficiency by introducing electricity and heat co-generation,
- Decreasing energy intensity/increasing energy efficiency in manufacturing and technological processes

2.2. The following are not supported activities:

- research, development and pilot projects,
- manufacturing energy saving products and facilities for utilising renewable energy sources,
- cultivation of energy crops,
- using alternative crops for transport,
- projects in the area of agriculture, forestry or fishing,
- producing pellets
- photovoltaic cells,
- wind energy,
- production of electricity geothermal energy,
- Purchasing more energy saving machinery and technological equipment
- within priority area 1 – Increasing efficiency in the production and consumption of energy, use of secondary sources of energy – energy savings (pursuant to item 2.1.a): projects which, in connection with increasing energy efficiency by introducing combined generation of electricity and heat, do not demonstrate an absolute reduction of energy consumption or absolute reduction of the amount of CO² emissions.

3. Aid recipient

3.1. The aid recipient may be:

Business entity:

- Small and medium-sized enterprises – for activities 2.1. a), b)
- Large enterprises– for activity 2.1. a)

Within the meaning of Section 2 of Act No 513/1991 Sb., large enterprises are understood to be those that do not comply with the small- and medium-sized enterprise definition¹ in Annex No I to Commission Regulation (EC) No 800/2008 of 6 August 2008, through which, in accordance with Articles 87 and 88 of the EC Treaty, certain categories of aid are declared compatible with the Common Market.

3.2. The aid recipient must fulfil the following criteria:

- the aid recipient must be authorised to conduct business in the Czech Republic,
- according to its own affidavit, the aid recipient must be registered as an income-tax payer with the Tax Office pursuant to Section 33(1) of Act No. 337/1992 Coll., on Administration of Taxes and Fees, continually for a period of at least two closed taxation periods preceding the date of submission of the aid application. This obligation shall be fulfilled also in the case that the recipient is able to demonstrate that the parent company has closed two taxation periods (this is valid only for supported activity 2.1.b),
- the aid recipient must not be an organization receiving contributions from the state budget or a company 100% owned by the public sector,
- according to the aid recipient's affidavit, such recipient may not have any outstanding liabilities toward selected institutions² or toward providers of aid for projects co-financed from the European Union budget. Deferment of payment of outstanding liabilities or an agreement on the payment of outstanding liabilities shall be considered as settled liabilities,

¹ Definition SME - <http://www.czechinvest.org/definice-msp>

² Tax Office, the Czech Social Security Administration, health-insurance companies, the Land Fund, Ministry of Finance as the legal representative of the State Property Fund, the State Environmental Fund, the State Housing Development Fund, Customs Administration of the Czech Republic, State Cultural Fund, State Fund of the Czech Republic for Support and Development of Cinematography, State Agricultural Intervention Fund, regions, municipalities and confederations of municipalities.

- according to the recipient's affidavit, the recipient should not have any outstanding liabilities towards its employees regarding wage claims,
- must conduct accounting procedures from the year of the project's commencement.

3.3. An entity cannot be an aid recipient if as of the date of submission of the application:

- Pursuant to the Act on Bankruptcy and Settlement, a court has declared bankruptcy against its assets, granted a settlement or rejected a proposal for declaration of bankruptcy due to lack of assets.
- Pursuant to Act No. 182/2006 Coll., on Insolvency, a ruling on bankruptcy was issued pursuant to the provisions of Section 136 of the Insolvency Act.
- A court has issued a ruling on the order of enforcement of a decision on its assets or ordered the execution of its assets.
- It is in liquidation.
- It is a company in difficulties (pursuant to Commission Communication 2004/C 244/02 and Commission Regulation (EC) No. 800/2008)³
- It has an outstanding liability arising on the basis of an order to return financial resources issued following the prior ruling of the Commission declaring that aid is contrary to law and incompatible with the common market.

³ An enterprise is considered to be an enterprise in difficulties if it fulfils the following conditions:

- a) in the case of a limited liability company, where a loss of more than half of the basic capital has occurred and where a loss of more than one-fourth of such capital has occurred in the past twelve months, or
- b) in the case of a company in which at least some of the partners fully guarantee the company's liabilities, where there has occurred a loss of more than one-half of the basic capital recorded in the company's accounting and where there has occurred a loss of more than one-fourth of such capital in the past twelve months, or
- c) where, regardless of the type of company, the enterprise fulfils the conditions of the Insolvency Act (Act No. 182/2006 Coll., on Insolvency and Its Settlement) for commencing collective insolvency proceedings.

A small or medium-size enterprise that has been in existence for less than three years is considered an enterprise in difficulties during the stated period only if it fulfils the conditions set forth in subparagraph c).

4. Programme Conditions

4.1. Formal conditions of project acceptability

- a) The project must be implemented in the Czech Republic, outside the territory of Prague.
- b) Project implementation (including the conclusion of contracts with suppliers, etc.) may be commenced following the date of confirmation of project acceptability; otherwise, the entire project will not be eligible for aid.
- c) The project must contain all of the obligatory sections specified in this call for submission, including an energy audit.
- d) The project must fulfil the conditions of the EU horizontal policy, particularly:
 - Equal opportunities between men and women
 - Sustainable development

4.2. Other conditions

- a) The applicant must unambiguously demonstrate ownership or other rights to the property where the project will be implemented. In regard to this, the lease of land plots or buildings within which the project is to be implemented must be ensured for a period of at least three years (five years in the case of a large enterprise) from the date of the expected completion of project implementation.
- b) The aid recipient is obligated to have in its ownership tangible and intangible assets acquired wholly or partially using the provided aid for a period of three years (five years in the case of large enterprises) from the project's date of completion. This condition does not prohibit the exchange or replacement of facilities and equipment that become obsolete as a result of rapid technological changes under the condition that the given economic activity is preserved in the given region for the minimal period.
- c) Aid will be provided to the aid recipient on the basis of a Decision to Grant a Subsidy issued by the programme administrator (hereinafter referred to as the "Decision"); part of the Decision comprises the binding Terms and Conditions for project implementation (hereinafter referred to as the "Terms and Conditions").

