



ERDF Energy Grant Scheme Frequently Asked Questions (FAQs)

Application Process

I have a new building and until today I did not receive electricity bills. Considering that I cannot supply the requested electricity bills, can I apply anyway?

Yes you are in a position to apply on the condition that you submit estimates/ projections as substitutes to the electricity bills.

Does my Electricity bill need to tally with the applicant's address?

Yes, Malta Enterprise requires evidence that the applicant will be the beneficiary of the project and therefore the entity benefiting from the energy project. We are consequently recommending that the electricity bill tallies the applicant's name and address. Any change in company name and addresses can be reported to Enemalta in order to issue the change prior application. One can contact the following email for more information: customercare@wsc.com.mt.

Do I require an Energy Audit to apply for the ERDF Energy Grant Scheme?

No, the energy audit is purely voluntary. Of course, the Energy Audit is recommended because it will inform the applicant on what energy measures s/he should look into. Moreover, one is not limited to Energy Audits organized by Malta Enterprise as an applicant can commission his own independent Energy Audit for this to be considered as a supporting document to the application form. In certain cases, in-house energy audits can also be considered as a supporting document when this is carried out by in-house qualified personnel.

Do I have to submit three quotes?

Three quotes are required and although the applicant has the option to submit a justification, it is strongly recommended to submit three comparable quotes with every cost item. Please note that the acceptance of any such justification is subject to the Technical Evaluation Committee members' approval.

Do I have to choose the cheapest quote (from the three supplied)?

No, if a supplier offers you a better over all package that makes the product more competitive, the applicant may decide to choose a supplier having a more expensive quote. It is important to note that any cost item that is not the cheapest requires a justification highlighting the reasons why the cost item was selected.

My supplier has a patent (IP) on his solution and I cannot get the requested 3 quotes. Is this justification enough?

Applicants can get the three quotes from all over the world. One can look into close solutions to get the other quotes (quotes must be comparable) or even get the other quotes from foreign companies that are licensed to sell the same selected solution.

Do I need a MEPA Permit or MRA Notification / Authorization at application stage?

Applicants with projects in need of permits and authorizations from the relevant Government entities (such as MEPA and MRA), should submit a copy of the application for the relevant permits with this application form. Following evaluation, the short-listed Applicants would need to submit such authorizations prior to the issue of the Grant Agreement. In the case that the Applicant already has such approvals in hand, this should be attached as Annex 9.

Do Photovoltaic systems require MRA notification / authorization?

Yes, notification or authorization depends on the size of the Photovoltaic:

1. Installations less than 16 amps per phase have to submit a **notification** form to the MRA.
2. Larger installations (i.e. greater than 16 amps per phase) need to submit an **authorization** form to the MRA.

Where can I get the MRA notification / authorization application forms?

Application forms for notification and authorization can be obtained online from the following links:
MRA Notification - <http://www.mra.org.mt/Downloads/licences/notification-RES-v2-070212.pdf>
MRA Autorisation - http://www.mra.org.mt/Downloads/licences/generation_application_v1.pdf
Application forms may also be collected from: Ing Phyllis Micallef or Ing Peter Mifsud - Malta Resources Authority, Millennia, Triq Aldo Moro, Marsa MRS 9065.

If my project size exceeds €200,000 can I still submit a project under the ERDF Energy Grant Scheme?

Yes you are still in a position to apply but you will be only entitled to a maximum grant value of €100,000. To this effect it is recommended to split the project into phases with the first phase of up to €200,000 is the first phase of the assisted project under the ERDF Energy Grant Scheme.

Eligible Enterprises

Is the Transport sector eligible under the ERDF Energy Scheme?

Section 2 of the incentive guideline of the scheme defines eligible sectors - <http://support.maltaenterprise.net/doc/erdf/ERGY/ERDF.ERGY.2.pdf>. Enterprises engaged in the transport sector as defined in the EU NACE Code Classification – (http://ec.europa.eu/competition/mergers/cases/index/nace_all.html) above can now benefit under the scheme.

Can an Non Governmental Organisations (NGOs) and Non Profit Organisations (NPO) apply under the ERDF Energy Grant Scheme?

All Malta Enterprise schemes are open to enterprises as defined in the application form (i.e. Sole traders; Co-operatives; Registered Companies and Partnerships). If an NGO / NPO have a significant economic activity then they could consider setting up a company and apply for the scheme.

Eligible Costs

Is Wind technology eligible as an alternative energy cost?

Yes, Wind micro turbines are eligible as an alternative energy cost under the scheme. Of course one must satisfy the required MEPA permitting. One should consult MEPA's "*Planning Guidance for Micro-wind turbines*" document which is available on the following URL: http://www.mepa.org.mt/Planning/planning_policy/wind_turbines/Policy%20Guidance%20on%20Micro%20Wind%20turbines%20Public%20Consultation%20Draft%20July%202009.pdf

Is mobile infrastructure eligible?

