

EEA and Norwegian Financial Mechanisms 2014-2021

“Energy Programme in Romania”

Calls for Proposals

Focus area: Renewable Energy

The “Energy Programme in Romania” (hereafter referred to as “the Programme”) is financed by the EEA and Norwegian Financial Mechanisms 2014-2021. The Programme shall contribute to the general objectives of EEA and Norway Grants 2014-2021, respectively to the reduction of economic and social disparities in the European Economic Area (EEA) and to strengthening bilateral relations between EEA States and EEA and Norway Grants Beneficiary States. The Programme objective is “Less carbon intensive energy and increased security of supply”. The Programme seeks to stimulate and develop long-term cooperation between Iceland, Liechtenstein, Norway (hereafter referred to as “the Donor States”) and Romania and is encouraging bilateral project partnerships. For general information about the EEA and Norwegian Financial Mechanisms, please visit <https://eeagrants.org/>

The Memorandums of Understanding between the Kingdom of Norway and the Government of Romania designates the Financial Mechanisms Office (FMO) as Programme Operator and Innovation Norway as Fund Operator for the Programme. All communication regarding the Programme shall be address to the Fund Operator. Information about the Programme can be found at <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/Programmes/renewable-energy/romania/> and more general information on <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/>

The **expected outcome** of projects financed by these Calls is **Increased Renewable Energy production**.

Available amount for financing of projects

Scheme	Available amount	Financial mechanism
Call for proposals - Call 1: 'Increased capacity to deliver renewable energy' – Hydropower	EUR 7.500.000	EEA Grants
Call for proposals - Call 2: 'Increased capacity to deliver renewable energy' – Geothermal	EUR 6.600.000	EEA Grants
Call for proposals - Call 3: 'Increased capacity to deliver renewable energy' – Other Renewable Energy Sources (RES)	EUR 11.000.000	Norway Grants
Small Grants Scheme - SGS-1: 'Hydropower, geothermal and other RES for SMEs and NGOs'	EUR 2.000.000	Norway Grants

Deadline for applications and language

To be eligible, applications must be submitted to the Fund Operator through the electronic application portal no later than **Thursday 14 March 2019, 14:00 Romanian time. For more details on how to apply, see section 5 below.**

The Programme language is English, i.e. all applications and supporting documents, shall be submitted to the Fund Operator in English. Official certificates and certified annual accounts can be submitted in Romanian language. For the list of mandatory attachments, see Annex I to this document.

The Applicant shall inform the Fund Operator about any involvement of consultants in the process of preparing the application. The identity of the consultant(s) shall be disclosed in the application.

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1 Projects and project funding

- a) A **Donor Partnership Project** is defined as cooperation between a Project Promoter in Romania and at least one legal entity in the eligible Donor States¹ (Iceland, Liechtenstein and Norway), implementing a project where all entities are independent of each other and perform substantial and relevant tasks in the completion of the project. Partnerships are not mandatory, but Donor Partnership Projects will be awarded additional points during project assessment. To qualify for such points, the Donor State Partner should be actively involved in, and effectively contributing to, the implementation of the project, and it should share with the Project Promoter a common economic or social goal which is to be realized through the implementation of the project. The simple provision of services does not qualify as a Donor Partnership Project.
- b) A **Partnership Project** is defined as cooperation between a Project Promoter in Romania and at least one legal entity in Romania, implementing a project where all entities are independent of each other and perform substantial and relevant tasks in completion of the project. The partner should be actively involved in, and effectively contributing to, the implementation of the project, and it should share with the Project Promoter a common economic or social goal which is to be realized through the implementation of the project. The simple provision of services does not qualify as a Partnership Project.

1.1 Eligible Applicants and Partners

Calls for proposals and Small Grants Scheme (SGS)

Call/Scheme:	Eligible Applicants:	Eligible Partners:
Call 1 Hydropower	Any entity, private or public, commercial or non-commercial, and non-governmental organisations, established as legal person in Romania.	Any private or public entity, commercial or non-commercial, established as a legal person in Norway, Iceland, Liechtenstein or in Romania
Call 2 Geothermal	Any entity, private or public, commercial or non-commercial, and non-governmental organisations, established as legal person in Romania.	Any private or public entity, commercial or non-commercial, established as a legal person in Norway, Iceland, Liechtenstein or in Romania
Call 3 Other RES	Any entity, private or public, commercial or non-commercial, and non-governmental organisations, established as legal person in Romania.	Any private or public entity, commercial or non-commercial, established as a legal person in Norway or in Romania

¹ Only Norwegian entities are to form an eligible Donor Partnership for the Norway Grants (financed under the Norwegian Financial Mechanism 2014-2021), while for EEA Grants (financed under the EEA Financial Mechanism 2014-2021), partners from all three Donor States are eligible, i.e. Iceland, Liechtenstein and Norway.

SGS 1 Hydropower, Geothermal and other RES	SMEs and NGOs (including social enterprises with economic activities) SME shall be understood as defined within the EC Recommendation (2003/361/EC)	Any private or public entity, commercial or non-commercial, established as a legal person in Norway or in Romania
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1.1.1 Additional criteria for Applicants and Partners

- a) The Applicant must have been established for at least 3 fiscal years at the date of the deadline of the present Calls.
- b) the Applicant's main activities are closely related to the activities for which an application is made;
- c) The Applicant and its legal representative signing the Application have clean criminal and tax records;
- d) The Partner must have been established for at least 1 fiscal year at the date of the deadline of the present Calls.
- e) The Partner(s) and its legal representative signing the Partnership Agreement have clean criminal and tax record;
- f) the Partner(s) main activity is closely related to the activities in which its contribution is proposed;
- g) if the Applicant has one or more Partners, a draft Partnership Agreement defining the roles and responsibilities of the different partners, is attached to the application. A template for the Partnership Agreement is published on the Programme web-site together with the present Calls.

Moreover, Applicants are not eligible for funding if:

- a) they are an undertaking in difficulty (the definition of "undertaking in difficulty" is included in Article 2, paragraph 18 of **Commission Regulation (EU) No.651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty**);
- b) they are bankrupt, are entered in judicial administration or are under liquidation, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation;
- c) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to financial interests, without evidence of substantial correction measures taken in the past years.