- d) The subsidy is disbursed to the recipient retroactively upon completion of the project or phases thereof providing that the Terms and Conditions have been fulfilled.
- e) The aid recipient is obligated, from the date the aid is provided until three years (five years in the case of a large enterprise) from the date of completion of project implementation, to provide information on the status of the supported project in the scope stipulated by the Decision to Grant a Subsidy.
- f) For a period of three years (five years in the case of a large enterprise), the aid recipient is obligated to allow direct access of the provider's employees for the purpose of conducting inspections pursuant to Act No. 552/1991 Coll., on State Inspection, and direct access of the aid provider's employees and the employees of other entities designated by the aid provider for the purpose of inspecting compliance with the programme's conditions and the specific use of aid resources, as well as inspections of the aid recipient's financial situation and accounting, both at the place of project implementation and at the recipient's headquarters.
- g) For the entire period of duration of the provision of aid, though minimally for a period of ten years from the date of payment of the subsidy, the aid recipient is obligated to agree that the aid provider will hand over to European Union bodies and institutions information about the recipient in the scope name/title/company, address/registered office, identification number and the amount of provided aid for the purposes of such information's publication and for the purposes of monitoring the use of state aid and resources from the European Fund for Regional Development.
- h) For a period of three years (five years in the case of a large enterprise) from the date of completion of project implementation, the aid recipient is obligated to use for the supported activity the assets acquired with the aid and which the recipient has in its possession.
- i) The aid recipient is obligated to ensure that the project will be maintained for a period of at least three years (five years in the case of a large enterprise) from the date of completion of project implementation on the territory of the NUTS II region where the project's implementation was initiated.
- j) The recipient is obligated to keep documents relating to the project's implementation for a period of ten years from the date of project completion

and, at the same time, minimally for a period of five years following the closure of the Operational Programme Enterprise and Innovation. All recipients will be informed of the closure date.

- k) The aid recipient is obligated to keep separate records and documentation pertaining to the project's eligible costs and the use of the subsidy intended for financing the eligible costs.
- l) Large enterprises must demonstrate the so-called incentive effect when submitting the Registration Application.
- m) Payment applications are submitted based on the project-implementation schedule. The last payment for a particular project must be realised in accordance with **Article 93 of Council Regulation (EC) No. 1083/2006, laying down the general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No. 1260/1999**, generally not later than 31 December of the third year following the year in which the Decision was issued.

Other obligations of the aid recipient are set forth in the Terms and Conditions, which form an annex of this Call.

5. Eligible costs

5.1. The eligible costs are⁴:

INVESTMENT	1.	Purchase of land	The purchase of land shall not exceed 10% of total eligible costs.
	2.	Modification of land	
	3.	Network and roads	
	4.	Project documentation	
	5.	Engineering works under construction	The activities of authorised natural persons under Act of the Czech National Council No. 360/1992 Coll., on the performance of the profession of authorised architects and authorised engineers and technicians active in construction, as amended, Act of the Czech National Council 61/1988 Coll., and Act 200/1994 Coll. on surveying, as amended and supplemented by Acts related to its implementation.
	6.	Renovation/modernisation (technical improvement) of structures	Acquisition price of technical improvement of buildings, including renovation or modernisation. Renovations for the purposes of this programme/call are understood as interventions in a property resulting in a change of its purpose or technical parameters. For the purposes of this programme, modernisation is understood as an expansion of the equipment or usability of the assets.
	7.	New structures	
	8.	Purchase of structures	Purchase of a structure max. 10% of eligible costs of the project.
	9.	Hardware and networks	Acquisition of machinery and equipment (not exceeding the customary price stipulated by a valuation conducted by a court expert – the valuation may not be older than six months as at the date on which the assets are acquired).
	NON-INVESTMENT	10.	Machinery and equipment, including control software
11.		Software and data	
12.		Project publicity	

⁴ A detailed explanation of the individual items is contained in the Eligible Costs Manual, which is also publicly available on the websites at www.mpo.cz and www.czechinvest.org

5.2. The eligible costs must fulfil following conditions:

- Such costs must be expended in accordance with the objectives of the programme and must immediately relate to the project's implementation.
- Such costs must be expended no earlier than on the date of project acceptability⁵.
- Such costs must be demonstrably paid by the aid recipient.
- Such costs must be verified by evidential documentation and must be paid to suppliers, whereas assets cannot be acquired by means of capitalisation.

Intangible assets are eligible if they are used exclusively in the operation of the premises that is the aid recipient, if they are treated as redeemable assets and if they have been acquired from third parties under market conditions, without the assignee's possibility to exercise control over the seller, within the meaning of Article 3 of Council Regulation (EC) No 139/2004, or to the contrary.

- For small and medium-sized enterprises, all investment costs may be taken into account for intangible assets. For large enterprises, such costs are eligible only up to 50% of the total eligible investment costs for the project
- Both tangible and intangible assets are new (i.e. not hitherto the subject of amortisation)
- If the aid is calculated based on tangible or intangible investment costs, the aid recipient's financial contribution must reach at least 25% of the eligible costs, either from their own resources or by means of external financing, namely in a form not containing any public aid.

5.3. Eligible costs are not:

- Pre-project preparation or documentation (e.g. a feasibility study, energetický audit)
- The purchase of used machinery, equipment and spare parts, etc. (i.e. those that have been subject to depreciation),
- VAT, provided that the aid recipient is a VAT payer,
- Costs reimbursed before the project's acceptability date,
- Loan and credit instalments,

⁵ The date of eligibility of the project is understood to be the day on which the provider of the subsidy or the mediating entity confirms in writing to the Applicant that the project essentially complies with the given Programme's conditions of eligibility.

- Sanctions and penalties,
- leasing,
- costs for guarantees, insurance, interest, bank charges, exchange rate losses, customs and administration charges.
- Investment costs for measures aimed at remedying neglected maintenance pursuant to Decree No. 425/2004 Coll. Eligible costs include only investment costs for measures that lead to energy savings in the meaning of the aforementioned decree.

6. Sectoral Classification

Within this Call, aid cannot be provided for activities connected with export, i.e. aid directly connected with exported quantities, aid for establishing and operating a distribution network or other common costs associated with export activities, and aid conditioned by the use of domestic goods to the detriment of imported goods.

Projects whose outputs are realised in any of the following sectors cannot be supported:

- shipbuilding (CZ-NACE C 30.11)
- manufacture of synthetic fibres (see Annex No.2 of this Call)
- coal industry (CZ-NACE B 05, C 19.1)
- steel industry (see Annex No.1 of this Call)
- agriculture, fishing, aquaculture in accordance with Council Regulation (EC) No. 104/2006⁶, forestry (CZ-NACE A 01, A 02, A03)
- manufacture, processing and marketing of products set forth in Annex I to the EC Treaty (see Annex No. 2 in this call)

More detailed specification of the unsupported sectors and products is provided in Annexes No. 1 and No. 2 of this Call.

