Environment Fund Administration

Renewable energy projects and much more

What is the Environment Fund?

- **It is an economic and financial instrument designed to support and implement projects and programs regarding environmental protection;**
- It is a public fund mainly constituted out of penalties due for not respecting the cap regarding waste management, imposed by the national legislation.
- Its incomes constitute public revenues, part of the consolidated general budget, constituted by a special law setting out their destination: Government Emergency Ordinance no. 196/2005, as amended and supplemented;

Environment Fund Administration (EFA)

- Manages the Environment Fund;
- Main provider of financial support for environmental protection projects and programs nationwide;
- Is established in agreement with the European principles “the polluter will pay” and “corporate responsibility”;
- It is also supporting the financing of 27 categories of national project and programs for the sustainable development of Romania.

Main categories of projects financed from the Environment Fund

- Waste management;
- Water resource protection, integrated water supply systems, sewage and treatment plants;
- Afforestation of degraded land, ecological reconstruction and sustainable forest management;
- Education and public awareness on environmental protection;
- Biodiversity conservation and management;
- Increasing the production of energy from renewable sources;
- Restore rail infrastructure objectives severely affected by landslides that can Leads to obstruction of water courses;
- *Program on Installation of Heating Systems using Renewable Energy, including the Replacement or Completion of Classical Heating Systems*- **GREEN HOUSE;**
- The program to stimulate the renewal of the national car fleet;
- Program for the development of cycling infrastructure in urban areas;
- Reducing greenhouse gas emissions in transport by promoting Energy-efficient vehicles;
- Improving energy efficiency in buildings use;

“CASA VERDE”/ “Green House” Program

Program on Installation of Heating Systems using Renewable Energy, including the Replacement or Completion of Classical Heating Systems.

Basic information

Managing authority	Romanian Environment Fund Administration An estimated number of 15 to 20 people are involved in running the program at the headquarters of the EFA. They engage in evaluating applications and implementing the selected applications nationwide; Additional support came from the local offices of the National Environment Protection Agency. The agency aided the EFA in collecting applications and signing contracts with the beneficiaries after the application was selected.
Who could apply	Applications could be submitted for both **A. Residential Buildings** (with the exception of blocks of flats) and **B. Non-Residential Public Buildings**: public institutions or, local authorities buildings, private buildings deserving a public interest, including religious buildings.
Source(s) of funding	National public funds Source: from specific tax collected according to G.E.O. 196/2005 regarding the Environment Fund The revenues obtained from auctioning the Greenhouse gas emissions certificates.
History and background	"Casa Verde"/"Green House" Program - *Program on Installation of Heating Systems using Renewable Energy, including the Replacement or Completion of Classical Heating Systems*; Started on 1 July 2010; The purpose of this Program is to improve air, water and soil quality by reducing the CO_2 emissions and pollution caused by the burning of wood and fossil fuels, in order to produce heating energy for heating and/or domestic hot water; It encourages the use of renewable energy systems.
Period	So far, three funding sessions have been opened in: **2010, 2011** and **2016, with a total number of approximatively 50.000 applications!**
Type of program	Annually budgeted.

Statistical data about the Program

Building stock	**A. Residential Buildings**, Individual house units **B. Non-Residential Public buildings**
Physical volume	A. CASA VERDE **Residential Buildings (Individual House units)**- the number of projects already funded during 2010-2018 is **38.221.** The program is still ongoing in the sense that applicants selected in 2017 are implementing projects. B. CASA VERDE **Non Residential Public buildings**: **212** financing **contracts** during 2010-2016.
Financial volume	CASA VERDE **Residential Buildings (Individual House units)** 2010-2018 approximatively **50.000.000 Euro** financed. CASA VERDE **Non Residential Public buildings** 2010-2016: approximatively **35.000.000 Euro** financed.
Average subsidy level and leverage	The subsidy per average **Residential Buildings (Individual House units)** project depends on each type of eligible heating system in maximum amounts of: - 6,000 lei for installation of solar panels; - 8,000 lei for the installation of heat pumps; - 6,000 lei for a thermal energy producing installation based on bio-mass as: pellets, briquettes, wood chips, as well as any kind of vegetal, agricultural, forestry and vegetal waste.

Average subsidy level for **Non Residential Public Buildings**

- Funding amounts **90%** of the eligible cost of the project and is non-refundable. The percentage of **non-financed eligible expenditures together with ineligible expenditures** shall constitute the **applicant's own contribution**.
- Financing in staggered terms, within the period of validity of the contract for financing and as the project is being carried out.
- The amount of financing for public institutions may not exceed **430.000 Euro**, or **108.000 Euro** for cult units.

Types of installations funded

The **types of projects funded through the program:**

- Installation of pressurized / non-pressurized **solar panels**;
- Installation of **heat pumps** (geothermal), with the exception of air-to-air heat pumps.
- Installation of **bio-waste energy producing installations,** based on pellets, wood chips, as well as any kind of agricultural waste, forestry waste and vegetal waste.

The objective is to increase the share of energy produced from renewable sources.

The program's **performance indicator** is the number of heating systems using renewable energy installed through the program.