1.2 Areas of support and eligible activities

An Applicant shall submit **only one project proposal** under each focus area.

Call 1: 'Increased capacity to deliver renewable energy' – Hydropower

This Scheme can provide support for projects that will develop and implement activities within the **hydropower** field:

- a) refurbishment of existing Hydro Power Plants (HPP) to increase the power generation capacity and production efficiency;
- b) construction of new Small Scale Hydro Power Plants (SSHPP) (<10MW);
- c) renewal of hydropower facilities to meet needs for combined solutions (VRE-Variable Renewable Energy);

- d) activities to increase reservoir capacity for hydropower generation, as a secondary activity in a project;
- e) training of staff as an integrated part of an investment project (secondary activity in the investment project).

Projects on hydropower must contribute directly to these

- **outcome indicators:**
 - a) Estimated annual CO₂ emissions reductions (in tonnes CO₂ eq.);
 - b) Number of jobs created;
 - c) Energy produced from hydropower sources (in MWh/year);
- **output indicators:**
 - a) Number of new or refurbished installations for production of hydropower electricity;
 - b) Installed capacity for production of hydropower electricity (in MW).

Call 2: 'Increased capacity to deliver renewable energy' – Geothermal

This Scheme can provide support for projects that will develop and implement activities within the **geothermal** field:

- a) development and investments in geothermal energy supplying public buildings, office buildings, malls, industrial sites and buildings, and private homes as end-beneficiaries;
- b) training of staff as an integrated part of an investment project (secondary activity in the investment project);
- c) renewal of geothermal utilization facilities;
- d) activities to increase production capacities for geothermal energy.

Projects on geothermal must contribute directly to these

- **outcome indicators:**
 - a) Estimated annual CO₂ emissions reductions (in tonnes CO₂ eq.);
 - b) Number of jobs created;
 - c) Energy produced from geothermal sources (in MWh/year);
- **output indicators:**
 - a) Number of new or refurbished installations for production of geothermal energy;
 - b) Installed capacity for production of geothermal energy (in MW).

Call 3: 'Increased capacity to deliver renewable energy' – Other RES

This Scheme can provide support for projects that will develop and implement activities within the field of **renewable energy from other sources (other RES)**:

- a) projects that utilise bio-based substrates (manure, waste from food, sludge, slaughter waste, energetic crops, wood waste etc.) for production of electricity and heating/cooling in local communities;
- b) development and investment in private industrial facilities for waste to energy projects;

- c) solar and wind energy: new small-scale projects (up to 1.000 kW installed capacity) and production of electricity for Applicant's own use;
- d) training of staff as an integrated part of an investment project (secondary activity in the investment project).

Projects on other RES must contribute directly to these

➤ **outcome indicators:**

- a) Number of new installations for production of renewable energy/electricity from biomass/biogas, wind, photovoltaic or other renewable sources;
- b) Estimated annual CO₂ emissions reductions (in tonnes CO₂ eq.);
- c) Number of jobs created;
- d) Electric energy produced from other renewable sources including wind, solar, biomass/biogas (in MWh/year);

➤ **output indicators:**

- a) Number of new or refurbished installations for production of energy/electricity from other RES;
- b) Installed capacity for production of energy/electricity from other RES (in MW).

Small Grants Scheme – SGS 1: 'Hydropower, Geothermal and other RES for SMEs and NGOs'

This Scheme can provide support for projects that will develop and implement activities within one or more of the following areas:

1. Hydropower

- a) refurbishment of existing Hydro Power Plants (HPP) to increase the power generation capacity and production efficiency;
- b) construction of new Small-Scale Hydro Power Plants (SSHPP);
- c) renewal of hydropower facilities to meet needs for combined solutions (VRE-Variable Renewable Energy);
- d) activities to increase reservoir capacity for hydro power generation, as a secondary activity in a project;
- e) training of staff as an integrated part of an investment project (secondary activity in the investment project).

Projects on hydropower must contribute directly to these

➤ **outcome indicators:**

- a) Estimated annual CO₂ emissions reductions (in tonnes CO₂ eq.);
- b) Number of jobs created;
- c) Energy produced from hydropower sources (in MWh/year);

➤ **output indicators:**

- a) Number of new or refurbished installations for production of hydropower electricity;
- b) Installed capacity for production of hydropower electricity (in MW).

2. Geothermal

This Scheme can provide support for projects that will develop and implement activities within the **geothermal** field:

- a) development and investments in geothermal energy supplying public buildings, office buildings, malls, industrial sites and buildings and private homes as end beneficiaries;
- b) training of staff as an integrated part of an investment project (secondary activity in the investment project);
- c) renewal of geothermal utilization facilities;
- d) activities to increase production capacities for geothermal energy;
- e) training of staff as an integrated part of an investment project (secondary activity in the investment project).

Projects on geothermal must contribute directly to these

➤ **outcome indicators:**

- a) Estimated annual CO₂ emissions reductions (in tonnes CO₂ eq.);
- b) Number of jobs created;
- c) Energy produced from geothermal sources (in MWh/year);

➤ **output indicators:**

- a) Number of new or refurbished installations for production of geothermal energy;
- b) Installed capacity for production of geothermal energy (in MW).

3. Renewable energy from other sources (other RES)

This Scheme can provide support for projects that will develop and implement activities within the field **renewable energy from other sources (other RES)**:

- a) small-scale projects that utilise bio-based substrates (manure, waste from food, sludge, slaughter waste, energetic crops, wood waste etc.) for production of electricity and heating/cooling in local communities;
- b) development and investment in private industrial facilities for waste to energy projects;
- c) solar and wind energy: small scale projects (up to 1,000 kW installed capacity) and production of electricity for Applicant's own use;
- d) training of staff as an integrated part of an investment project (secondary activity in the investment project).

Projects on other RES must contribute directly to these

➤ **outcome indicators:**

- a) Number of new installations for production of renewable energy/electricity from biomass/biogas, wind, photovoltaic or other renewable sources;
- b) Estimated annual CO₂ emissions reductions (in tonnes CO₂ eq.);
- c) Number of jobs created;

- d) Electric energy produced from other renewable sources including wind, solar, biomass/biogas (in MWh/year);
- **output indicators:**
 - a) Number of new or refurbished installations for production of energy/electricity from other RES;
 - b) Installed capacity for production of energy/electricity from other RES (in MW).