7. Form and Amount of Aid

Aid is provided in the form of a subsidy. The applicant can submit only one application for one project. If the applicant submits more than one application for one

project, this shall be a reason for the rejection of such applications. The minimum absolute amount of the subsidy for one project is CZK 0.5 million; the maximum absolute of the subsidy is CZK 250 million. The maximum amount of the subsidy in terms of the percentage of eligible costs is intended for individual activities thusly:

Order of the aided activities for the purposes of the project's evaluation	Aided activity – project type	Maximum subsidy
1	Increasing the efficiency of energy generation and consumption, the use of secondary energy sources – energy savings	According to the Regional Map of Public Aid Intensity of the Czech Republic
2	RES – small hydropower plants – generation of electricity	40%
3	Heat from RES (heating plants)	40%
4	Electricity and heat co-generation from RES (biomass, biogas, rating plants) and at the same time utilising landfill Gates (electricity without co-generation or with co –generation)	30%
5	Heat pumps and solar thermal collectors (not the photovoltaic cells)	30%
6	Production of electrical energy from biomass and landfill gas without the use of waste heat	30%

One business entity can submit a maximum of three aid applications within activity no. 1.

8. ***Selection criteria***

The selection criteria are set forth in Annex No. 3 of this Call. Those projects falling under activity 1 shall be preferably aided (see the table in article 7 above), in the order according to the number of points earned. Furthermore, those projects falling

⁶ Official Journal of the EU L 17, 21 January 2000, pgs. 22

under activity 2 shall be aided, etc., until the exhaustion of funds allocated for this call.

9. Participation in Other Aid Programmes

For the eligible costs of a project supported from this programme, it is possible to obtain aid from the Guarantee Programme, i.e. state aid pursuant to Article 87(1) of EC Treaty or aid under the de minimis regime pursuant to Commission Regulation No. 1998/2006 if such accumulation of aid does not lead to the exceeding of the maximum aid intensity stipulated by the Regional Map of State Aid Intensity of the Czech Republic for the period 1 January 2007 – 31 December 2013 approved by the European Commission.⁷

The aim is to make it possible for the aid recipient to obtain credit intended for financing the approved project (whereas 25% of eligible costs must be financed from sources not containing any state aid).⁸

If the aid recipient has obtained capital within the venture-capital measure pursuant to Article 29 (aid in the form of venture capital) of Commission Regulation (EC) No. 800/2008 and afterwards, in the course of the first three years following the first investment of venture capital, requests aid within the framework of this Call of the programme Eco-energy, the relevant threshold values of aid shall be reduced by 20%, whereas the reduction shall not exceed the total amount of the received venture capital.

If the aid has been provided for young innovative enterprises, the aid recipient may not be provided aid within the framework of this programme's call within the first free years following the provision of aid for young innovative enterprises.

⁷ National Map of Regional Aid, Official Journal of the EU C 280/2006, 18 November 2006, pgs. 7

⁸ More information is available at <http://www.mpo.cz/dokument55707.html>

Maximum aid intensity pursuant to the Map of Regional Aid of the Czech Republic

NUTS II region	Small enterprise	Medium-sized enterprise	Large enterprise
Central Moravia, Northwest, Central Bohemia, Moravia-Silesia, Northeast, Southeast	60 %	50 %	40%
Southwest	50 %	40 %	30%

10. The Aid Application and Manner of Its Submission⁹

The applicant shall submit the aid application in two steps via the electronic account (eAccount) on the website at www.czechinvest.org/eaccount. In order to submit the application, it is necessary to have an electronic signature.

For the application process, see the Instructions for Applicants.

Step 1: The applicant first fills out and electronically sends the simplified **Registration Application**.

Step 2: Upon approval of Registration Application, the applicant will be able to submit the **Full Application**.

When to submit	Required appendices¹⁰
When submitting the registration application	Financial statements for rating, including the documents demonstrating fulfilment of the motivation effect
When submitting the full application	Project financial feasibility (FRP)
	Feasibility study (for the mandatory outline, see the Instructions for Applicants)
	Energy audit ¹¹

⁹ The process for filling out the Registration and Full Applications is part of the Instructions for Aid Applicants and Recipients

¹⁰ This list of documents (appendices) is indicative.

¹¹ The energy audit must be conducted within the meaning of Decree No. 425/2004 Coll. The energy audit must be current with respect to Section 4(4) of this decree, "Information on the energy inputs and outputs must contain a statement of the average annual amount of energy inputs and outputs relating to the subject of the energy audit, displaying the status for the preceding three years prior to project implementation", i.e. for the requirements of Call III of the ECO-ENERGY programme, the energy audit may not be older than one year at the time of submitting the Full Application.

	Document on the elaboration of investment preparation if it is available in this phase (documentation for the land-use ruling / construction permit, etc.)
	Extract from the Property Register (<i>not older than 3 months</i>)
	Definition of ownership relationships to the site (to real estate and land involving the project (contract on a future purchase contract, lease contract, ownership deed – see the item above – etc.)
	In case of biomass projects of the aided activity no. 3, 4 and 6, it is necessary to submit a contract with biomass suppliers for the period of minimum 3 subsequent years or to substantiate with an analysis that the applicant is able to ensure the biomass for the period of 3 subsequent years from his own sources, etc.
At the signature of the Terms and Conditions	Extract from the Commercial Register (<i>not older than 3 months</i>)
	A Building Permit or the building department's opinion on the project – at this stage, it is mandatory
At the first Payment application	A copy of the contract meaning of an account for the subsidy
At the last Payment application	Insurance of the subject matter of the project

11. Sanctions for Non-Compliance with the Terms and Conditions

Sanctions for non-compliance with the conditions of the programme are set forth in the Terms and Conditions.

12. Other Provision

- Queries are resolved via CzechInvest's toll-free telephone line at **800 800 777**.
- Instructions for applicants are binding and non-compliance with the instructions can result in the refusal to provide aid.
- If the applicant uses an external advisory organisation for processing the application, the applicant can choose such an organisation from the database **Advisors for processing energy projects implemented with aid from EU funds** (see www.mpo.cz, Energy and Raw Materials section) or can use a different, freely selected advisor. The aid provider does not bear responsibility for the quality of service provided by such advisors.
- If an applicant submits more than one application, the financial feasibility of the projects will be assessed jointly.
- **There is no legal entitlement to a subsidy.**

13. Annexes

Annex No 1 to the Call

The definition of sector and products that are not entitled to aid

Agriculture, fishing, aquaculture – NACE A 01, A 02, A 03

Coal industry – NACE B 05, C 19.1 (production of coke)¹²

Shipbuilding – NACE C 30.11; C 33.15

Steel industry

Definition of the steel industry according to Commission Regulation No 800/2008 of 6 August 2008, through which in accordance with Articles 87 and 88 of the EC Treaty, certain categories of aid are declared compatible with the Common Market.

