



Government Support Scheme for Ring Fencing Revenues from the Sale of AAUs for Increasing Energy Efficiency of Houses Used by the Population Facing Fuel Poverty

I General considerations

Whereas Romania is committed towards increasing the energy efficiency of its housing stock, and in doing so, the Romanian Government is committed towards supporting the population facing fuel poverty in covering the costs of increasing energy efficiency of their houses and therefore alleviating fuel poverty,

Whereas increasing the energy efficiency of buildings is an objective of high priority at European Union level,

Whereas the Romanian state can obtain significant revenues from the sale of AAUs on the international market and can thus increase the resources of the Environment Fund,

Considering also the fact that the national legislation currently in force and effect provides for the possibility to use the amounts collected in the Environment Fund for projects aiming to improve energy efficiency in buildings, through “*green investments*” (investments in projects resulting in reducing greenhouse gas emissions),

the Romanian Government hereby approves the following support scheme:

II Definitions

Terms listed below shall have the following meaning:

- (a) AAU –means assigned amount unit of CO₂, as defined under Government Emergency Ordinance no. 29 of March 31, 2010 on the use of the surplus of amount units assigned to Romania under the Kyoto Protocol, as subsequently amended;
- (b) Affordable costs – means costs not exceeding more than [●]% of a household’s income;
- (c) Applicant –means the household’s representative who is applying for the financial support for heating and who can be, as the case may be: the owner of the house, the lessee, in case of a lease or a free lease agreement;
- (d) Eligible costs – means costs defined as eligible under the methodology for granting financial support for thermal rehabilitation of houses occupied by

households facing fuel poverty, as prepared in accordance with Article 4.1.3. of this support scheme;

- (e) Environment Fund – means the environment fund, as defined by Government Emergency Ordinance no. 196 of December 30, 2005 on the Environment Fund, as subsequently amended;
- (f) Environment Fund’s Administration - means the environment fund’s administration, as defined by Government Emergency Ordinance no. 196 of December 30, 2005 on the Environment Fund, as subsequently amended;
- (g) Financial support for increasing energy efficiency - means the financial contribution received by a household for covering[●]% of that household’s eligible costs arising from thermal rehabilitation works;
- (h) Fuel poverty - means a household’s inability to ensure the thermic comfort of its house at affordable costs out of the household’s income;
- (i) GEO 196/2005 – means Government Emergency Ordinance no. 196 of December 30, 2005 on the Environment Fund, as subsequently amended;
- (j) House – means the living space, irrespective of the title it is used on, where a household lives continuously;
- (k) Household – means the husband, the wife, as well as other persons, irrespective whether they are bound by family connections or not, who have the same domicile or residence and/or live and manage the household together [for a period of time longer than 30 (thirty) calendar days, consecutive or cumulated, during the cold season];
- (l) Household’s income – means all income of all members of one household, including but without being limited to, salaries, unemployment benefits, child support, stimuli for the parent who has the right to paternity/maternity leave but who returns to work before one year, family support, social support for ensuring the minimum guaranteed income, support for disabled people, etc.;
- (m) Thermal rehabilitation – means the construction works undertaken for upgrading the energy efficiency of the housing stock subject to this support scheme up to at least [energy efficiency standards to be included by energy specialist];
- (n) Thermal rehabilitation programmes – means programmes for the thermal rehabilitation of the existing housing stock, whether managed by local public authorities or by the central public authorities, with the support of the local public authorities.

III Directing revenues from the sale of AAUs for thermal rehabilitation of houses used by population facing fuel poverty

- 3.1 A percentage of [●]% of the amounts collected in the Environment Fund from the sale of AAUs at the end of each of the years [●] is ring fenced as financial support for projects aimed at improving energy efficiency in houses used by population facing fuel poverty, in accordance with article 13, paragraph (1), letter x) of GEO 196/2005.
- 3.2 The amounts determined as per 3.1 shall be used exclusively for the purpose of supporting energy efficiency increase, by thermal rehabilitation works, in houses used by population facing fuel poverty.

