

## Energy efficiency scheme for Sport Organisations

IN order to assist sport organisations in reducing their energy consumption and to address the national final energy consumption target, the Energy and Water Agency in collaboration with SportMalta is administering the following national funded scheme which aims to promote investment leading to improved energy efficiency in sport organisations.

### 1. Scheme Description

The main objective of the aid scheme is that sport organisations would improve their overall energy performance through an increase in energy efficiency. The assistance is intended to facilitate investment in solutions that contribute directly towards a reduction in the energy requirements of the beneficiaries. Eligible projects under this scheme have to satisfy one or more of the following:

- 1) Improvement in equipment efficiency. Eligible interventions include but are not limited to scrapping of inefficient appliances and replacement with new models (the new model has to be of similar capacity/power unless it is proved that the existing equipment is underperforming due to capacity/power/size), and upgrading motors with variable speed drives.
- 2) Energy related building envelope improvement. Eligible interventions include but are not limited to roof insulation, replacement of single glaze apertures to double glazing and the installation of appropriate awnings/shading devices.
- 3) Reduction of energy consumption for heating and cooling systems. Eligible interventions include but are not limited to the replacement of electric water heaters with solar water heaters or air to water heat pumps, scrapping of old AC units with new models (the new model has to be of similar capacity/power unless it is proved that the existing equipment is underperforming due to capacity/power/size).
- 4) Improvement of lighting efficiency. Eligible interventions include but are not limited to the replacement of existing luminaires to LED and other passive systems such as presence or daylight sensors which help reduce consumption.
- 5) Any other action not contemplated in the above-mentioned projects which is expected to result in annual energy savings of at least 20%.

Projects which fall under the following categories are not considered eligible under this scheme.

1. Improvements in equipment or systems which could have a direct impact on competition results/performance.
2. Interventions addressing water systems which do not result in end use energy savings.
3. Installation of photovoltaic panels.
4. Consumables.
5. Maintenance work.

## 2. Definitions

**Single undertaking** includes all undertakings having at least one of the following relationships with each other:

- a) One undertaking has a majority of the shareholders' or members' voting rights in another undertaking;
- b) One undertaking has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking;
- c) One undertaking has the right to exercise a dominant influence over another undertaking pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of association;
- d) One undertaking, which is a shareholder in or member of another undertaking, controls alone, pursuant to an agreement with other shareholders in or members of that undertaking, a majority of shareholders' or members' voting rights in that undertaking.

Undertakings having any of the relationship referred to in points (a) to (d) above through one or more other undertakings shall also be considered to be a single undertaking.

**Warranted engineer** means an engineer which has been granted a warrant under article 4 of the Engineering Profession Act (Cap. 321).

## 3. Beneficiaries

This scheme is available to sport organisations duly registered with SportMalta who own their premises or are using Government property as their premises. Eligible interventions have to be carried out in such premises.

## 4. Details of Aid

The aid shall be in the form of a grant.

## 5. Eligible Costs

This scheme may support investments in tangible assets procured as part of a project carried out by an eligible undertaking to achieve a higher level of energy efficiency.

Aid shall not be granted where investment and/or improvements are undertaken to comply with Union standards already adopted, even if they are not yet in force. Aid will be granted under the *de minimis* Regulation. The minimum eligible cost shall be Euro 250 excl. VAT and the maximum eligible cost shall be capped at Euro 50,000 excl. VAT. The grant shall cover 100% of the eligible cost in the case of investments up to Euro 20,000 (excl. VAT) and 90% of the eligible cost in the case of investments greater than Euro 20,000 (excl. VAT) and up to Euro 50,000 (excl. VAT).

## 6. Application Procedure

Eligible organisations will be required to register their interest and apply with SportMalta. The application must include a specific proposal assessment prepared by a warranted engineer. The specific proposal assessment should include:

- a) identification of which requirement/s outlined in section 1 is being addressed;
- b) a baseline of present energy consumption. The submitted energy consumption has to be relevant to the intervention proposed;
- c) a recommendation for pursuing the proposed investments including reasons justifying change of size/capacity of proposed replacement equipment if applicable; and
- d) an analysis of the expected energy savings of the proposed project.

