

Application Form for a project under the Recovery and Resilience Facility

1. Project name
Financing program of standalone energy efficiency measures in single-family buildings and multifamily buildings which are not connected to heat transmission and gas transmission networks.
2. Project description (goals, main activities).
<p>The aim of the project is to increase the energy efficiency of the end consumption in the household sector through financing the purchase of energy efficient thermal pumps, solar domestic hot water (DHW) systems and photovoltaic systems.</p> <p>The project allows financing of three types of energy efficiency measures for households:</p> <ul style="list-style-type: none"> - Replacement of existing heating appliances with high efficiency class thermal pumps (A++ and higher respectively SCOOP 4.6 or more) in buildings, which are not connected to heat transmission and gas transmission networks. <p>The maximum amount of the grant for a single household is expected to be 50% of the thermal pump value, however not more than 1,050 BGN. For a household which receives energy incentives is expected to be 100%, however not more than 2,100 BGN.</p> <ul style="list-style-type: none"> - <i>Solar DHW systems</i> <p>The maximum amount of the grant for a single household is expected to be 50% of the system value, however not more than 1,250 BGN. For a household which receives energy incentives is expected to be 100%, however not more than 2,500 BGN;</p> <ul style="list-style-type: none"> - <i>Photovoltaic systems up to 3 kW</i> <p>The maximum amount of the grant for a single household is expected to be 50% of the system value, however not more than 4,000 BGN. For a household which receives energy incentives is expected to be 100%, however not more than 8,000 BGN;</p> <p>The installed machinery and equipment have to be new – second-hand ones are not eligible.</p> <p>A household can apply for only one of the three measures.</p> <p>The share of households receiving energy benefits (item 3 “Beneficiaries” below) is determined according to data from the Ministry of Labor and Social Policy on the basis of targeted assistance provided for heating households during the heating season 2019/2020. Indicators for poverty and social inclusion and a combined indicator “Population at risk of poverty or social exclusion” of the 2019 NSI’s survey were also used to specify this share.</p> <p>The value of the systems under the individual measures, and hence the maximum amount of the grant, is determined by a marketing study.</p> <p>The project will help reduce energy poverty by implementing energy efficiency measures and RES recovery technologies.</p>

3. Beneficiaries

The Ministry of energy is the managing authority.

The municipalities are eligible beneficiaries.

Final beneficiary (user) of the support shall be the Bulgarian households – it is expected 10,680 households to be financed, of which 2,670 already receiving energy incentives.

The Ministry of energy shall execute contracts with the beneficiary municipalities, which shall allocate the financial resource within its territory. Eligible aid users shall be proprietors of standalone sites, which are not connected to heat transmission and gas transmission networks.

4. Project execution timeline, including activities, phases¹

	2021		2022				2023				2024			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Forming of the aid administrator team and defining the rules, which shall be followed for allocation of the funds under the program														
Signing of contracts with the beneficiary municipalities														
Application by the households														
Implementation of the EE measures in the households														

4.1. When can the Project be started at the earliest after its approval?

Within 6 months.

¹ The timeline is relevant for setting interim targets within the Recovery and Resilience Plan and has direct impact on the release of tranches from the financial support under the Recovery and Resilience Fund.

5. Indicative financial resource per activity, including sources of financing (State Budget, European financing, private financing, IFI).
Total amount of the financing for the period – 20 million BGN.
5.1. Distribute the financial resource indicatively, as per the expenditure type:
Physical capital (purchase of machinery and equipment) - 100%;
6. Indicators
6.1. Result Indicator/s
<p>Contracted financial resources:</p> <ul style="list-style-type: none"> - Initial value – 0 [30.09.2021] - Interim value – 2.8 million BGN [31.12.2021] - Interim value – 14 million BGN [30.06.2022] - Final value – 20 million BGN [31.12.2023] <p>The contracted financial resources will be distributed among the municipalities, which are not with poor air quality (see <i>item 8.2 below</i>), according to certain established criteria. Afterwards, the municipalities will identify final beneficiaries (households) at a municipal level. The distribution will take place according to the following schedule – 14% by 31.12.2021 and another 56% by 30.06.2022, which represents a total of 70% of the financial resources.</p> <p>Typically, there are more active and less active municipalities. The progress of financed households in municipalities will be reviewed by Q2 of 2023, after which the remaining 30% of the financial resources will be reallocated among the municipalities by the end of 2023.</p>
6.2. Effect indicator/s
<p>Annual energy savings</p> <p><i>Additional indicators:</i> Annual decrease of CO₂ emissions Annual saving of financial resources</p>
The effect indicators above cannot be quantified in advance.
Number of supported households, benefitting from improved energy efficiency: 10,680
<ul style="list-style-type: none"> - Initial value - 0 [30.06.2021] - Interim value – 3,048 [2022] - Interim value – 6,100 [2023] - Final value – 10,680 [2024]
7. Does the project implementation require conduction of a PPA procedure?
Yes