Article 2 (29):

The “steel industry” means all activities related to the production of one or more of the following products:

a) pig iron and ferro-alloys:

- Pig iron for steelmaking, foundry and other pig iron, spiegeleisen and high-carbon ferro-manganese, not including other ferro-alloys;

b) crude and semi finished products of iron, ordinary steel or special steel:

- Liquid steel cast or not cast into ingots, including ingots for forging semi finished products: blooms, billets and slabs; sheet bars and tinplate bars; hot-rolled wide coils, with the exception of the production of liquid steel for castings from small and medium-sized foundries;

c) hot finished products of iron, ordinary steel or special steel:

- Rails, sleepers, fishplates, soleplates, joists, heavy sections 80 mm and over, sheet piling, bars and sections of less than 80 mm and flats of less than 150 mm, wire rod, tube rounds and squares, hot-rolled hoops and strips (including tube strip), hot-rolled sheets (coated or uncoated), plates and sheets of 3 mm thickness and over, universal plates of 150 mm and over, with the exception of wire and wire products, bright bars and iron castings;

d) cold finished products:

- Tinplate, terneplate, black plate, galvanized sheets, other coated sheets, cold-rolled sheets, electrical sheets and strips for tinplate; cold-rolled plate, in coil and in strip;

¹² The definition stems from Commission Regulation (EC) No. 1407/2002

English version is only for basic information about programme. Valid and current version is only in Czech language!

e) tubes:

- All seamless steel tubes, welded steel tubes with a diameter of over 406,4 mm;

Definition of the synthetic-fibre sector pursuant to Article 2(30) of Commission Regulation No. 800/2008 of 6 August 2008

Pursuant to Article 2(30), the “sector of synthetic-fibre manufacturing” is understood as:

- extrusion or texturisation of all generic types of fibres and yarn fibres based on polyester, polyamide, acrylate or polypropylene, regardless their end-use, or
- polymerisation, including polycondensation, if it is integrated into extrusion at the level of the utilised equipment, or
- any accompanying process related to the concurrent installation of extrusion or texturisation capacity by the recipient or other company in the group to which the recipient belongs and which in the given specific industrial activity is commonly integrated at the level of utilised equipment.

Annex No 2 to the Call

Annex I to the EC Treaty – manufacturing, processing and marketing of the products mentioned in Annex I to the Treaty is excluded from aid

Number of Brussels nomenclature	Name of goods	Combined nomenclature (the first four numerals of the eight-figure code set forth in the in the customs list) – shown only in the case that it differs from the Brussels nomenclature
Chapter 1	Live animals	
Chapter 2	Meat and edible offal	
Chapter 3	Fish, crustaceans and molluscs	
Chapter 4	Milk and dairy products; birds' eggs; natural honey	
Chapter 5		
05.04	Animal intestines, bladders and stomachs (other than fish), whole and pieces thereof	
05.15	Animal products not elsewhere specified or included; dead animals in Chapter 1 or Chapter 3, unfit for human consumption	0511
Chapter 6	Cut flowers and flower products	
Chapter 7	Vegetables, edible plants, roots and tubers	
Chapter 8	Edible fruit; citrus and melon peels	
Chapter 9	Coffee, tea and spices, excluding maté (heading No 09.03)	
Chapter 10	Cereals	
Chapter 11	Products of the milling industry; malt and starches; gluten; inulin	
Chapter 12	Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder	
Chapter 13		
ex 13.02	Pectin	1302
Chapter 15		
15.01	Lard and other rendered pig fat; rendered poultry fat	
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow oil, not emulsified or mixed or prepared in any way	
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way	
15.04	Fats and oil, of fish and marine mammals, whether or not refined	
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified	1507 – 1515
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared	1516
15.13	Margarine, imitation lard and other prepared edible fats	1517

15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes	1522
Chapter 16	Preparations of meat, of fish, of crustaceans or molluscs	
Chapter 17		
17.01	Beet sugar and cane sugar, solid	
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel	
17.03	Molasses, whether or not decolourised	
17.05	Flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion	2106 flavoured or coloured syrups, sugars 1701
Chapter 18		
18.01	Cocoa beans, whole or broken, raw or roasted	
18.02	Cocoa shells, husks, skins and waste	
Chapter 20	Preparations of vegetables, fruit or parts of plants	
Chapter 22		
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol	2204
22.05	Wine if fresh grapes; grape must with fermentation arrested by the addition of alcohol	2204
22.07	Other fermented beverages (for example, cider, perry and mead)	2206
ex 22.08 ex 22.09	Ethyl alcohol or neutral spirits, whether or not denatured, of any strength, obtained from agricultural products listed in Annex I to the Treaty, excluding liqueurs and other spirituous beverages and compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages	ex2207 ex2208
22.10	Vinegar and substitutes for vinegar	2209
Chapter 23	Residues and waste from the food industries; prepared animal fodder	
Chapter 24		
24.01	Unmanufactured tobacco, tobacco refuse	
Chapter 45		
45.01	Natural cork, unworked, crushed, granulated or ground; waste cork	
Chapter 54		
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garneted rags)	
Chapter 57		
57.01	True hemp (<i>Cannabis sativa</i>), raw or processed but not spun; tow and waste of true hemp (including pulled or garneted rags or ropes)	

Annex No 3 to the Call

Selection Criteria for Evaluating Projects within the Framework of the 3rd Call to the Eco-Energy Programme

The evaluation method:

The evaluation is conducted by a standard evaluation committee based on:

- the project's point evaluation according to the selection criteria,
- external opinions on the project's feasibility.

Evaluation rules:

1. Projects will be supported in the following order:
 - 1.1. projects falling under activity 1 (see the table in Article 8 above), in the order according to achieved points
 - 1.2. projects falling under activity 2, etc., up to the exhaustion of funding allocated for this Call.
2. Each project will be evaluated in the objectively appropriate group of supported activities according to the stipulated criteria.
3. Projects that receive fewer than 50 points will not be supported.
4. Project that receive a rate lower than C+ will not be supported.

Point evaluation criteria for Energy savings (thermal/electrical)

Criterion title	Criterion description	Partial point evaluation
Environmental benefits	Specific costs for reducing emissions CZK/kg of CO ₂ per year. Awarding points within the specifies interval is performed according to the specified scoring line, see Graph 1 below.	0 to 35 points
Achieving permanent energy consumption savings	Proving absolute energy savings (thermal/ electrical) by the applicant as a % compared to the initial / original state (= 100%). The course of the scoring line within the mentioned interval – see Graph 2 below.	0 to 25 points
Economic efficiency	Internal rate of return according to Decree No 213/2001 Sb., issuing details of energy audit requisites as amended according to the equation: $\sum_{t=1}^{T_z} \frac{CF_t}{(1 + IRR)^t} - IN = 0$ Where: IRR is internal rate of return T _z is the evaluation period – the maximum permitted economic lifetime is 20 years CF _t are the annual project's benefits IN are investment costs Scoring within an IRR interval of 0% to 10% is linear, over 10% constant 40 points. (Note: The committee can accede to the restriction of allocation of aid to projects with IRR > 20%). The course of the scoring line within the mentioned interval – see Graph 3 below.	0 to 40 points
Regional aspect (Note: criteria apply for all tables below this table)	If the project receives at least 50 points according to the above-mentioned criteria, it will receive a bonus of 10% of the achieved points in the following cases: <ul style="list-style-type: none"> • The project is implemented in structurally affected region • The project is implemented in an economically weak region • The project is implemented in a region with above average unemployment • At the time of the submittal of the registration application, the project is included in the integrated town development plan Note: the bonus is not taken into account.	Bonus + 10% of achieved points