IV Financial support scheme for thermal rehabilitation of houses used by population facing fuel poverty

- 4.1 **Eligibility criteria for financial support scheme for thermal rehabilitation of houses used by population facing fuel poverty**
 - 4.1.1 Households facing fuel poverty are entitled to financial support for the thermal rehabilitation of their houses under the terms and conditions of this support scheme, whenever:
 - (a) Such households use houses located in blocks of flats or single houses which are included in thermal rehabilitation programmes, or
 - (b) Such households use single houses which are not included in thermal rehabilitation programmes and applicants submit applications to this end with the local public authorities.
 - 4.1.2 The housing stock has to be built and handed over by the end of 2000.
 - 4.1.3 Simultaneously with the application for financial support for heating, however not later than [15 October of each year], applicants shall also submit a separate application for financial support for thermal rehabilitation, and shall also express their consent for being included in thermal rehabilitation programmes, if the case. / [Applicants having submitted applications for financial support for heating shall be automatically considered to have expressly consented to their houses being included in the thermal rehabilitation programmes, if the case, and to having applied for the financial support for thermal rehabilitation.]
 - 4.1.4 Applicants who do not have an ownership title over the houses they live in shall also provide a notarized document indicating the consent of the rightful owners of the houses to having the houses included in thermal rehabilitation programmes, or to benefiting from this support scheme in case of single houses not included in thermal rehabilitation programmes, under the terms and conditions of this support scheme, as the case may be.
 - 4.1.5 The template application shall be made available by the local city hall through the owners' associations for applicants living in blocks of flats, or directly to those

applicants living in single houses and made available on the internet webpage of the local city hall.

- 4.1.6 In case of thermal rehabilitation programmes approved by the Environment Fund's Administration, the right to financial support for thermal rehabilitation shall be determined by order of the mayor. Such orders are communicated until [15 November] to applicants, owners' associations, Environment Fund's Administration [and county agencies for social protection], and will indicate the amount of the financial support for thermal rehabilitation.
- 4.1.7 In case of single houses not included in thermal rehabilitation programmes, the right to financial support for thermal rehabilitation shall be determined by decision of the Environment Fund's Administration. Such decisions are communicated until [15 November] to local public authorities [and county agencies for social protection], and will indicate the amount of the financial support for thermal rehabilitation. Local public authorities shall then communicate the decisions to the applicants within [15 (fifteen)] calendar days as of having received these decisions from the Environment Fund's Administration.
- 4.2 **Level and payment of financial support for thermal rehabilitation of houses used by population facing fuel poverty**
 - 4.2.1 The financial support for thermal rehabilitation of houses occupied by households facing fuel poverty shall cover [●]% of the eligible costs, however not exceeding RON [●] per household, as regulated under the methodology as developed as per Article 5.2 of this support scheme.
 - 4.2.2 The financial support for thermal rehabilitation of houses occupied by households facing fuel poverty shall be covered from the following resources: (i) [80]% from the Environment Fund, in accordance with Article 3.1 of this support scheme; and (ii) [20]% from the local budgets, as established by local public authorities.
 - 4.2.3 The financial support for thermal rehabilitation works shall be transferred by the Environment Fund's Administration as follows:
 - (a) to the local public authorities, in case of thermal rehabilitation programmes run by the local public authorities, within [30 (thirty)] calendar days, based on the minutes for the handing – taking over of the thermal rehabilitation works signed between the local public authorities and the selected companies having undertaken thermal rehabilitation works;
 - (b) directly to the applicants, in case of households using single houses, within [30 (thirty)] calendar days, based on the minutes for the handing – taking over of the thermal rehabilitation works signed between the applicant and the company/companies having undertaken the thermal rehabilitation works.

- 4.2.4 Local public authorities shall submit with the Environment Fund's Administration copies of the minutes for the handing – taking over of the thermal rehabilitation works within maximum [30 (thirty)] calendar days as of signing date.
- 4.2.5 Local public authorities shall pay the prices for the thermal rehabilitation works under the terms and conditions of the agreements for the provision of thermal rehabilitation works signed with the companies selected following public procurement procedures.