With regards to eligible costs (irrespective of the sector) under ERDF rules, as defined by PPCD, costs in mobile equipment which entails the purchase or lease of mobile infrastructure (i.e. infrastructure that is used for transport) is considered as an ineligible cost.

This can be found in Annex 2 of the Notes to Applicants - <http://support.maltaenterprise.net/doc/erdf/ERGY/ERDF.ERGY.NOTES.pdf>.

Are Inverter AC/ VRV/F Air-Conditioning Units eligible costs under the scheme?

No, all AC units are not considered as eligible costs under this scheme. The rationale being that the primary aim of an AC unit is to cool/heat and not save energy. Please note as outlined in the Incentive Guideline – "*Any investments must be in equipment which has the main function of saving energy.*"

Is Double Glazing eligible under the scheme?

No, double glazing is not considered as an eligible cost under the scheme. As outlined in the Incentive guideline - *“All cost must relate to additional investments and not to the replacement of existing plant, machinery or other infrastructure.”*

Are Solar Films eligible?

Yes, solar films are considered eligible under the scheme since they are an additional investment to the current operations.

Can I replace my Solar Water Heater through the Grant?

Any costs related to replacement are not eligible under the scheme. As outlined in the Incentive guideline - *“All cost must relate to additional investments and not to the replacement of existing plant, machinery or other infrastructure.”*

Is Florescent Lighting an eligible cost under the scheme?

This cost item on its own is not considered as an eligible cost item. On the other hand, if the fluorescent lighting forms part of a holistic plan (i.e. – an intelligent lighting system) this could be considered as an eligible cost. In fact the Incentive Guideline states: *“The installation of intelligent lighting systems (this may only include energy saving lighting if such investments are part of a holistic plan);”*

Are Power Factor Correction solutions an eligible cost?

Power factor correction may be considered as an eligible cost in view of their energy saving nature. As stated in the Incentive Guideline, eligible costs include: *“Investments for the implementation of energy saving solutions”*.

Are external Aluminum Shading Blinds eligible under the scheme?

If this cost is an additional energy saving solution, this may be considered as eligible. Please note that as stated in the Incentive Guideline: *“All cost must relate to additional investments and not to the replacement of existing plant, machinery or other infrastructure.”* It is imperative that such energy saving solutions are clearly explained as “additional” in the application form for the evaluators to take such costs into consideration. Quantifying the amount of savings would also prove to be imperative in substantiating the argument.

Other General Questions

My company last year received €50,000 in *De minimis* Aid. Can I apply for the ERDF Energy grant scheme?

Yes your company can apply for the ERDF Energy Grant scheme since a single company may receive a maximum of €200,000 in *de minimis* aid over a rolling period of 3 fiscal years. In your specific case, you can still receive a total of €150,000 in *de minimis* aid. Considering that the ERDF Energy Grant Scheme caps the Grant Value to €100,000, this makes you eligible to apply.

If the Beneficiary is currently seeking buyers to take over the operations of the establishment, should the company be sold before the 5-year period stipulated in the grant agreement, will this present a problem to the implementation of the project and subsequent re-imburement?

As outlined in Article 6 in Annex 3 of the Notes to Applicants - <http://support.maltaenterprise.net/doc/erdf/ERGY/ERDF.ERGY.NOTES.pdf>

“Your enterprise is to remain a going concern for at least 5 years from the completion of the project and shall not undergo substantial modifications:

- affecting its nature or its implementation conditions or giving to a firm or a public body an undue advantage; and
- resulting either from a change in the nature of ownership in an item of infrastructure or a cessation or change of location in a productive activity”

Therefore, assuming you are awarded the grant the above text will be an obligation placed on you as a beneficiary and if the company undergoes a substantial modification, this may result into a full re-imburement of the funds.

When is the earliest that an applicant under the energy scheme can start implementing the project?

Successful Applicants can start their project after approval by Malta Enterprise. The principle of the projects starting after approval is the concept of “additionality”. If the project starts prior to Malta Enterprise approval the EU Commission may argue that the project would have been implemented without public funds and is not additional. “Additionality” is a fundamental principle of EU funded schemes, and the approach being taken above it to protect the clients’ interests in view of the possibility of EU audits.

What conversion equation is used for convert Light Heating Oil to Kilo-Watt Hours?

Equation: - 1tonne of LHO¹ = 12,100kWh

¹ 1tonne of LHO = 1185 ltrs of LHO - Source Eurostat Energy statistics manual - http://www.iea.org/Textbase/nppdf/free/2004/statistics_manual.pdf