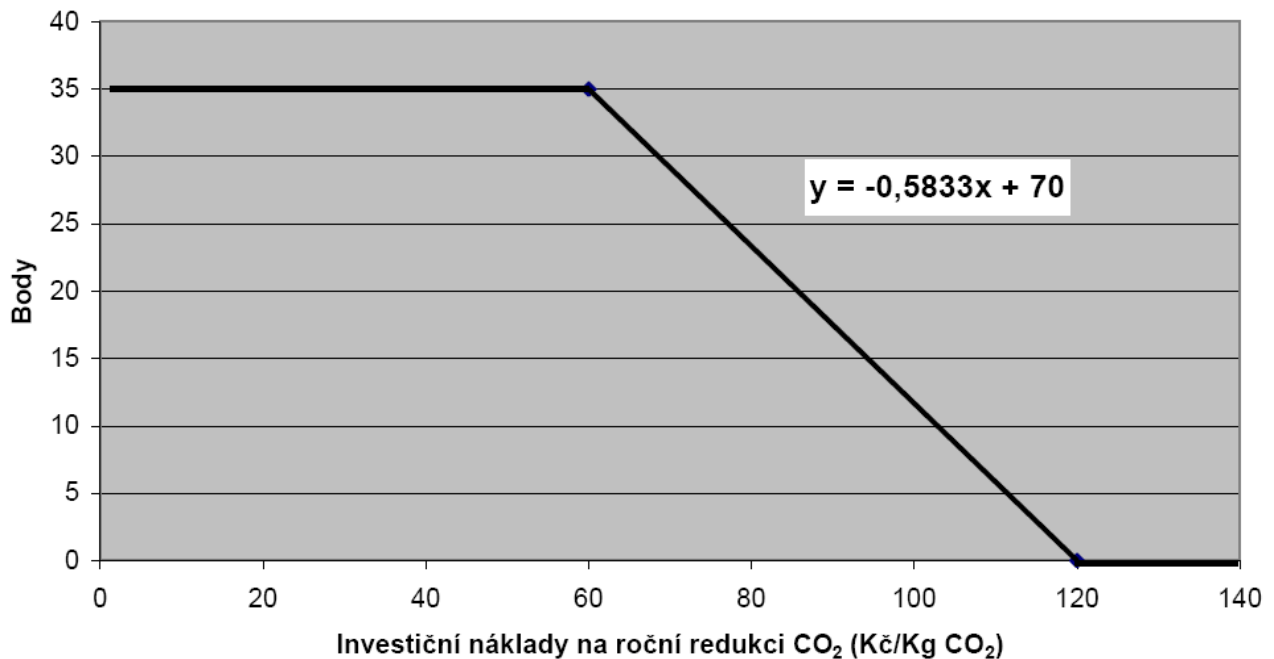
Note: The relevant regions for the evaluation of regional-standpoint criteria will be assessed on the basis of the definition of regions with concentrated state aid for the period 2007–2013. The annex to Resolution of the Government No. 560 of 17 May 2006 defines structurally afflicted regions (districts), economically weak regions (districts), regions with highly above-average unemployment (districts, municipalities with expanded jurisdiction).
 For the assessment of the regional standpoint, if the project is included in the integrated urban development plan at the time of submitting the Registration Application. In this case the aid applicant shall submit, with the Full Application, confirmation from the city that the project has been incorporated into the

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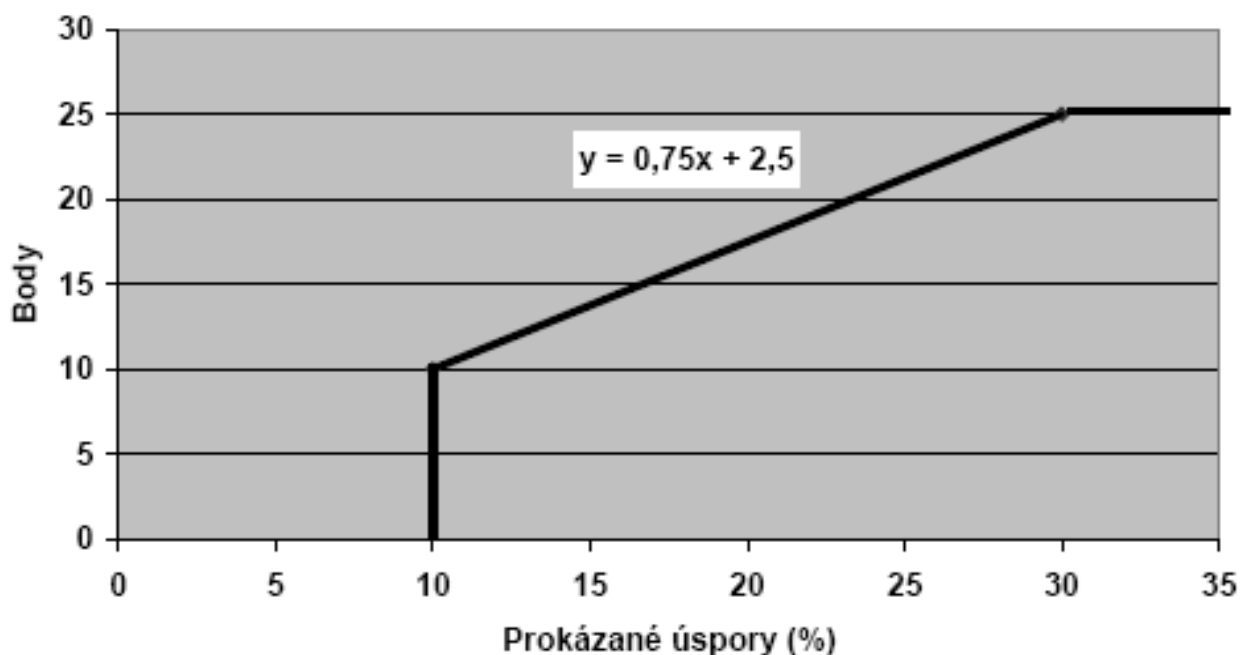
integrated urban development plan approved by the Governing Body (the Committee of the Regional Council of the Region of Cohesion) of the Regional Operational Programme or the Governing Body of the Integrated Operational Programme.

