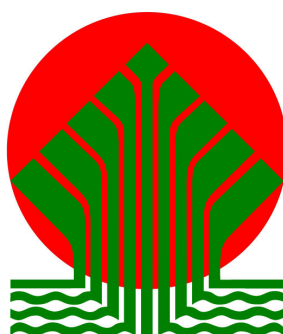


Green Investment Scheme (GIS) Programme

Part 4

CONSTRUCTION AND RECONSTRUCTION OF ELECTRICITY NETWORKS FOR CONNECTING RENEWABLE WIND ENERGY SOURCES



**National Fund for Environmental Protection
and Water Management
Green Investment Scheme Operator**

Poland

PRIORITY PROGRAMME

Programme title:

Green investment scheme

Part 4) – construction and reconstruction of electricity networks for connecting renewable wind energy sources

1. Objective of the programme:

Implementation of the programme will contribute to fulfilment of commitments resulting from:

1. the Accession Treaty;
2. the Kyoto Protocol to the United Nations Framework Convention on Climate Change from 11 December 1997 – ratified on 13 December 2002 (Dz. U. No 203, item 1683 and 1684);
3. Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC.

2. Indices of achieving the objective

1. Product index

Construction or reconstruction of electricity transmission or distribution networks in order to connect generative units of renewable wind energy sources of **total power ca. 2000 MWe**.

2. Result index

Amount of energy from renewable wind energy sources introduced to the National Electric Power System (NEPS) as a result of project implementations – 3 500 000 MWh/year.

3. Impact index

Increase in numbers of origin certificates (green certificates) generated from wind power on areas covered by the programme.

The indices of achieving the object / Greening effect planned as a result of AAU Purchase Agreements are in Annex No 1.

3. Budget

Budget is set to: **PLN 400 million** from the National Green Investments Scheme (GIS) or other NFEF&WM funds.

Forecast for disbursement of the budget:

Name of the priority programme:		Green investments scheme part 4) - Construction and reconstruction of electricity networks for connecting renewable wind energy sources				
Budget of the priority programme (in PLN mln)						
		year				
Planned commitments and disbursements		2010	2011	2012	Total 2010-2012	
I.	Planned commitments (value of contracts to be concluded in a given year)	60.0	200.0	140.0	400.0	
II.	Planned disbursements of commitments from item I. in 2010	0.0	xxxxxxxx	xxxxxxxx	0.0	
	Planned disbursements of commitments from item I. in 2011	10.0	0.0	xxxxxxxx	10.0	
	Planned disbursements of commitments from item I. in 2012	20.0	50.0	xxxxxxxx	70.0	
	Planned disbursements of commitments from item I. in 2013	30.0	150.0	140.0	320.0	
Total planned disbursements					400.0	

Proceeds information from AAU Purchase Agreements is included in Annex No 1.

4. Implementation period

1. Programme implementation: 2010 –2013.
2. Budget allocation: 2010 –2012.
3. Payments: until 31 December 2013.

5. Deadlines for applications

Announcements will be placed at www.nfosigw.gov.pl.

6. Legal basis for granting co-financing

1. Act of 27 April 2001 – Environmental Protection Law (Dz. U. of 2008 No. 25, item 150, as amended)
2. Act of 17 July 2009 on the system to manage the emissions of greenhouse gases and other substances (Dz. U. of 2009 No. 130 item 1070)
3. Act of 10 April 1997 – Energy Law (Dz. U. of 2010 No. 21, item 104, as amended)
4. Public aid will be granted according to provisions defined in the ordinance of the Council of Ministers of 22 December 2006 on establishing aid programme in the scope of regional public aid for certain environmental protection investments (Dz. U. No 246, item 175, as amended), hereinafter referred to as "the ordinance on regional aid".

7. Detailed provisions for granting co-financing

7.1 Forms of co-financing:

- 1) Co-financing in form of a subsidy paid as a premium for each kW of power connected from the source of renewable wind energy.
- 2) Granting co-financing may be preceded by a promise of subsidy.

7.2 Intensity of co-financing

Aid intensity is calculated with consideration of the total value of public aid from all sources envisaged in financing for a given undertaking and cannot exceed the allowed intensity of public aid defined in the provisions of the ordinance on regional aid.

7.3 Conditions of co-financing

- 1) Amount of subsidy: PLN 200 for each kW of connected power from sources of renewable wind energy but no more than 20% of eligible costs of the undertaking.
- 2) Conditions whose fulfilment will enable co-financing of the undertaking will be defined in the promise of subsidy.
- 3) Disbursement of funds will be possible after connecting sources of renewable wind energy to the network.
- 4) Minimum total cost of the project: PLN 50 million.
- 5) The deadline for completing project implementations: 31 December 2012.

7.4 Beneficiaries

Entities taking up implementation of undertakings within the scope of efficient transmission and distribution of electricity to enable connection of entities producing renewable wind energy to the NEPS.

7.5 Types of undertakings

Projects pertaining to construction or reconstruction of electricity network in order to enable connection of entities producing renewable wind energy to the NEPS, including implementation of the following tasks:

- 1) providing connections of renewable wind energy sources (transformer, segment of the line from energy source to connection point to the NEPS);
- 2) development of switchgear units of power WN 110 kV through additional bays (line bays, transformer bays, bus switch bays, clutch bays, measurement bays, auxiliaries bays, lightning rod bays and other) with connections, general improvement of supervision and control system (including monitoring);
- 3) development of network WN 110 kV – overhead lines or strengthening existing lines through changing wires and adding additional circuit;
- 4) connection between transformer and switching stations WN 110 kV and between them and the distribution network (220 kV or 400 kV);
- 5) construction of new segments of overhead network and cable networks;
- 6) construction of new, fully equipped transformer and switching station WN 110 kV;
- 7) construction of reserve electricity sources in order to stabilise networks supplied temporarily from renewable energy sources.