1.3 Minimum and maximum grant for each project

For all three Calls for proposals (Call 1, Call 2, Call 3):

The minimum amount of grant assistance applied for shall be EUR 200.000.

The maximum amount of grant assistance applied for shall be EUR 2.000.000.

For the Small Grants Scheme (SGS 1)

The minimum amount of grant assistance applied for shall be EUR 50.000.

The maximum amount of grant assistance applied for shall be EUR 200.000.

1.4 Grant rates and co-financing

The financial contribution from this Programme shall be determined on a case-by-case basis, taking all relevant factors into account. The applicable rules on public procurement and on state aid, procedural and substantive, shall be complied with.

The Applicant (Project Promoter) shall secure the full financing of the project. The Project Promoter (and/or the Project Partner(s)) shall provide or obtain the remaining co-financing in the form of cash. All eligible expenditures of a project can form the basis of the required co-financing. In-kind contribution is not accepted as co-financing.

For entities involved in economic activities, the grant rate will be determined based on the applicable provisions of Commission Regulation 651/2014² declaring certain categories of aid as compatible with the Internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation 2017/1084. **For these Calls the following categories will be applicable:**

1. **Regional Aid**, articles 13 and 14 – grant rate according to the Regional Map³
2. **Aid to SMEs:**
 - art. 17 Investment aid to SMEs
 - art. 18 Aid for consultancy in favour of SMEs
 - art. 19 Aid to SMEs for participation in fairs
3. **Research and Development and Innovation** - experimental development
 - art. 25 Aid for research and development projects

² Known also as General Block Exemption Regulation [GBER] <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

³ For more information, please see regional aid map 2014-2020 http://ec.europa.eu/competition/state_aid/cases/251895/251895_1548891_64_2.pdf

4. Innovation aid for SMEs:

- art. 28 Innovation aid for SMEs

5. Training aid:

- art. 31 Training aid

6. Aid for environmental protection:

- art. 36 Investment aid enabling undertakings to go beyond Union standards for environmental protection or to increase the level of environmental protection in the absence of Union standards
- art. 37 Investment aid for early adaptation to future Union standards
- art. 38 Investment aid for energy efficiency measures
- art. 39 Investment aid for energy efficiency projects in buildings
- art. 40 Investment aid for high-efficiency cogeneration
- art. 41 Investment aid for the promotion of energy from renewable sources
- art. 46 Investment aid for energy efficient district heating and cooling
- art. 47 Investment aid for waste recycling and re-utilisation
- art. 48 Investment aid for energy infrastructure
- art. 49 Aid for environmental studies

The grant rate may vary from 10% to 90%, depending on the type of aid awarded, type and size of the Applicant and other elements included in the provisions of the Regulation which are relevant for the respective project.

Grant rate for non-economic operators:

- For public entities, proposing projects which do not fall under state aid provisions (Regulation 651/2014) the grant rate will be maximum 85% of the total eligible expenses for the project, without exceeding the maximum amount that may be granted to a project.
- For NGO's, proposing projects which do not fall under state aid provisions (Regulation 651/2014) the grant rate will be maximum 90% of the total eligible expenses for the project, without exceeding the maximum amount that may be granted to a project. For NGOs proposing investment projects related to economic activity, the grant rate will be less than 90%.

Exceptionally, financial support will be awarded as *de minimis* support in line with the Commission Regulation (EC) No 1407/2013 (max. EUR 200,000 over three fiscal years).

1.5 Eligible expenditures

IMPORTANT: The assessment of the grant awarded for a specific project will be made based on the applicable state aid legal basis. However, in cases where eligibility provisions in the State aid legislation are more extensive than the detailed eligibility provisions below, the text of these Calls will prevail.

1.5.1 First and final dates for eligibility of expenditure

Costs within projects are eligible from the date on which the grant is awarded or at a later date set in the Project Contract. The Project Contract shall set the final date of eligibility of costs, which shall be no later than **30 September 2023**. Costs incurred after that final date are not eligible.

1.5.2 General principles of eligibility

Eligible expenditures of projects are those actually incurred by the Project Promoter or the Project Partner,

which meet the following criteria:

- a) they are incurred between the first and final dates of eligibility of a project as specified in the Project Contract;
- b) they are connected to the subject of the Project Contract and they are indicated in the detailed budget of the project;
- c) they are proportionate and necessary for the implementation of the project;
- d) they are used for the sole purpose of achieving the objective of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
- e) they are identifiable and verifiable, in particular through being recorded in the accounting records of the Project Promoter and determined according to the applicable accounting standards and generally accepted accounting principles; and
- f) they comply with the requirements of applicable tax and social legislation.

Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Exceptionally, costs in respect of which an invoice has been issued in the final three months of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date of eligibility. Overheads and depreciation of equipment are considered to have been incurred when they are recorded on the accounts of the Project Promoter and/or Project Partner.

The Project Promoter's internal accounting and auditing procedures must permit direct reconciliation of the expenditures and revenue declared in respect of the project with the corresponding accounting statements and supporting documents.

1.5.3 Detailed eligibility provisions

1.5.3.1 Eligible direct expenditures

The eligible direct expenditures for a project are those expenditures which are identified by the Project Promoter and/or the Project Partner, in accordance with their accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly. The following direct expenditures are eligible provided that they satisfy the criteria set out in Article 1.5.2. above:

- a) the cost of staff assigned to the project, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this corresponds to the Project Promoter's and Project Partner's usual policy on remuneration;
- b) travel and subsistence allowances for staff and volunteers taking part in the project, provided that they are in line with the Project Promoter's and Project Partner's usual practices on travel costs.
- c) cost of new or second-hand equipment provided that it is depreciated in accordance with generally accepted accounting principles applicable to the Project Promoter and generally accepted for items of the same kind. Only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be taken into account by the Fund Operator. In case the Fund Operator determines that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be eligible;
- d) costs of consumables and supplies, provided that they are identifiable and assigned to the project;
- e) costs entailed by other contracts awarded by a Project Promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement;

- f) costs arising directly from requirements imposed by the Project Contract for each project.