GRAPH 1: *Environmental benefits of project implementation*

Specific investment costs for reducing CO₂ take into account investment costs for the reduction of 1 kg of CO₂ emissions per year. The stipulated interval of linear interpolation corresponds to the actual specific costs for the reduction of emissions achieved in actual projects under Energy Saving in the Czech Republic. Between CZK 60/kg CO₂ and CZK 120 /kg CO₂ is stipulated as the linear dependency in the form of points $y = -0.5833x + 70$; 35 points apply for specific investment costs equal to or less than CZK 60/kg CO₂.



GRAPH 2: *Progression of achieved scoring and demonstrated permanent energy savings*



For savings of less than 10 %: 0 points
For demonstrated permanent savings = 10 %: 10 points
For demonstrated permanent savings = 30 % and greater: 25 points

GRAPH 3: *The economic efficiency of projects*

The purpose of this criterion is to assess the efficiency of the investment being evaluated compared to the requested rate of return of own means. We compare the internal rate of return (IRR) to the discount r . The calculation is stipulated from the project's perspective, from the system's point of view without the influence of taxes and financing, at constant prices in accordance with Decree No 425/2004 Sb.

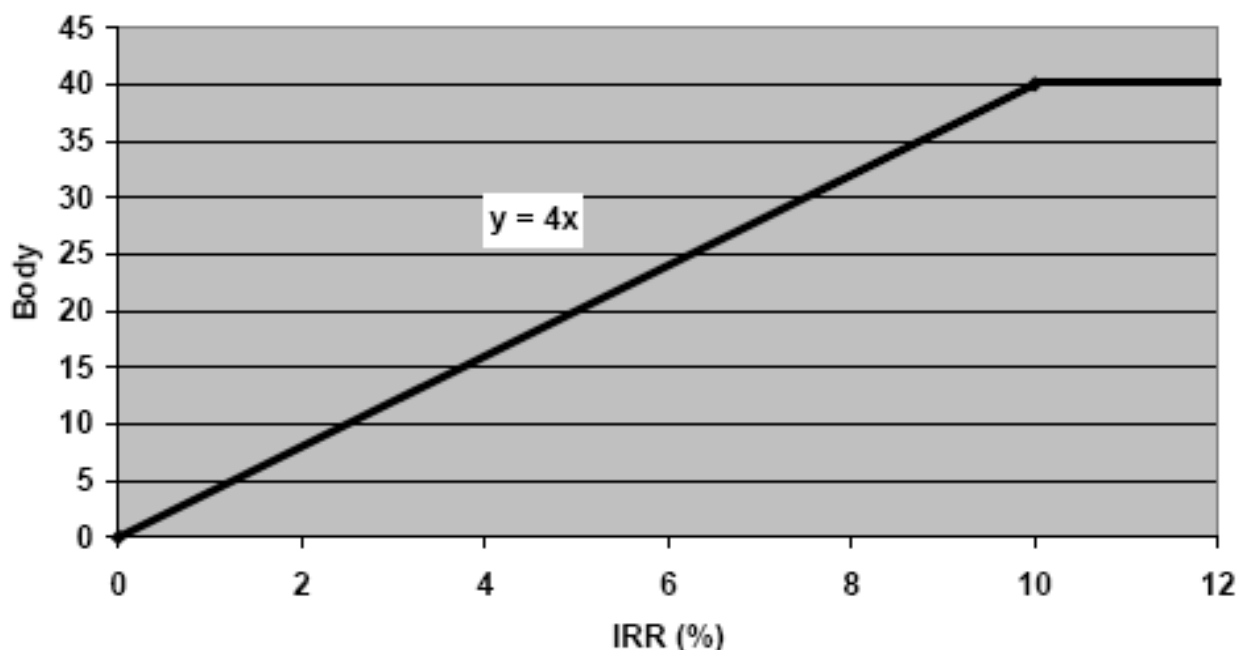
For $IRR < 0\%$, the resulting score is 0 inasmuch as this project does not show sufficient economic viability (for this point, the maximum allowed economic lifetime of 20 years shall be tolerated).

For the $0\% < IRR < 10\%$ interval, linear interpolation is defined as: **the number of points $y = 4x$**

The IRR linear interpolation interval is established for the project to have a realistic basis for its implementation.

For IRR intervals of 10% and more, the constant maximum possible score is attributed, i.e. **$y = \text{const.} = 40 \text{ points}$** .

Note: The committee can accede to the restriction of allocation of aid to projects with $IRR > 20\%$.



Point evaluation criteria for Small water power plants, landfill gasses, heat pumps, solar thermal collectors or heat from RES

Criterion title	Criterion description	Partial point evaluation
Environmental benefits	Specific costs for reduction of emissions CZK '000 / t CO ₂ per year (lower = better). Scoring is conducted according to the minimisation graph (see Graph 4), sets of equations relevant to the graph and the data relevant to them in Table 1 below.	0 to 35 points
Specific investment costs	Specific investment costs of a project involving generation of electricity/heat from RES (CZK '000/kW) are relative to the installed capacity and determine the investment economy of the projects. The set ranges of specific investment costs take into account individual types of renewable sources or, as the case may be, local renewable sources of heat – see the relevant items in Table 2 (small hydropower plants / landfill gas) or in Table 3 (technology of local renewable sources) below. Note: The number of points is stipulated by the calculation from the equations set forth below for the minimisation criterion graph (see Graph 5) for specific investment costs.	0 to 30 points
Proportional period of time of annual utilisation of the installed capacity	The proportionate period of annual use of installed RES capacity is given as the ratio between the mandatory planned generation of electricity / planned generation of heat, reduction of resource consumption and theoretical generation of electricity / heat in year-round continual operation. The set ranges of specific use of installed capacity take into account individual types of renewable sources or, as the case may be, local renewable sources of heat – see the relevant items in Table 2 (small hydropower plants / landfill gas) or in Table 3 (technology of local renewable sources) below. Note: The number of points is stipulated by the calculation from the equations set forth below for the minimisation criterion graph (see Graph 6) for the proportionate period of annual use.	0 to 35 points
Regional aspect	If the project obtains at least 50 points according to the above mentioned criteria, it shall obtain a bonus of ten percent of points in the following cases: <ul style="list-style-type: none"> • The project is implemented in structurally affected region • The project is implemented in an economically weak region • The project is implemented in a region with above average unemployment • At the time of the submittal of the registration application, the project is included in the integrated town development plan 	Bonus + 10% of achieved points

	Note: the bonus is not taken into account.	
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Point evaluation criteria for Electricity and heat co-generation from RES (biomass, biogas, landfill gasses)