Proposed investment with an eligible cost less than Euro 5,000 (excl. VAT) will be provided with free-of-charge technical assistance in order to collate the information outlined in (a) to (d) above and enable the submission of the application. The sport organisation needs to contact SportMalta prior to submitting the application in order to request for such technical support. Incomplete applications will not be processed. A valid application has to include all the details required in the specific proposal assessment.

Each application will be assessed by SportMalta, in collaboration with the Energy and Water Agency. This assessment will also check that the prices submitted at application stage are within +/- 20% of the average market prices. Project proposals which fail to comply with this requirement will be rejected. The application must be approved by SportMalta before any equipment is purchased and installed. If the scheme criteria are met and the application is successful, the applicant will receive a grant offer letter valid for 6 months. At this stage the applicant may purchase and install the product. Any cost incurred prior to the issuing of the grant offer letter will not be considered eligible. In case of rejection, a letter of rejection will be sent to the non-compliant applicant. The reason for rejection will be indicated in the letter. Any requests for review from rejected applicants will be assessed by a Review Committee specifically appointed to hear objections from decisions under this scheme. Applicants will be informed of the Review Committee decision.

Following completion of the approved project proposal, the beneficiary has to submit a completion form. This form shall include a detailed report as well as a claim for reimbursement. The report shall include details of the installed equipment (manufacturer and model, serial number of installed equipment and warranty), proof that the scrapped equipment has been disposed of correctly (if applicable) and deemed energy savings validated by the warranted engineer. In the case of projects with an eligible cost below Euro 5,000 (excl. VAT) the applicant will be provided with free-of-charge technical support in order to complete the detailed report. In such cases, once the approved project proposal is completed, the beneficiary has to contact SportMalta to request such technical support.

SportMalta in conjunction with the Energy and Water Agency will assess the detailed report against information provided in the original pre-purchase application. The assessment will also include a site-visit where necessary. If the assessment is satisfactory and all the required financial documentation has been submitted, payment of the grant will be processed. Completion forms which are incomplete will not be processed. The completion form has to include all required original fiscal receipt/s and commercial invoices relating to the expenditure of the approved project.

Following payment, the beneficiary will still be required to participate in any audits that may be carried out.

## **7. Application Form**

Applicants may apply for a grant under this scheme by means of the Application Form downloadable from SportMalta's website (<https://www.sportmalta.org.mt/>).

Applications should be submitted on the appropriate form together with all the required supporting documents by mail to: **SportMalta, Energy Efficiency Support Grant, Regulatory Affairs Department, Cottonera Sports Complex, Cottonera Avenue, Cospicua BML9020.**

## **8. Duration of the scheme**

Applications under this scheme may be validly received as from the 25<sup>th</sup> March, 2019 to 6<sup>th</sup> June, 2019.

No sport organisation will be entitled to more than one successful application during this period.

The scheme may be modified or terminated before that date by means of a notice in the Government Gazette. This scheme may be renewed as may be deemed necessary by the Energy and Water Agency also by means of a notice in the Government Gazette.

## **9. State Aid Rules**

The proposed scheme is in line with the Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (the *de minimis* Regulation).

In conformity with Article 1 of the *de minimis* Regulation, no aid will be granted to those undertakings expressly excluded from receiving it.

The total amount of *de minimis* aid granted to a single undertaking shall not exceed €200,000 (or €100,000 in the case of single undertakings performing road freight transport for hire or reward) over any period of three fiscal years.

The rules on cummulation outlined in Article 5 of the *de minimis* Regulation will be respected.

The *de minimis* declaration form must be filled in and submitted together with the application form. This will be done in order to ensure that the amount of *de minimis* aid granted to a single undertaking will not exceed the applicable *de minimis* threshold over a period of three fiscal years.