7.6 Procedure for granting co-financing (in the scope of GIS funds)

- 1) The call for proposals will take place under competition procedure. Announcement on the call of proposals and its conditions will be placed in a nationwide newspaper and on NFEP&WM website.
- 2) NFEP&WM after collecting applications within the competition will assess them and prepare a list of projects initially qualified for co-financing from GIS funds.
- 3) Contract for co-financing from GIS funds may be signed after approval of the project for co-financing made by the Minister of the Environment.

- 4) In the case the Minister of the Environment removing the project from the list of projects initially qualified for co-financing, the applicant has the right to appeal to the Minister and then in case of sustaining the decision, the right to appeal to the administrative court.

8. Detailed criteria for selection of undertakings

Access criteria				
Formal criteria:			Yes	No
1.1	Application is submitted within the deadline			
1.2	Application is submitted on valid form and filled out in Polish			
1.3	Application is complete, signed correctly, has required annexes for technical, environmental and financial assessment			
1.4	Application contains correct arithmetic calculations			
1.5	Type of undertaking is consistent with section 7.5 of the priority programme			
1.6	Applicant is included in the category "Beneficiaries" – section 7.4 of the priority programme			
1.7	Costs are consistent with the catalogue of "Eligible costs" indicated in section 9 of the priority programme			
1.8	Type and amount of planned co-financing are consistent with detailed provisions for granting co-financing defined in sections 7.1 – 7.3 of the priority programme			
1.9	Co-financing applied for is consistent with the principles of public aid			
Substantive criteria:			Yes	No
1.10	New devices were used			
1.11	Technical feasibility (including: correct selection of technology which guarantees material durability of the investment, realistic schedule of implementation).			
1.12	Environmental effect (including: reliability of assumptions and data, achievable environmental effect and possible to maintain during 5 years after completing the undertaking).			
1.13	Cost analysis (including: investment layouts and operational costs estimated on the basis of reliable data and realistic assumptions).			
1.14	Institutional structure and formal and legal aspects (including: transparent proprietary structure and legal form, clear contact relations, possession of required formal and legal documents, including administrative decisions, realistic schedule for obtaining other formal and legal documents)			
1.15	Financial structure (including: reliable financing, feasibility and financial durability of the undertaking, type and amount of collateral acceptable by the NFEP&WM)			
Does the application qualify for further assessment?				
Criterion for selecting applications				
2.1	Preference for projects implemented in areas with low density of 110 kV network			
Additional criterion for selecting applications¹				

¹ W przypadku tego samego wyniku oceny pod kątem kryterium 2.1

2.2	Documented readiness for implementation of the undertaking	
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The manner for calculating the index of 110 kV network density will be defined in competition documents.

List of documents required for issuing a promise of subsidy as well as granting co-financing will be defined in competition documents.

Negative result at the stage of access criteria excludes the application for co-financing from further proceedings.

9. Eligible costs

1. Eligible costs include costs of increasing transmission capacity of a network to the level corresponding to the capacity of connected units producing energy from renewable wind energy sources (one or many sources) confirmed in technically valid conditions of connection and the expert opinion on the impact of connected sources on the network.
2. In case when only part of increased transmission capacity within the project will be allocated for renewable energy, remaining costs will not be qualified for support. The share of eligible costs in total costs of the undertaking will be defined as the ratio of the capacity of connected renewable sources of wind energy to the increase in transmission capacity of constructed or reconstructed networks expressed in percentages.
3. Costs incurred for project implementation according to provisions of the contract for co-financing in the period between 1 January 2010 and 31 December 2012.

Costs eligible for co-financing from subsidies' funds:

1. cost of purchase or production of new tangible assets, including:
 - a. machines, devices (in this case *inter alia*, electricity lines),
 - b. tools, instruments and equipment,
 - c. technical infrastructure related to the new investment, where construction of technical infrastructure devices is understood as interior installations in technological facilities,
2. costs of installation and launching fixed assets,
3. costs of purchasing materials or construction works, on the condition that they are directly related to objectives of the supported undertaking,
4. costs of supervision.

10. Procedure for selection of undertakings

Procedure for selection of undertakings is defined in the Competition Regulations.

11. Other requirements

1. Beneficiary of the co-financing (when awarding procurements) is obliged to apply provisions of the Public Procurement Act (Dz. U. of 2007 No 223, item 1655, as amended), hereinafter referred to as the PPA, in case when he is the contracting party within the meaning of article 3 section 1 of the PPA including the case when conditions mentioned in article 3 section 1 point 5 of the PPA are fulfilled.
2. In the case when Beneficiary is not the contracting party mentioned in point 1, when awarding procurements he is obliged to apply rules of equal treatment, fair competition and transparency defined in article 3 section 3 of the PPA by concluding contracts in writing (unless other form is reserved for a given activity) in form of auction or tender mentioned in article 70¹—70⁵ of the Civil Code.

Annex No 1

Title of priority programme	Green Investment Scheme - Part 4) - construction and reconstruction of electricity networks for connecting renewable wind energy sources			
	proceeds	Indices of achieving the object / Greening effect		
		product indicator	result indicator	impact indicator - CO2 reduction
	in thousand PLN	MW	MWh/year	Mg CO2/year
EBOR Spain	45 000,00	267	533 000	465 000
total	45 000,00			