Criterion title	Criterion description	Partial point evaluation
Environmental benefits	Specific costs for reduction of emissions CZK '000 / t CO ₂ per year (lower = better). Scoring is conducted according to the minimisation graph (see Graph 4), sets of equations and the data relevant to them in Table 1 below.	0 to 35 points
Specific investment costs	The specific investment costs of projects involving combined generation of electricity from RES (CZK '000 / kW) are relative to the installed capacity and measure the investment economy of the projects. The set ranges of specific investment costs take into account individual types of renewable sources – see Table 2 below. Note: The number of points is stipulated by the calculation from the equations set forth below for the minimisation criterion graph (see Graph 5) for specific investment costs. Instead of the value of 30, the value of 25 points is achieved.	0 to 25 points
Proportional period of time of annual utilisation of the installed capacity	The proportionate period of annual use of installed capacity from combined generation of electricity and heat from RES is given by the ratio between the mandatory planned generation of electricity reduced by the consumption of resources and the theoretical generation of electricity in year-round continual operation. The set ranges of specific use take into account individual types of renewable sources and types of projects – see Table 2 below. Note: The number of points is stipulated by the calculation from the equations set forth below for the maximisation criterion graph (see Graph 6) for the proportionate period of annual use. Instead of the value of 35, the value of 25 points is achieved.	0 to 25 points
Bonus for highly efficient co-generation	Saving of primary fuel $\geq 10\%$. Scoring will be conducted on the basis of a verification calculation of saving of primary energy in accordance with Annex III of Directive 2004/8/ES. ¹³	Bonus 15 points
Regional aspect	If the project obtains at least 50 points according to the above mentioned criteria, it shall obtain a bonus of ten percent of points in the following cases: <ul style="list-style-type: none"> • The project is implemented in structurally affected region • The project is implemented in an economically weak 	Bonus + 10% of achieved points

¹³ Annex No. 3 of Decree No. 439/2005 Coll., as amended by Decree No. 110/2008 Coll., concerning the means of determining savings of primary energy in the process of combined generation of electricity and heat and stipulation of the minimum efficiency of energy use in the generation of heat and electricity.

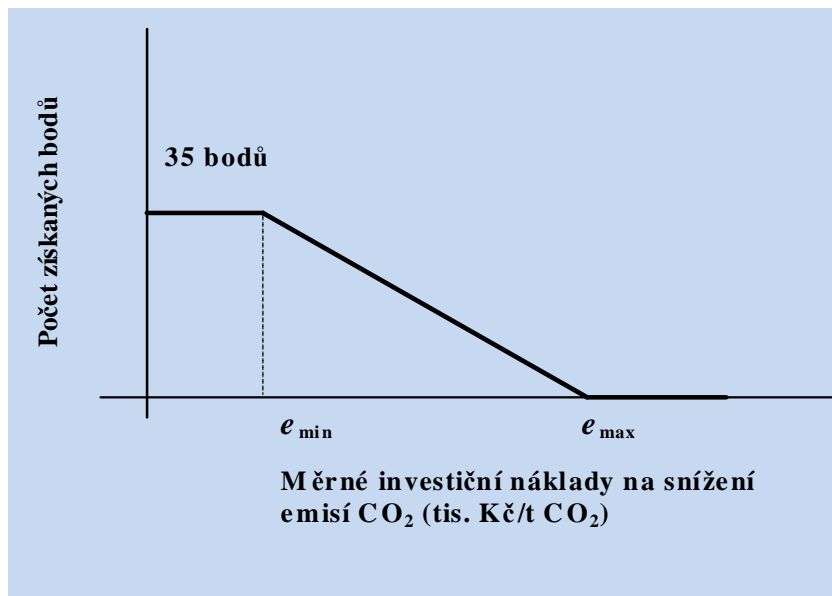
	<p>region</p> <ul style="list-style-type: none"> • The project is implemented in a region with above average unemployment • At the time of the submittal of the registration application, the project is included in the integrated town development plan <p>Note: the bonus is not taken into account.</p>	
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Graphs 4, 5, 6 and Tables 1, 2, 3:

GRAPH 4: *Environmental benefits of project implementation*

The criterion **Specific investment costs for reduction of CO₂ emissions** takes into account investment costs for reduction by one tonne of CO₂ emissions per year. Linear interpolation concerning the normalisation of specific investment costs for reduction CO₂ emissions.

The graph progression represents the minimisation criterion.



The number of points is determined from the following equations:

$$e_{skut} \leq e_{min}; 35 \text{ bodů}$$

$$e_{skut} \geq e_{max}; 0 \text{ bodů}$$

$$e_{min} \leq e_{skut} \leq e_{max}; 35 \times \frac{e_{max} - e_{skut}}{e_{max} - e_{min}} \text{ bodů}$$

where:

e_{min}	Specific investment costs for reduction of emissions – lower limit
e_{max}	Specific investment costs for reduction of emissions – upper limit
e_{skut}	Specific investment costs for reduction of emissions – actual

TABLE 1: Values e_{min} and e_{max} for individual types of RES are shown in this table:

Type of RES	e_{min} (CZK '000/t CO ₂)	e_{max} (CZK '000/t CO ₂)
Small hydropower plant – renovation	10,0	50,0
Small hydropower plant – construction	10,0	50,0

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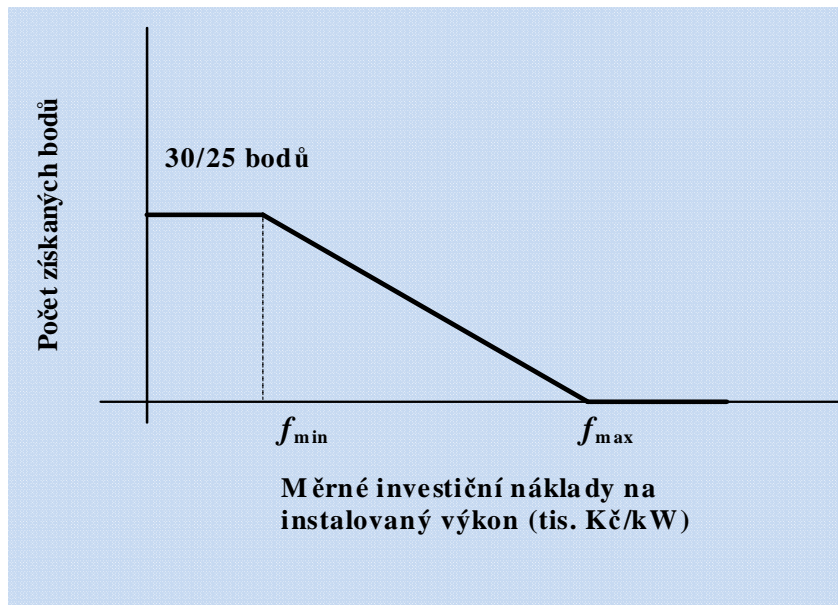
Local heat RS:	Biomass	9,5	83,3
	Heat pump – air	59,4	232,4
	Heat pump – wells	92,8	341,4
	Solar array – heat (panel)	89,8	200,0
	Solar array – heat (tubing)	143,3	320,0
CGEH:	Biomass	8,1	15,4
	Biogas	7,7	15,5
	Biogas – new biogas-production technology	10,6	24,9
	Landfill/sewage gas	4,5	10,1
Generation of electricity from biomass and from biogas		8,1	15,4
Generation of electricity from landfill/sewage gas		4,5	10,1

GRAPH 5: *Specific investment costs per installed capacity*

Specific investment costs of projects involving generation of electricity from RES are relative to the installed capacity and measure the investment economy of the projects.