Where the entire purchase price of equipment is eligible in accordance with point (c) of paragraph 1 of Section 1.5.3.1. **Eligible direct expenditures**, the Project Promoter shall:

- a) keep the equipment in its ownership for a period of at least five years following the completion of the project and continue to use the equipment for the benefit of the overall objectives of the project for the same period;
- b) keeps the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project; and
- c) sets aside appropriate resources for the maintenance of the equipment for at least five years following the completion of the project.

1.5.3.2 Purchase of real estate and land

The cost of purchase of real estate, meaning buildings constructed or under development and the appropriate rights to the land on which they are built, and land not built on may be eligible under the following conditions, without prejudice to the application of stricter national rules:

- a) there shall be a direct link between the purchase and the objectives of the project;
- b) purchase of real estate and/or land may not represent more than 10% of the total eligible expenditure of the project, unless a higher percentage is explicitly set in the decision to award the project grant;
- c) a certificate shall be obtained prior to the purchase from an independent qualified evaluator or duly authorized official entity confirming that the purchase price does not exceed the market value and that it is free of all obligations in terms of mortgage and other liabilities, particularly in respect of damage related to pollution. In case of purchase of real estate, the certificate must either confirm that the building in question is in conformity with national regulations, or specify what is not in conformity with national regulations but which is to be rectified by the Project Promoter under the project;
- d) the real estate and/or land shall be used for the purpose and for the period specified in the decision to award the project grant. The ownership must be transferred to the Project Promoter, or those explicitly designated by the Project Promoter in the project application as recipients of the real estate and/or land, prior to the completion of the project. The real estate and/or land cannot be sold, rented or mortgaged within five years of the completion of the project, or longer if stipulated in the Project Contract. The Financial Mechanisms Office (FMO) may waive this restriction if it would result in an unforeseen and unreasonable burden on the Project Promoter.
- e) the real estate and/or land may only be used in conformity with the objectives of the project. In particular buildings may be used to accommodate public administration services only where such use is in conformity with the objective of the project; and
- f) the purchase of real estate and/or land shall be explicitly approved by the Fund Operator prior to the purchase either in the Project Contract or by a later decision.

The restrictions referred to in paragraph 1(d) apply also to buildings that are constructed or reconstructed through a financial contribution from the EEA and/or Norwegian Financial Mechanisms 2014-2021.

Expenditure on site preparation and construction which is essential for the implementation of the project may be eligible.

The cost of real estate and/or land already owned, directly or indirectly, by the Project Promoter, or purchase of real estate and/or land, directly or indirectly, by the Project Partner or a public administration, shall not be eligible. Under no circumstances shall real estate and/or land be purchased for speculative purposes. The real

estate and/or the land shall not have received a national or external donor grant in the last 10 years which could give rise to a duplication of funding.

1.5.3.3 Eligible indirect costs in projects (overheads)

Indirect costs are all eligible costs that cannot be identified by the Project Promoter and/or the Project Partner as being directly attributed to the project, but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the Project Promoter or the Project Partner. They may be identified according to either of the following methods:

- a) based on actual indirect costs for those Project Promoters and Project Partners that have an analytical accounting system to identify their indirect costs as indicated above;
- b) a Project Promoter and Project Partners may opt for a flat rate of up to 25% of total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Project Promoter or Project Partner, subject to the calculation of the rate on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Beneficiary State for similar types of project and Project Promoter;
- c) a Project Promoter and Project Partner may opt for a flat rate of up to 15% of direct eligible staff costs.

1.5.3.4 Excluded costs

The following costs shall not be considered eligible:

- a) interest on debt, debt service charges and late payment charges;
- b) charges for financial transactions and other purely financial costs, except costs related to accounts and financial services imposed by the Project Contract;
- c) provisions for losses or potential future liabilities;
- d) exchange losses;
- e) recoverable VAT;
- f) costs that are covered by other sources;
- g) fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project;
- h) excessive or reckless expenditure;
- i) second-hand equipment unless explicitly stated in the Project Contract;
- j) already owed debts and credits to third parties.

2 Assessment of projects and selection procedure

The Fund Operator will check the fulfilment of administrative and eligibility criteria contained in each Call for proposals and the SGS. In the case of applications not complying with the administrative and eligibility criteria, the Fund Operator will contact the Applicant to clarify the information provided or request the provision of additional information. Applicants will be given 10 working days to submit the information requested. Applications submitted in a language other than English will be automatically rejected.

Following the conclusion of the administrative and eligibility check, all Applicants will be informed in writing about the status of their project.

All applications which fulfil administrative and eligibility criteria will be further assessed by two experts from the Fund Operator. The experts shall evaluate the projects against the selection criteria contained in the present Calls for proposals. If necessary, the Fund Operator may use external expertise on a case by case basis. The result of the experts' assessment shall be a ranked list that forms the basis of the Fund Operator's Selection Committee's discussion. The Selection Committee will make the decision to reject or approve the applications and decide on the ranking of approved applications.

Prior to the Fund Operator's final decision, the FMO, the Programme Partners and the National Focal Point will be provided with the ranked list and reasonable time to give their input to the Fund Operator.

After the selection procedure is complete, information of the results and the decision on the award of grants will be communicated to the Applicants (Project Promoters) and positive decisions published online.

For more details please look up the document "Project assessment criteria and methodology" published together with these Calls on the Programme web-site.

2.1 Selection criteria

Project applications will be assessed based on a set of selection criteria. The said criteria are based on the objectives and the outcome that the Programme seeks to achieve. The objectives and principles of good governance and good business practice, sustainable development and gender equality, are cross-cutting issues that shall be considered as part of the assessment process.

The applicable selection criteria are divided into the following sections:

1. *Administrative criteria*

- (i) The Application Form has been filled in according to the instructions given in these Calls for Proposals, the Electronic Application Form, the Application Form Guidelines **and** all mandatory documentation is attached to the application;
- (ii) The application and requested supporting documents are submitted and presented in English; the certificates issued by the Romanian national authorities and the certified financial annual accounts issued in Romanian language can be submitted and presented in Romanian. For the rest of the documents, non-certified translation in English is required;
- (iii) The appropriate electronic Application Form has been used (corresponding to the type of Programme and type of the Applicant).