V Obligations of the local public authorities

- 5.1.1 Local public authorities shall have the following obligations in implementing this support scheme:
- (a) Develop local thermal rehabilitation programmes for the housing stock in their jurisdiction, and submit applications with the Environment's Fund Administration for securing funding under this support scheme;
 - (b) Include with priority the housing stock of the population facing fuel poverty in thermal rehabilitation programmes, and to this end ensure that annual thermal rehabilitation programmes include minimum 20% of the housing stock of the population facing fuel poverty;
 - (c) Draft applications (application forms and projects) for and on behalf of the households facing fuel poverty using single houses, whenever these houses are not included in thermal rehabilitation programmes;
 - (d) Submit with the Environment Fund's Administration the applications of households using single houses within [5 (five)] calendar days as of receiving such applications;
 - (e) Organize and finalize public procurement procedures by signing agreements with selected companies for the provision of thermal rehabilitation works by [1 February of each year] for the thermal rehabilitation works included in the thermal rehabilitation programme for that respective year;
 - (f) Inform the Environment Fund's Administration by [15 February of each year] of the results of the public procurement procedures, including *inter alia* information on the prices offered by the selected companies for undertaking the thermal rehabilitation works, name and headquarters of the selected companies, implementation schedule for the envisaged thermal rehabilitation works;
 - (g) Subject to the financial support for thermal rehabilitation being covered from local budgets, mayors may request payment of the financial support for thermal rehabilitation from the Ministry of Resort by [30 April of the following year] at the latest;
 - (h) Monitor the thermal rehabilitation works performed by the companies selected following public procurement procedures, and enforce the sanctions provided

under public procurement agreements, when the thermal rehabilitation works do not comply with the standards included in the thermal rehabilitation programme;

- (i) Monitor the energy savings achieved following the implementation of the yearly thermal rehabilitation programmes, report the monitoring results to the Environment Fund's Administration and also make them publicly available on their official websites;
- (j) Provide data, information and supporting documents to the Environment Fund's Administration, as requested by the Environment Fund's Administration, in exerting its monitoring prerogative over the implementation of this support scheme.

5.1.2 The methodology for granting financial support for thermal rehabilitation of houses occupied by households facing fuel poverty shall be established by guideline prepared by the Environment Fund's Administration and approved by order of the head of the central public authority for environment protection and climate change. Such methodology shall establish the eligible costs under this support scheme for thermal rehabilitation of houses used by population facing fuel poverty.

VI Monitoring

6.1 The Environment Fund's Administration shall monitor and control the implementation of this support scheme, in accordance with article 3, paragraph (3), letter d) of GEO 196/2005, and local public authorities or applicants using single houses not included in thermal rehabilitation programmes are compelled to collaborate with the representatives of the Environment Fund's Administration and provide data, information and supporting documents, as requested.

VII Final provisions

- 7.1 The Environment Fund's Administration shall elaborate a guideline for the methodology for granting financial support to households facing fuel poverty within [90 (ninety)] calendar days as of the entry into force of this support scheme.
- 7.2 The standards of costs for project requesting funding under this support scheme shall be: (i) in case of flats/apartments situated in blocks of flats, the standards of costs established by [Annex 2.4 of Government Decision no. 363 of April 14, 2010, as subsequently amended]; and (ii) in case of single houses, the standards of costs established by [new enactment to be issued].
- 7.3 The decisions on the approval/rejection of a project for thermal rehabilitation of houses used by the population facing fuel poverty can be challenged according to the Administrative Contentious Law no. 554/2004, as subsequently amended.
- 7.4 Beginning with the [second year] following the launch of this support scheme, local public authorities shall conduct surveys to identify the social categories which,

although not registered for financial support for heating, are not able to cover their share of the thermal rehabilitation costs. The social categories thus identified shall become eligible applicants under this support scheme beginning with the [third year] following the launch of this support scheme.

- 7.5 The Environment Fund's administration is compelled to share with the Ministry of Regional Development and Public Administration and the Ministry of Labour, Family, Social Protection and Elderly the data about the energy savings achieved following implementation of this support scheme, the applicants having benefited from this support scheme as well as the funds allocated in this respect.
- 7.6 The local public authorities' failure to comply with the provisions of:
- (a) Article [V] shall result in the [mayor being sanctioned with a fine amounting to RON [●]].