Linear interpolation concerning the normalisation of specific investment costs for reduction CO₂ emissions.

The graph progression represents the minimisation criterion.



The number of points is determined from the following equations:

$$f_{skut} \leq f_{min} ; 30 \text{ bodů}$$

$$f_{skut} \geq f_{max} ; 0 \text{ bodů}$$

$$f_{min} \leq f_{skut} \leq f_{max} ; 30 \times \frac{f_{max} - f_{skut}}{f_{max} - f_{min}} \text{ bodů}$$

where:

f_{min}	The project's specific investment costs – lower limit
f_{max}	The project's specific investment costs – upper limit
f_{skut}	The project's specific investment costs – actual

Note:

In the determination of the number of points for co-generation, the value of 25 points is achieved instead of the value of 30.

The set range of specific investment costs takes into account individual types of renewable sources.

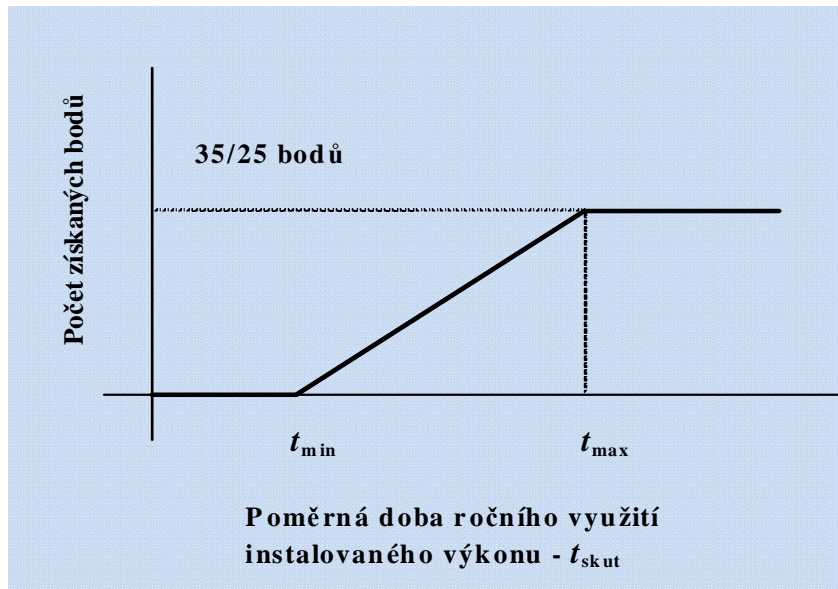
Data f_{min} and f_{max} are shown in Tables 2 and 3 for individual types of sources.

See below.

GRAPH 6: Time ratio of annual utilisation of the installed capacity

Linear interpolation concerning the normalisation of the proportionate period of annual use of installed capacity.

The graph progression represents the maximisation criterion.



Proportional period of time of annual utilisation of the installed capacity is given by the following formula :

$$t_{skut} = \frac{WeI_{netto}}{P_i \cdot 8760} \quad [-]$$

where:

WeI_{netto} Annual electricity generation in kWh from the generator's terminals decreased by the source's own consumption
 P_i installed electrical capacity in v kW_e (generator's rating –plate value)

Proportional period of time of annual utilisation of the installed capacity from RES is given by the ratio between the binding planned electricity generation decreased by the source's own consumption and the theoretical electricity generation in year – round continuous operation.

The number of points is determined by the following equation:

$$t_{skut} \leq t_{min} ; \quad 0 \text{ bodů}$$

$$t_{skut} \geq t_{max} ; \quad 35 \text{ bodů}$$

$$t_{min} \leq t_{skut} \leq t_{max} ; \quad 35 \times \frac{t_{skut} - t_{min}}{t_{max} - t_{min}} \text{ bodů}$$

kde:

t_{max} Time ratio of annual utilisation of the installed capacity – upper limit
 t_{min} Time ratio of annual utilisation of the installed capacity – lower limit
 t_{skut} Time ratio of annual utilisation of the installed capacity – actual

Note:

In the determination of points for co-generation, the value of 25 points is achieved instead of the value of 30.

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The set ranges of annual use take into account individual types of renewable sources. Data $t_{\min.}$ and $t_{\max.}$ are shown in Tables 2 and 3 for individual types of sources. Viz níže.

TABLE 2:
Limit values for generation of electricity / combined generation of electricity and heat from RES

Parameter:	Specific investment costs (CZK '000/kW)		Proportionate period of annual use of installed capacity	
	$f_{\min.}$	$f_{\max.}$	$t_{\min.}$	$t_{\max.}$
Type technology:				
SHP – renovation	25,0	75,0	0,40	0,63
SHP – new structure	75,0	125,0	0,34	0,57
CGEH – biomass	60,0	90,0	0,57	0,80
CGEH – biogas	60,0	100,0	0,63	0,86
CGEH – biogas new technology	80,0	160,0	0,63	0,86
CGEH – landfill gas	35,0	65,0	0,63	0,86
Generation of electricity from biomass and from biogas	60,0	90,0	0,57	0,80
Generation of electricity from landfill/sewage gas	35,0	65,0	0,63	0,86

TABLE 3:
Limit values for technologies of local heat sources from RES:

Parameter:	Specific investment costs (CZK '000/kW)		Proportionate period of annual use of installed capacity	
	$f_{\min.}$	$f_{\max.}$	$t_{\min.}$	$t_{\max.}$
Type of technology:				
SOLAR panel	30,8	61,5	0,05	0,09
SOLAR vacuum	53,3	106,7	0,06	0,10
Heat pump (air)	17,0	32,0	0,11	0,29
Heat pump (wells)	27,0	47,0	0,11	0,29
Biomass automatic furnace	5,0	30,0	0,11	0,29

Note: In the case of projects involving electricity production, including CGEH from RES, the evaluation committee can accede to the restriction of the allocation of aid to projects with IRR > 20% in connection with aid for the production of electricity from RES pursuant to Act No. 180/2005 Coll.