2. *Eligibility criteria*

a) Applicant (and Partner(s)):

- (i) The Applicant is registered as legal person in Romania and the entity fits in one of the categories of eligible applicants for the relevant grant scheme (Call 1-3 or Small Grants Scheme (SGS 1)), as listed in the present Calls;
- (ii) The Applicant has been established for at least the period of time set out in these Calls, section 1.1.1 Eligible applicants and partners, and its main activity is closely related to the activities for which the application is made;

- (iii) The Partner(s) is established as legal entity in Romania or in relevant Donor State(s);
- (iv) The Partner(s)' main activity is closely related to the activities in which its contribution is proposed;
- (v) If the case of a Partnership Project, a draft Partnership Agreement has been attached to the Application Form;
- (vi) The Applicant and the legal representative signing the Application have clean criminal and tax record;
- (vii) The Applicant is not an undertaking in difficulty;
- (viii) The Partner(s) and the legal representative signing the Partnership Agreement have clean criminal and tax record.

b) Project:

- (i) The proposed project fits into the focus areas of these Calls and within the eligible activities defined in the present Calls for proposals;
- (ii) Grant maximum and minimum amounts and co-financing rates are complied with;
- (iii) The project implementation period is no longer than the deadline for cost eligibility mentioned in this Call;
- (iv) No overlapping/double funding arises from the applications for a similar project from EU/EEA/International Financial Institution/Bilateral or other sources;
- (v) The project is in compliance with both EU and national legislation of Romania (in particular state aid, public procurement and environment requirements);
- (vi) Compliance with plans - the extent to which the project is in compliance with national, regional and local policies, strategies, plans and programmes in Romania;
- (vii) Incentive effect – work on the project did not start before the submission of the current application for grant;
- (viii) the Applicant is required to obtain all permits and licenses according to the national legislation, including those issued by the National Agency for Mineral Resources (NAMR) or by the “Romanian Waters” National Administration (RWNA), as appropriate;
- (ix) For the *geothermal* component:
 - the Applicant shall submit together with the application, the Attestation certificate issued by the National Agency for Mineral Resources (NAMR). In case the Applicant already has the operating license, it shall be submitted together with the application;
 - the Applicant and the operator and/or owner of the district heating system should be the same legal entity;
- (x) For the *hydropower* and *other RES* components:
 - the Applicant shall submit together with the application, the location approval (where applicable). In case the Applicant has already the connection approval, it shall be submitted together with the application;
- (xi) Documents evidencing the capacity of the Applicant as an owner or grantee with a superficies right (sale-purchase contract/preliminary contract, contract of concession granting the superficies right) to the property the project is to be implemented on/in; the contracts should refer to the Applicant's capacity in connection to the property the project is to be implemented in/on, and, as regards

- the hydroelectric plant, also to the land used for installing the water delivery systems
- or, where applicable, for the other RES component, also to the land used for installing different systems/equipment within the project investment.

The validity of concession contracts with a superficies right should be at least 10 years after the project completion date; if the concession contract does not set forth the Applicant's right to execute construction works, one shall attach an authenticated declaration of the land owner (in the original), acknowledging that they agree on the execution of works set forth in the project on the land; the preliminary sale-purchase contract is valid until signing the funding contract; the concession contracts aforementioned shall be concluded with the administrative-territorial units according to legal stipulations; such deeds may be presented upon signing the Project Contract;

- (xii) The resolution/decision of the decision-making body (the general assembly of shareholders/stockholders, of the sole shareholder, of the Board of Directors, Local/County Council etc.), mentioning the agreement on contracting funding, the own contribution required for the implementation of the project, the person in charge with the project, the person designated to represent the Applicant in the relationship with the Fund Operator (signed and stamped);
- (xiii) The resolution/decision of the decision-making body (the general assembly of shareholders/stockholders, of the sole shareholder, of the Board of Directors, Local/County Council etc.), mentioning the agreement on guaranteeing the funding, under the conditions of these Calls (signed and stamped).

3. Technical and financial selection criteria

- (i) **Relevance** - the extent to which the project meets the Programme expected outcome and the eligible activities set out in this Call for Proposals;
- (ii) **Overall objectives** - the extent to which the project contributes to the overall objectives of EEA and Norway Grants 2014-2021 (reduction of economic and social disparities in the EEA Area and strengthening the bilateral relations between the Beneficiary State and the Donor States (Iceland, Liechtenstein and/or Norway));
- (iii) **Cross-cutting issues** - the extent to which the project complies with relevant cross-cutting issues identified in the Application Form; good governance and good business practice, sustainable development and gender equality;
- (iv) **Internal factors** - the extent to which the Applicant (and Partner(s)) have the necessary resources to implement the project; internal factors are the factors over which the Applicant may influence with strategic choices (e.g. key resources, core activities, production);
- (v) **Technical viability and feasibility** - the extent to which the project is mature, i.e. technically viable and feasible in terms of technical solution meets the project objectives and specific outcomes, the Applicant has the technical capacity to implement the project, time schedule;

Sub-criteria:

- i. Assessment of the renewable source potential as regards energy production and, in addition, in case of thermal energy production, the description of the mode of distribution of thermal energy produced (preliminary contract, firm engagement);
- ii. The technical solution is adequate for the objectives proposed, being documented and consistently described as regards equipment performance (technical description of all the project components);

- iii. Energy production cost for the period under review, EGC⁴ (EUR/MWh_e or EUR/MWh_{th});
- iv. Duration of annual use of installed power (hours/year)⁵;