7.1. If a PPA procedure is required, what part of the activities and the financial resource shall be subject of the public procurement?
100%
7.2. If a PPA procedure is required, what shall be the indicative timeline for its implementation?
6 months as per signing of the Grant agreement, until Q3 of 2022.
8. Demarcation and complementarity.
8.1. If similar projects were implemented (regardless of their source of funding), describe how this project builds on/complements the achievements of the previous projects.
The project complements the National Energy Efficiency Program for multifamily residential buildings, and is focused mainly to measures, which are not eligible as per this program. Beneficiary households in single-family residential buildings are not eligible under this program.
8.2. If similar projects are foreseen to be implemented under the Partnership Agreement, the centrally managed EU instruments or the Just Transition Fund, outline the demarcation with the present project.
Under this project, funds will be provided to municipal administrations, which are not beneficiaries of funds for interventions for replacement of individual heating devices on solid fuel with environmentally friendly and energy efficient appliances/systems in municipalities with poor air quality.
9. Does the Project contribute directly to the implementation of any of the Specific recommendation of the Council to Bulgaria within the BGNpean Semester for the period 2017-2020? Please, describe how.
<p>Recommendation No.3 of the Commission to the Council Recommendations on 2020 National Reform Programme explicitly suggests Bulgaria “to focus investment on the green and digital transition, in particular on clean and efficient production and use of energy and resources, environmental infrastructure and sustainable transport, contributing to a progressive decarbonisation of the economy, including in the coal regions.”</p> <p>Application of this measure will contribute directly for stimulating the green and digital transition and will encourage the introduction of technological solutions for more efficient management and consumption of energy</p>
10. Does the Project contribute for the implementation of a reform in a specific sector? Please, describe how.
The Project refers to the reform: “Provision of information on the principle of one-stop shop”.

The project for financial support of efficiency increase measures and utilization of energy from RS by the end users contributes to the implementation of the following goals from the National Reform Programme, updated 2020, or in short 2020 National Reform Programme:

Specific policy and measures for reaching the targets, which are also valid for to the national targets in the climate-energy sector under the 2020 BGNpe strategy are specified under item 3.3 National targets under the Climate-energy package. The national targets in the area of decarbonisation, set in the INPEC, are as follows:

- Reaching RES energy share in the gross final energy consumption of 27,09 %;
- Reaching 27,89 % decrease of primary energy consumption and 31,67 % decrease of the final energy consumption until 2030, versus the PRIMES 2007reference scenario;
- 0 % increase of greenhouse gas emissions until 2030 versus 2005 for sectors, other than the sectors under the BGNpean greenhouse gas emission allowance trading scheme.

11. Does the project contribute to the development of any aspect of sustainable economic development? Please describe how.

Relevant UN Sustainable Development Goals:

Goal No. 7 Ensuring access to affordable, reliable, sustainable and contemporary energy for all.

- Sub-objective 7.3 Double the global rate of energy efficiency improvement by 2030

Goal No.8 Stimulate enduring, inclusive and sustainable economic growth, fully fledged and productive employment and decent work for all.

- Sub-objective 8.4 Gradually improve global resource efficiency in consumption and production by 2030 and encourage the decoupling of economic growth from environmental degradation in line with the 10-year framework of sustainable consumption and production programmes, as the developed countries are leading.

12. Does the project contribute to the implementation of the objectives of the National Development Program BULGARIA 2030? Please describe how.

The project contributes to the National Development Program BULGARIA 2030, namely, the project contributes directly to Development Axis 2 : 'Green and sustainable Bulgaria', Priority 4 'Circular and low carbon economy', supporting greater energy efficiency of energy companies and consumers, reducing energy consumption by businesses and creating prerequisites for the distribution and effective management of micro-networks for renewable energy.

13. Does the project contribute to the implementation of the objectives and the priorities set out in the Integrated National Plan 'Energy and Climate'? If the answer is 'yes', please describe how.

The project contributes to the implementation of the objectives set out in the Integrated National Plan 'Energy and Climate' under item 2.2 'Energy Efficiency' Dimension. Achieving the goals for increasing energy efficiency is strategically related to the renovation of the building stock, as priority will be given to energy efficiency in combination with the use of renewable energy sources in the buildings sector.

The project will contribute directly, as an alternative measure, as well as to the achievement of the National cumulative goal of Bulgaria for energy efficiency, determined according to the requirements of Art. 7 of Directive 2012/27/EU (amended by Directive (EU) 2018/2002).