Main Eligibility criteria

Eligible applicants for **CASA VERDE Residential Buildings (Individual Units)**, **cumulatively need to** fulfill conditions:

- residents in Romania;
- buildings must not be the subject of any judiciary or legal procedure applicants have no outstanding obligations to the state budget, or to the local budget;
- had not received funding under the same program for the same building in previous sessions.

CASA VERDE Non Residential Public building need to meet **cumulatively** the following eligibility criteria:

- does not register outstanding payments to the state budget, local budget, environment fund.
- proves to ensure its financial contribution to the implementation of the project;
- there is a functioning water supply system in the construction for which financing is requested.

How it works

- **Application**
  - A. **Residential individual house units**:
    - The calendar is openly announced, and since national call session is launched, potential beneficiaries may register their application with the National Environment Protection Agency offices in the country in which they reside (Principle of proximity). The personnel verifies if the application file is complete, register applications on the website, and finally send the files to EFA.
    - In each county the call ends when budget limits are met.
  - B. **Non-residential Public buildings**: apply directly to EFA from the beginning of the call – until allocated budget is considered finished.
- **Evaluation**: the managing authority (EFA) is checking the content of the application file. Those who are rejected, may re-apply if the call is still on-going, if they are eligible. The process is clear and transparent. The evaluation results are published on the website of the EFA.
- **Installation**: the beneficiary must find the best option about the procurement of the equipment and its installation. Any qualified company could perform those actions.
- **Quality assurance**: EFA personnel participates on random base selection to site visits prior reimbursement. They check the quality of works, materials and technological equipment, real performance versus required level, etc.

CASA VERDE

SCHEMA PROCEDURALĂ DEPUNERE DOSAR DECONTARE
(conf. **Ordinului MMP nr. 950/2010**, publicat în **M Of. nr. 409/18.06.2010**)

Conclusions

Main lessons from the program:

- **it is much welcomed by beneficiaries and the demand is growing every year.** In 2016, half of the counties reached their allocated budget within two days from the first day of the call.
- there is an ongoing monitoring on random base selection.
- in 2010 and 2011, the bio-waste energy producing installation based on pellets, wood chips, as well as any kind of vegetal, agricultural, forestry, forestry waste and vegetal waste, were also considered eligible. Due to ambiguity of potential source material to be used in previous years within the biomass installations (e.g. use of raw wood in some cases, as noticed in monitoring period), the biomass equipment's were no longer included as eligible in 2016 for individual units.
- since 2016 the bio-waste installations remain eligible for category *B. Non-residential public buildings* projects deserving public institution or, local authorities buildings, or private buildings deserving a public interest, and monitored.
- the amount of funding supported solar panels heating system in 2016, was divided into two categories and maximum amounts granted from the Environmental Fund budget, depending on the type of installation, as follows:
    - up to 650 Euro, for the installation of unpressurized solar panels;
    - up to 1.300 Euro, for the installation of pressurized solar panels;

Difficulties met

- The available budget was insufficient reported to the total number of applications.
- The fluctuating annual budget brings forward a lack of a sustainable medium term financing strategy which would allow a certain degree of predictability for the Project.
- The reduced administrative component. 15 to 20 people who are evaluating and implementing thousands of projects, nation wide.
- The lack of a centralized national information system does not allow the elimination of certain documents from the financing application file.

Developing programs which are to be launched in the forthcoming period

Casa Verde Plus/ Green House Plus Programme

- The purpose of the program is thermoregulation by the use of **green materials**, **green roof systems, resource-efficiency systems**, as to improve **energy efficiency** in buildings
- Improving the quality of the environment by reducing energy consumption in buildings, energy efficiency by stimulating the use of organic-natural insulation materials.
- Objectives of the program Increase in the number of **Class A certified Energy buildings** for dwellings with a maximum P + 2E in the construction phase and **with an upper class** for existing dwellings.
- The financing volume is up to **8.600 Euro**, related to the eligible expenditures, but **not more than 25 Euro/m2** for the houses under construction and for the insulation of the existing houses.
  - the applicant can benefit from a single energy efficiency premium.
  - Eventual differences up to full cost coverage for the components covered by this guide as well as ineligible costs will be borne by the beneficiary from their own sources.

- **Who could apply:**
  - Administrative-territorial units
  - Public institutions
  - The worship units
- Buildings must be owned or managed by eligible applicants in which the following categories of services are carried out:
  - educational establishments and institutions
  - medical and sanitary units and hospitals, maternity centers
  - elderly's homes, social homes and canteens, rehabilitation centers , Night shelters, child placement centers.

Programme for installing solar panels for producing electrical energy

The program will be develop on two fronts:

1- Remote households:

- the main purpose of the programme would be the installation of photovoltaic panels in households which are located at least 2 km away from the last grid access point;
- the programme would be developed in a partnership with the administrative territorial units which will fill the application form on behalf of the applicant and furthermore register the applications with the EFA;
- another partner of the EFA for this programme will be the Ministry of Energy;
- the maximum amount for a photovoltaic panel will be approximatively 5000 EUR.

For Small Individual Household consumers

- After the modification of the legislation, the possibility of delivering to the grid the excessive renewable energy stored by individual household consumers.
- Through the program the installation of photovoltaic panels is financed with the provisions of excess energy is delivered to the grid.
- The provisions of the newly created legislation stipulate that small household consumers are waived from paying corporate tax if the output is below 6kW.