- (vi) **IPR status (Intellectual Property Rights)** - immaterial resources available for the proposed project;
- (vii) **Good Business Practice** - the extent to which the Applicant (and Partner(s)) adhere to Good Business Practice as defined by the OECD guidelines and UN Guiding Principles on business and human right, including zero-tolerance towards corruption (initiatives on Applicant level);
- (viii) **Market potential and competitiveness** - quality of market analysis, under the balance of demand and offer of products or services; ability to sell products/services that meet demand requirements (price, quality, quantity) and, at the same time, ensure profits over time; Note: A qualitative market analysis contains competition identification, strengths and weaknesses, the competitive advantage of the Applicant, in terms of marketing, operational and organizational information.
- (ix) **Partnership's quality** (if applicable) - the extent to which the Partnership Agreement include clear division of roles, tasks, responsibilities and cash flow; assessment of Partner(s) involvement in the preparation, implementation and sharing of the project results; each partner has a significant contribution to the project activities;
- (x) **Financial capacity** - the extent to which the Applicant (and possible Partners) have the necessary co-financing and financial capacity to implement the project and support its costs;
Operating risk - the assessment of Applicant's financial situation and debt service capabilities;
- (xi) **Project risks** - the extent to which the project is adequately supported by a risk management plan; The Applicant should have identified and assessed the relevant risk factors that may affect the achievement of the project expected outcome and described how they intend to mitigate the risks. There may be different types of risks, i.e. financial risk, technical/technological risk, market risk, HR risk, time schedule, environmental and more;
- (xii) **Project profitability** - the extent to which the project has potential for profitability; The projects profitability will be based on the ratios NPV (Net Present Value) and IRR (Internal Rate of Return);
- (xiii) **Socio-Economic impact** - the extent to which the project has added value, i.e. the socio-economic profitability; This may involve recruitment of unemployed labour, settlement in a region, improved environment, development of a local business environment/technological environment, competence development of individuals and companies, level and consequences of implementation and/or innovation, etc.;
- (xiv) **Releasing effect** - the extent to which the project would not be executed without a grant; Grants shall not be greater than what is necessary for the execution of the project. In all cases, an economic reasoning about the grading of the support shall be based on the relationship between expected profitability and risk, both in relation to state aid rules and in relation to the amount of support needed to trigger the project;
- (xv) **Innovation level** - the extent to which the project includes innovation, either on enterprise level, sector level, national level or international level;
- (xvi) **Costs estimates and funding** - The extent to which the project have clear and well documented cost estimates and a financing plan. The budget is correctly elaborated and correlated with project activities, allocated and estimated resources;

⁴ The methodology of calculation of the EGC indicator is presented in Annex IV

⁵ The duration of annual use of installed power (hours/year) shall be defined as the ratio between the annual energy produced and the installed power of the RES plant.

- (xvii) **Sustainability** - the project incorporates clear sustainability measures, i.e. the durability of the project after the implementation deadline.

2.2 Selection and award

The selection criteria above will be scored in a rating from zero to six points (0 lowest, 6 highest). The scoring will constitute a basis for an assessment profile. Each of the selection criteria may be a critical success factor, since low score on certain critical factors can jeopardize the whole project. The scoring profile will be the basis for the prioritizing for the project proposals.

After the assessment of the project applications and consultation of the ranked list has been performed, the Fund Operator will make the final grant decision. Applicants (Project Promoter(s)) will be notified of the decision of the Fund Operator to support or reject their application. The Fund Operator will send a Project Contract/Reasoned Refusal to the Project Promoter with a copy to eventual Partners.

2.3 The Project Contract

For each approved project a Project Contract shall be concluded between the Fund Operator and the Project Promoter.

The Project Contract will include relevant Special Conditions, the Standard Terms and Conditions on EEA/Norway Grants programmes operated the Fund Operator, the agreed Project Implementation Plan, the agreed activity-based Budget and the agreed Disbursement Plan. These documents shall set out the terms and conditions of the grant assistance, as well as the roles and responsibilities of the Parties.

Prior to the signing of the Project Contract, the Project Promoter has to submit a binding confirmation of the co-financing of the project to the Fund Operator. The Grant Offer letter will set a deadline for submitting such a confirmation. If the deadline is not met, the Grant Offer is considered to be withdrawn, unless a prolongation of the deadline is granted by the Fund Operator in writing.

The Project Contract shall contain, as a minimum, provisions on the following:

- a) obligations regarding reporting that enable the Fund Operator to comply with its reporting obligations to the FMO and the National Focal Point;
- b) the maximum amount of the project grant in Euro and the maximum project grant rate;
- c) the list of eligible expenditures;
- d) the method of calculating indirect costs and their maximum amount;
- e) the first and final dates of eligibility of expenditures;
- f) requirements for the submission of proof of expenditure;
- g) provision on modifications of the project;
- h) provisions that ensure timely access for the purposes of monitoring, audits and evaluations;
- i) provisions that ensure that obligations regarding information and communication;
- j) the right of the Fund Operator to suspend payments, make financial corrections and request reimbursement from the Project Promoter in case decision on such actions is taken by the FMO and/or the Fund Operator;
- k) resolution of disputes and jurisdiction;
- l) waiver of responsibility;
- m) a detailed budget;

- n) provisions on equipment for which the entire purchase price is eligible, in compliance with section 1.5.3.1 Eligible direct expenditures;
- o) provisions regarding the situation of changing the Fund Operator;
- p) a reference to the Partnership Agreements or letters of intent, if relevant; and
- q) provisions that ensure that obligations regarding record keeping are complied with.

The obligations of the Project Promoter under the Project Contract shall be valid and enforceable under the law applicable to the Project Contract.

The grant will be subject to the acceptance of the Standard Terms and Conditions on EEA/Norway Grants programmes operated by the Fund Operator and the Special Conditions of the Project Contract.

3 Implementation of projects

All general provisions and requirements related to the implementation of projects are set out in the Standard Terms and Conditions, published together with these Calls for Proposals and the Small Grants Scheme. Specific provisions and requirements will be set out in the Special Conditions for each Project Contract.

4 Payment flows

Grant assistance shall be given as reimbursements of already incurred documented costs according to an agreed Disbursement Plan.

The Project Promoter has the opportunity to apply for an advance payment in line with Programme requirements. The advance payment shall be paid following the signature of the Project Contract, within one month of the submission of a request by the Project Promoter. Subsequent payments shall be paid following the approval of project interim reports and no later than one month from the date of approval. The final payment, if applicable, will be paid following approval of the final report and no later than one month from the date of approval.

The approval of project interim and final reports shall take place within three months from the submission of the required information.

Commitments and payments will be carried out in Euro (€).

Payment claims (including the advance payment) submitted by the Project Promoter to the Fund Operator shall be in Euro (€).

5 Procedure for submission of application

Only electronic applications, submitted via the Fund Operator's Application Portal, in English, will be accepted. The Application Form must be accompanied by the mandatory attachments which are listed in Annex I of this Call for Proposals.

The electronic application form and templates for the mandatory attachments are available on the Fund Operator's Programme website <https://www.innovasjon Norge.no/roenergy>

Project applications will be submitted via application portal which could be accessed through the above-mentioned website.

The Application Form Guidelines is also available on the Programme's website.

