

## Incentives for Enterprise Energy Efficiency

***Matching grants (up to 30% from the amount financed by financial institutions)***

***Financial guarantees of payment performance of beneficiaries towards participating financial institutions***

### Beneficiaries

Industrial enterprises that plan to: procure equipment, installations and instruments; rehabilitate buildings through modernization of heating facilities; isolate walls, doors, windows, roofs, ceilings; build solar heating facilities; implement energy and fuel technologies from renewable sources used for heating, ventilation, electricity and hot water production; streamline the operation of heating and air conditioning systems; streamline the interior and exterior lighting system; etc.

### Relevant legislation

[GoM Decree on Energy Efficiency Fund No. 401 of 12 June 2012](#) (Official Gazette No. 126-129/448 of 22 June 2012)

### Using the incentive

The financial support is granted jointly by the participating financial institutions, the list of being published on the website of the Fund ([www.fee.md](http://www.fee.md)). The project approved by the Fund will be financed by the participating financial institutions in form of credit or financial leasing, the Fund contribution being in the amount of 30% from the financed amount (capital) or 15% of the total project cost in case of full financing by the beneficiaries of the investment project, based on the following conditions:

- Financing term: between 24 and 60 months;
- Annual interest rate: is set on individual basis (direct negotiations) by the participating financial institution and the project beneficiary;
- Reimbursement schedule: will be set on individual basis (direct negotiations) by the participating financial institution and the project beneficiary;
- Grace period (for capital): will be set on individual basis (direct negotiations) by the participating financial institution and the project beneficiary;
- Beneficiary contribution: at least 30% of the amount financed by the participating financial institutions;
- Administration fee: 0.2% of the financed amount provided by the Fund.

### **Grants:**

- Grant provided in the amount of 30% of the value financed by the participating financial institution (capital), in proportional rates for each due payment date in accordance with the reimbursement schedule, provided that the investment project is successfully implemented, as well as that the beneficiary has paid the due payments in strict accordance with the credit reimbursement schedule/leasing rates;
- Grant provided in the amount of 15% of the total project cost, provided it is successfully implemented, in case of full funding by the beneficiaries of the investment project.

### **Financial guarantees:**

- Guarantee types: partial financial guarantee;
- Guarantee amount: from 20% to 50% of the financed amount provided by the participating financial institutions, but not more than MDL 1,5 million;
- Guarantee period: for the entire duration of the Financing agreement, but no longer than 60 months;
- Guarantee fee: 2% yearly from the guaranteed amount;
- In case of execution of the financial guarantee during the period of the Financing Agreement, the guarantee value will be recovered from the account of the actual guarantees established by the beneficiary.

### **Eligibility criteria**

- The projects must implement energy efficiency technologies and/or renewable energy sources;
- The energy efficiency measures fully address energy efficiency problems, are based on the international best practices and result in energy savings that are well defined, quantifiable and confirmed;
- Project that provide for the use of RES must be based on advanced and commercially available technologies, using international best practices and applying modern technical solutions, using the existing renewable energy potential and that lead to a well-defined, quantifiable and justified energy production and/or replacement of conventional fuels;
- Technical, financial and environment documentation included in the project is complete and acceptable from a qualitative point of view; the delineation of facilities and systems concerning the EE and RES measures is well determined; the information is complete, consistent and appropriately documents; the implementation measures, technologies and methods are clearly described and the relevant quantities are presented in appropriate detail; the estimations are based on professional calculation methods, using clearly defined and transparent data and justified and reasonable hypotheses;
- The amount requested from the Fund for the project financing is between MDL 300,000 and MDL 3,000,000;
- The own contribution of project beneficiaries is of at least 30% of the total project cost;
- The period of the return on investment (simple method) in the field of EE should not exceed 7 years, while in case of RES projects it should not exceed 15 years. If the measures used within the same project will provide for mixed measures, the period of the return on investment will be calculated separately for each field of the respective project;
- At least 35% of project benefits in the EE field should originate from measurable and quantifiable energy savings. Other project benefits may originate from other economic, technical, etc. indicators;
- The part of the investment project cost to be financed by the participating leasing companies should concern exclusively the procurement and delivery of portable/mobile equipment, being available for commercialization, such as:



- ✓ High-efficiency biomass and gas cauldrons with a thermal capacity of up to 1,5 MW;
- ✓ High-efficiency motors with or without inverters;
- ✓ Converters;
- ✓ Thermal energy generation systems;
- ✓ Electricity and heating consumption optimization systems; ≤ Coldness production systems;
- ✓ Compressed air production systems;
- ✓ Pellet and briquette production systems;
- ✓ Conditioning and ventilation systems;
- ✓ Control and automation systems;
- ✓ Interior and exterior lighting system;
- ✓ Other.

