



SUSTAINABLE
ENERGY WEEK

#EUSEW2021

MODERNISATION FUND

First investments in decarbonising the energy systems
in Central and Eastern European countries

21 October - 15:00 to 16:30

MODERNISATION FUND

Supporting investments in:



Renewable
energy



Energy
efficiency



Energy
storage



Energy
networks



Just transition
in carbon
dependent
regions

in 10 lower-income EU Member States



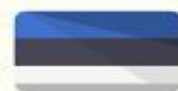
Bulgaria



Croatia



Czechia



Estonia



Hungary



Latvia



Lithuania



Poland



Romania



Slovakia

Funded by the EU Emissions Trading System

MODERNISATION FUND SIZE

Modernisation Fund	Member States	Share	MF allowances	Transfers	Total
As per Article 10(1) of ETS Directive, 2% of cap	Bulgaria	5,84%	16.095.825	0	16.095.825
	Czechia	15,59%	42.968.135	150.184.557	193.152.692
	Estonia	2,78%	7.662.054	0	7.662.054
	Croatia	3,14%	8.654.262	5.978.852	14.633.114
	Latvia	1,44%	3.968.834	0	3.968.834
	Lithuania	2,57%	7.083.265	8.696.818	15.780.083
	Hungary	7,12%	19.623.677	0	19.623.677
	Poland	43,41%	119.643.793	0	119.643.793
	Romania	11,98%	33.018.490	167.747.579	200.766.069
	Slovakia	6,13%	16.895.104	35.011.645	51.906.749
	Total	100,00%	275.613.438	367.619.451	643.232.888