6 Queries

Questions or further need for clarifications shall be sent in writing - in English - to the Programme's e-mail address RO.Energy@innovationnorway.no Queries will normally be replied to within 3-5 working days.

A Frequently Asked Questions section (FAQ) will be published on the Fund Operator's Programme website based on questions received from potential Applicants and Partner(s). The FAQ will be updated on a regular basis.

ANNEX I – List of mandatory documents

1. Expected outcomes of the implementation of the project (template to be used)
2. Detailed Activity Based Budget (template to be used)
3. Disbursement Plan (template to be used)
4. Project Implementation Plan (template to be used)
5. Procurement Plan (template to be used)
6. Letter of Commitment (template to be used)
7. Business Plan or Project Document (template to be used)
8. Draft Partnership Agreement (if relevant) (template to be used)
9. CVs of the project management team (template to be used)
10. Communication Plan (no template available)
11. Self-declaration re. undertaking in difficulty (template to be used)
12. Self-declaration regrading clean tax and criminal record of the Applicant (and Partner(s) – if relevant) and of the legal representative(s) (template to be used)
13. Relevant Registration Certificates and statutory documents
 - a) *Applicants – undertakings:*
 - certificate of status ('certificat constatator') issued by the Romanian Trade Register Office (which should include extensive information about the enterprise's up to date status).
 - b) *Applicants – NGOs:*
 - law court decision for the establishment of the NGO;
 - latest approved statute;
 - law court decision regarding the latest version of the statute (if the case).
 - c) *Applicants – public:*
 - incorporation documents demonstrating that the Applicant is a public authority/entity in Romania, registered in Romania.
 - d) *Partners:*
 - registration certificate (or similar), issued by the competent authority in the Donor State

- (Iceland, Liechtenstein or Norway)/Beneficiary State;
- latest approved statute (or similar), which proves that the Partner's main activity is closely related to the activities in which its contribution is proposed.
14. Certified annual financial accounts of the Applicant for 2017 and 2016, and the balance sheet/profit & loss statement as per 30 June 2018 (Romanian) as well as the latest approved and registered at the national financial authority's trial balance sheet for 2018.
15. Applicant's Annual report (year 2017).

ANNEX II – Glossary of terms

The following terms used in the present Call shall be understood as follows:

- **Applicant:** legal person applying for a grant.
- **Building Permit:** the final authorization document issued by the local public authority allowing one to execute construction works according to the legal stipulations on the placement, design, execution, operation and subsequent use of constructions (the Law no. 50/1991, reprinted, on authorizing the execution of construction works, as subsequently amended and supplemented).
- **Competitiveness:** enterprises' ability to offer products and services that meets the quality standards on the local and world markets at prices that are competitive and provide adequate returns on resources employed or consumed in producing them.
- **CO2 emissions:** includes greenhouse gases – CO2-equivalents: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), chlorofluorocarbons (CFCs), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).
 - o **Non-greenhouse gases:** sulphur oxides (SO₂), nitrogen oxides (NO₂), carbon monoxide (CO) and emissions of volatile organic compounds (VOC), excluding methane.
- **Donor Partnership Project:** is defined as cooperation between a Project Promoter in Romania and at least one legal entity in the Donor States (Iceland, Liechtenstein and Norway), implementing a project where all entities are independent of each other and perform substantial and relevant tasks in the completion of the project.
- **Donor States:** Iceland, Liechtenstein and Norway.
- **District heating system:** a system for distributing heat generated in a centralized location for residential and commercial heating requirements such as space heating and water heating.
- **Electric plant:** an assembly of plant, constructions and equipment required for electric power production;
- **(Electricity) producer:** a legal entity carrying out specifically electricity production activities, inclusively in cogeneration (the electricity law no. 13/2007, as subsequently amended and supplemented).
- **Heat plant:** a facility composed of one or more pieces of equipment connected to or part of a structure and designed to provide a service such as heat.
- **Geothermal Energy:** the natural energy flux through the crust and stored energy in the bedrock.
- **Hydropower:** the power produced by the courses, falls, water accumulation.
- **Hydroelectric power plant:** electric power plant, producing electricity through the transformation of hydraulic power.
- **European Economic Area (EEA):** the European Economic Area (EEA) unites the EU Member States and the three EEA States (Iceland, Liechtenstein, and Norway) into an Internal Market governed by the same basic rules. These rules aim to enable goods, services, capital, and persons to move freely about the EEA in an open and competitive environment, a concept referred to as the four freedoms.

- **Financial Mechanisms Office (FMO):** the office assisting the FMC in managing the EEA Financial Mechanisms 2014-2021. The FMO, which is administratively a part of the European Free Trade Association, is responsible for the day-to-day implementation of the EEA and Norway Grants Financial Mechanisms 2014-2021 on behalf of the FMC and serves as a contact point.
- **Financial Mechanisms Committee (FMC):** the committee established by the Standing Committee of the EFTA States to manage the EEA and Norway Grants Financial Mechanisms 2014-2021.
- **Fund Operator:** Innovation Norway.
- **Innovation:** enterprise's implementation of a new or significantly improved product (goods or services), or a process, a new marketing method, or a new organizational method in business practices, work place organization or an external relation. Innovation can be on enterprise level, sector level, national level or international level.
- **License (for the commercial use of the electric power production facilities):** the technical and legal document issued by the competent authority, whereby, upon the request of a Romanian or foreign individual/legal entity, the latter are granted permission to commercially use some energy facilities in the sector of electric power and thermal energy produced in cogeneration or to deliver the services required for the coordinated operation of SEN, respectively the electric power market (GR 540/2004, as subsequently amended and supplemented).
- **Non-governmental organisation:** a non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs.
- **Natura 2000 Notice:** the administrative document issued by the competent environment protection authority, containing the conclusions of the adequate evaluation, whereby the plan or project performance conditions are established from the standpoint of the impact on the protected natural areas of community interest, included or to be included in the Nature 2000 ecological network (GEO no. 195/2005, as subsequently amended and supplemented).
- **National Focal Point (NFP):** a national public entity designated by the Beneficiary State (Romania) to have the overall responsibility for reaching the objectives of the EEA and Norway Grants Financial Mechanisms 2014-2021 and implementing the Memorandums of Understanding on the Implementation of the EEA Financial Mechanisms 2014-2021.
- **Project:** an economically indivisible series of works fulfilling a precise technical function and with clearly identifiable aims related to the programme under which it falls. A project may include one or more sub-projects.
- **Project Contract:** an agreement between the Fund Operator and the Project Promoter regulating the implementation of a particular project.
- **Project grant:** a grant awarded by a Fund Operator to a Project Promoter to implement a project.
- **Project Promoter:** legal person having the responsibility for initiating, preparing and implementing a project.
- **Partnership Project:** is defined as cooperation between a Project Promoter in Romania and at least one legal entity in Romania, implementing a project where all entities are independent of each other and perform substantial and relevant tasks in completion of the project.
- **Profit:** difference between operating income and operating expenses.
- **Programme:** a structure setting out a development strategy with a coherent set of measures to be carried out through projects with the support of the EEA and/or Norway Grants Financial Mechanisms 2014-2021 and aimed at achieving agreed objectives and outcomes. In the context of this Call for Project Proposals, the term Programme is used in relation with the "Energy Programme in Romania".
- **Programme Operator:** a public or private entity, commercial or non-commercial entity, as well as non-

governmental organizations, having the responsibility for preparing and implementing a programme. As regards the “Energy Programme i Romania”, the Financial Mechanisms Office (FMO) was designated as Programme Operator.

- **Programme Partner:** a public or private entity, commercial or non-commercial, as well as non-governmental organisations, international organisations or agencies or bodies thereof, actively involved in, and effectively contributing to, the implementation of a programme. As regards the “Energy Programme in Romania”, the Programme Partners are:
 - o the National Energy Authority (OS) - Iceland,
 - o the Norwegian Water Resources and Energy Directorate (NVE) - Norway,
 - o the Romanian Ministry of Energy,
 - o the Romanian Ministry of Environment.
- **Renewable energy sources (RES):** non-fossil energy sources such as: wind, solar, geothermal energy, tide energy, hydropower, biomass, waste fermentation gas, also called deposit gas, sludge fermentation gas from the wastewater treatment plant and biogas.
- **SMEs:** Small and Medium-sized Enterprises, as defined within the Commission Recommendation (2003/361/EC)
- **Sustainable growth:** building a better society based on the three dimensions of sustainability; economic sustainability, environmental sustainability and social sustainability.
- **Turnover:** enterprise’s net revenue for a fiscal year (after deduction of VAT, trade reductions and other indirect taxes).
- **Value Creation:** it refers to initiatives to bring value to enterprise’s shareholders and/or customers/clients.

ANNEX III – Essential readings

Please find below the list of documents which are relevant for the present Calls and are available on the Fund Operator’s Programme webpage <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/funding-options/>

1. Standard Terms and Conditions for EEA/Norway Grants programmes operated by the Fund Operator Innovation Norway;
2. Project Assessment Criteria and Methodology;
3. Guidelines on Cross-Cutting Issues and Good Business Practice;
4. Communication Guidelines;
5. Application Form Guidelines;
6. Conversion Guidelines for Emissions;
7. Glossary of Terms.

ANNEX IV – The Cost-Benefit Analysis – preparation instructions

In order to prepare the Cost-Benefit Analysis (CBA), we recommend you to consult the following documents:

1. The European Commission Manual regarding CBA (“Guide to Cost-Benefit Analysis of investment projects”) http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/cba_guide.pdf
2. Guidelines on the application of some provisions of GD no. 28/2008 on the approval of the framework content of the technical-economic documentation related to public investments, as well as of the structure and methodology of development of the overall estimate for investment objectives; the

Official Journal no. 524/11.07.2008.

The results of the cost-benefit analysis shall be presented synthetically, in the following structure:

1. Project identification;
2. Defining objectives and indicators;
3. Financial analysis;
4. Economic analysis;
5. Sensitivity and risk analysis.

Clarifications regarding the mode of drawing up the cost-benefit analysis:

1. The price of the energy supplied shall be considered to be in a fixed value of EUR 50/MW (ref. data from OPCOM report for 2017). The cash flows in the basic analyses shall be maintained identical over the entire period of analysis, the potential fluctuations being considered in the sensitivity analysis;
2. The value of the initial investment shall not be updated, even if the investment is made in more than 1 year; the amounts resulted from operation (of the cash flow) shall be updated starting from operation year 1, that is, the first year since the implementation of the project;
3. The residual value, if meant to be considered, shall be determined by using the perpetuity method without a growth rate or the asset liquidation value;
4. The minimum reference periods for drawing up the analyses shall be established depending on the source of energy produced, as follows:
 - Geothermal: 15 years;
 - Hydroelectric plant: 25 years;
 - Energy from Other RES: 15 years.

NOTE: The failure to consider the clarifications regarding the mode of drawing up the cost-benefit analysis shall result in not scoring the relevant analysis/analyses.

The indicator “energy production cost in the analysis period” (EGC) shall be calculated based on the following formula:

a) In case of RES technologies producing **electricity**, the following calculation formula is to be used:

$$EGC = \frac{\sum_{t=1}^n [(I_t + M_t + F_t)(1+r)^{-t}]}{\sum_{t=1}^n [E_t(1+r)^{-t}]} \quad (\text{EUR/MWh}_e) \quad (1)$$

Where:

- EGC = cost of electricity produced in the analysis period, n
- M_t= operation and maintenance expenditure in year t
- F_t= fuel expenditure in year t
- E_t= electricity produced in year t
- r = reference rate
- n= analysis period (implementation period plus operation period)
- I_t = investment expenditure in year t

b) In case of RES technologies producing **thermal energy**, the following calculation formula is to be used:

$$EGC = \frac{\sum_{t=1}^n [(I_t + M_t + F_t)(1+r)^{-t}]}{\sum_{t=1}^n [H_t(1+r)^{-t}]}$$

(EUR/MWh_{th}) (2)

Where

H_t = the heating quantity produced, whereas the values I_t, M_t, F_t, r have the meanings previously mentioned.

Scoring the funding applications based on EGC is to be performed differently, depending on the sources of energy production, as follows: the project with the lowest value of the EGC indicator, for every component shall be assigned the maximum score mentioned in the scoring scale, the other projects being assigned a score calculated based on the following formula:

$$assigned_score = \frac{EGC_{min}}{EGC_{tendered}} \times maximum_score$$