EXTENDED PROGRAMME

11-22 OCTOBER 2021

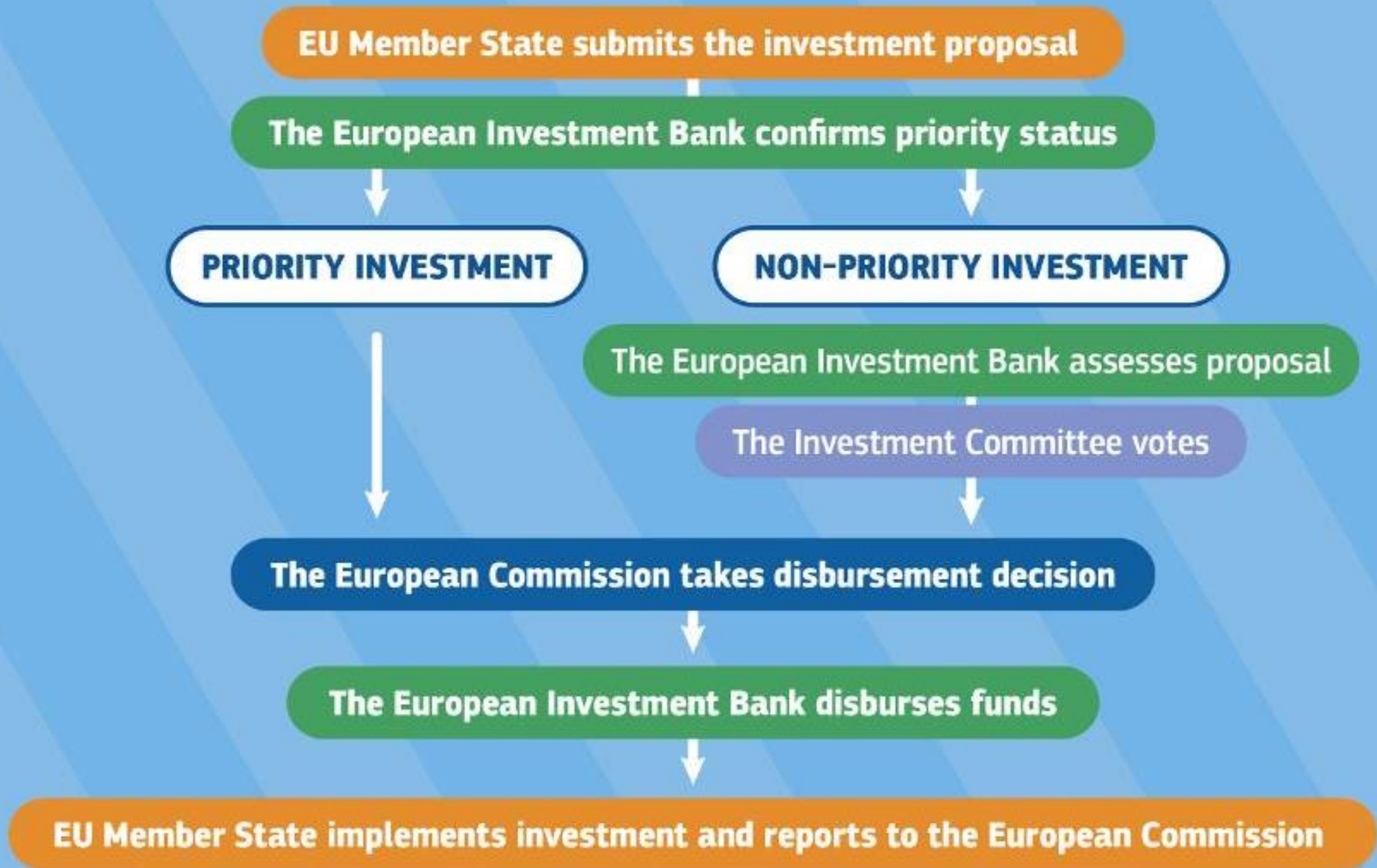
TOWARDS 2030: RESHAPING THE EUROPEAN ENERGY SYSTEM

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TYPES OF INVESTMENTS

	Priority investments	Non-priority investments
Scope	<ul style="list-style-type: none"> • Generation and use of renewable electricity • Energy efficiency improvements • Energy storage • Modernisation of energy networks • Just transition in carbon-dependent regions 	<ul style="list-style-type: none"> • Any other investment in line with the objectives of the Modernisation Fund • Solid fossil fuels <u>not</u> eligible (except efficient and sustainable district heating in BG and RO)
Maximum funding	Up to 100% of relevant costs	<ul style="list-style-type: none"> • Up to 70% of relevant costs • Remaining costs by private legal entities
Fund allocation	At least 70% of the Fund	At most 30% of the Fund
Types of investment	Individual investments Multiannual schemes	Individual investments Multiannual schemes

Two disbursement cycles each a year



OUTCOME OF FIRST INVESTMENT CYCLE

- Investment Committee took place on 22 June
- First disbursement decision adopted in July 2021= EUR 304 mn disbursed to CZ, HU and PL
- Priority investments only

Country	Topic	Amount (EUR mn)
CZ	PV installations (capacity <1MW)	39
CZ	PV installations (capacity >1MW)	163
PL	Roll-out of smart meter infrastructure	44
PL	Development of power grids for future electric car charging stations	22
PL	Promotion of EE in existing buildings	25
HU	Establishment of energy communities	11

MODERNISATION FUND - WHAT IS THE NEW PROPOSAL FOR A REVISED EU ETS?

- **Commission proposal: 14 July 2021**
- **Proposal for revised size:**
 - **2% cap of total ETS allowances as Modernisation Fund endowment = maintained**
 - Same 10 beneficiaries as under current rules (same distribution key)
 - **Additional 2.5% of the cap (scope: existing ETS only).**
 - Top-up distributed across 12 Member States (+ Greece and Portugal)
 - Possibility to transfer additional allowances granted for solidarity purposes is maintained
- **Proposal for revised scope:**
 - No more support to energy generation facilities that use fossil fuels;
 - Increase in the percentage to be invested in priority investments (from 70% to 80%)
 - Heating and cooling based on renewables eligible as a stand-alone priority investment
 - Inclusion of support to low-income households to address energy poverty and to modernise their heating systems eligible under priority investment.

Thank you

https://ec.europa.eu/clima/policies/budget/modernisation-fund_en

DG Climate Action website, with many useful presentations

<https://modernisationfund.eu/governance/investment-committee/>

EIB website on MF, including details on IC