

# **MODERNISATION FUND**

Accelerating the transition to climate neutrality

## **Modernisation Fund Investment Committee**

**Annual report 2022**





**MODERNISATION FUND**  
Accelerating the transition to climate neutrality

**Modernisation Fund  
Investment Committee**  
**Annual report 2022**

15/03/2023

**MODERNISATION FUND – Accelerating the transition to climate neutrality**

[modernisation-fund@eib.org](mailto:modernisation-fund@eib.org)

<https://modernisationfund.eu/>

# Contents

|  |           |
|--|-----------|
| <b>1. INTRODUCTION</b>   | <b>6</b>  |
| <b>2. INVESTMENT PROPOSAL SUBMISSIONS</b>  | <b>7</b>  |
| <b>A. PRIORITY PROPOSALS</b>   | <b>7</b>  |
| <b>B. NON-PRIORITY PROPOSALS</b>   | <b>9</b>  |
| <b>C. OVERVIEW INFORMATION ON INVESTMENT PROPOSALS</b>   | <b>11</b> |
| <b>3. MONETISATION VOLUMES, ASSET MANAGEMENT AND DISBURSEMENTS</b>   | <b>14</b> |
| <b>4. GOVERNANCE AND STAKEHOLDER RELATIONS</b>   | <b>18</b> |
| <b>A. IC MEETINGS</b>  | <b>18</b> |
| <b>B. STAKEHOLDER RELATIONS</b>  | <b>19</b> |
| <b>5. CONCLUSIONS – LOOKING AHEAD</b>  | <b>21</b> |
| <br><b>Appendix 1</b>  |           |
| <b>“Overview Table of Investments Confirmed by the EIB (Priority Proposals) or recommended by the Investment Committee (Non-Priority Proposals) in 2022”</b> | <b>22</b> |

# 1. INTRODUCTION

The Modernisation Fund is a dedicated funding programme created in the 2018 revision of the [EU Emissions Trading System \(EU ETS\) Directive](#) to support 10 EU Member States to meet the 2030 climate and energy targets and play an active role in EU transition to climate neutrality<sup>1</sup>. The Modernisation Fund is a key instrument of the European Green Deal to meet the EU's 2030 climate target of at least 55% net emission reductions and is funded from the revenues of auctioning 643.2m allowances under the EU Emissions Trading System<sup>2</sup>.

The Modernisation Fund operates under the responsibility of the beneficiary Member States in close cooperation with the European Commission (EC) and the European Investment Bank (EIB) and prioritises investments in:

- Generation and use of energy from renewable sources;
- Energy efficiency;
- Energy storage;
- Modernisation of energy networks, including district heating, pipelines and grids;
- Just transition in carbon-dependent regions: redeployment, re-skilling and upskilling of workers, education, job-seeking initiatives and start-ups.

The 2018 revision of the ETS Directive also established an Investment Committee (IC) for the Modernisation Fund. The IC meets twice a year to assess non-priority investment proposals and to discuss any other business relevant for the operation of the Modernisation Fund. It is composed of:

- 10 representatives, one per beneficiary Member State (bMS)
- 3 representatives from non-beneficiary Member States, elected by all non-beneficiary Member States (Germany, the Netherlands and Sweden)
- 1 representative from the European Commission (chair)
- 1 representative from the European Investment Bank

In accordance with article 10d (11) of the ETS Directive and article 14 of Implementing Regulation 2020/1001 this report provides an overview of the main activities of the Modernisation Fund and the decisions taken by the IC in 2022, the second year of implementation of the Modernisation Fund.

---

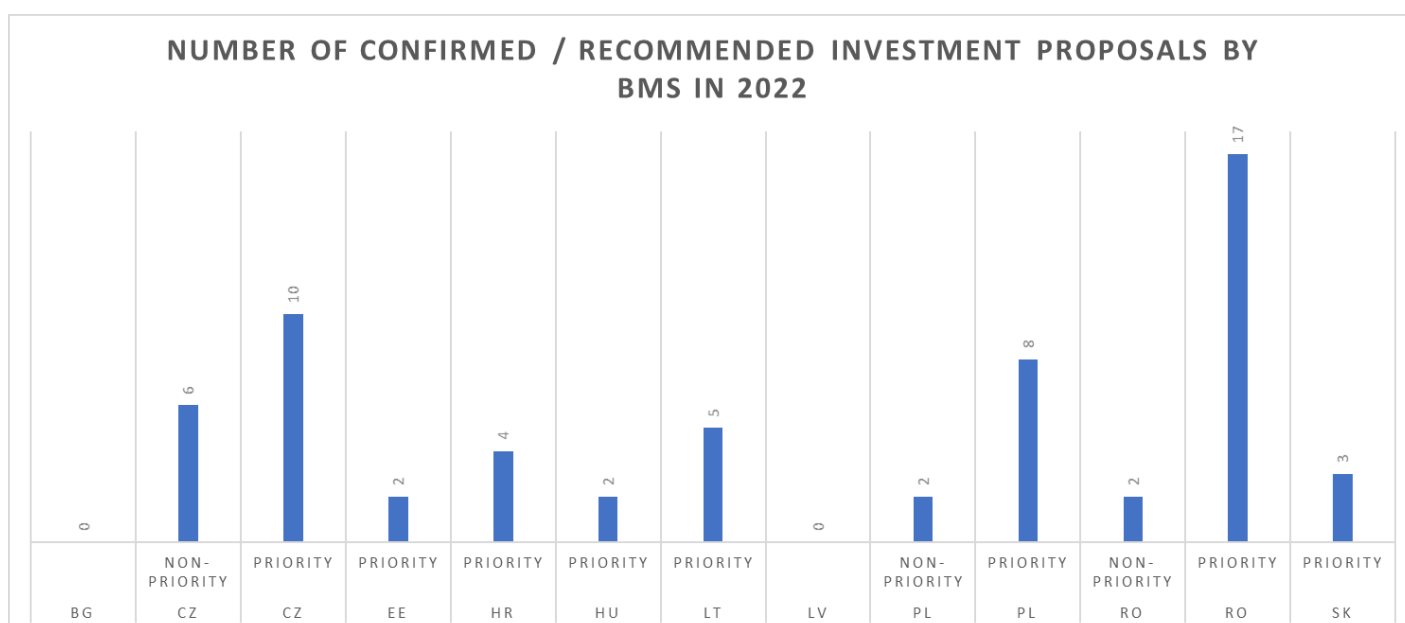
<sup>1</sup> Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia

<sup>2</sup> 2% of the total allowances for 2021-30 under the EU Emissions Trading System (EU ETS) equals 275 613 439 allowances. In addition, 5 beneficiary Member States (Croatia, Czech Republic, Lithuania, Romania and Slovakia) have opted to transfer 367 619 451 additional allowances to the Modernisation Fund.

## 2. INVESTMENT PROPOSAL SUBMISSIONS

The EIB and the IC have received 88 investment proposals (71 priority investment and 17 non-priority investment proposals) from 8 beneficiary Member States in 2022<sup>3</sup>.

**Chart 1: Number of confirmed / recommended investment proposals by bMS in 2022**



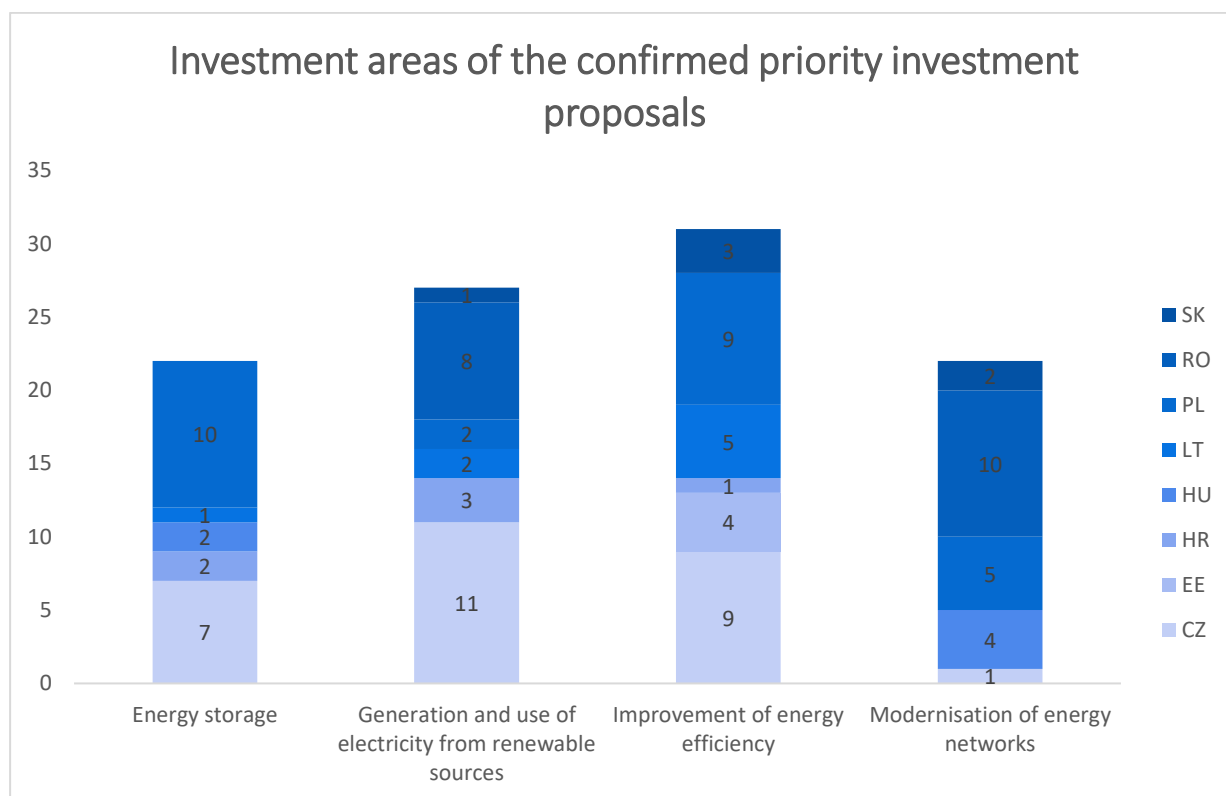
### a. Priority Proposals

Out of the 71 priority investment proposals, the EIB confirmed 51 proposals as priority investments.

In general, the main investment areas of the confirmed investment proposals related to energy efficiency, electricity generation from renewable sources, modernisation of energy networks and energy storage.

<sup>3</sup> From Croatia, Czech Republic, Estonia, Hungary, Lithuania, Poland, Romania and Slovakia.

**Chart 2: Investment areas of the confirmed priority investment proposals by BMS in 2022<sup>4</sup>**



Examples of the investment proposals in 2022 were:

- the production of electricity from renewable energy sources and battery storage to support electricity grid operation in Croatia;
- the modernisation of public lighting systems within municipalities, conversion of coal to biomass and gas in district heating and ETS installations, and increase of energy efficiency in Czech Republic;
- low-emission energy-efficient public transport in Estonia;
- optimisation, digitalisation and automation of manufacturing processes to reduce electricity consumption and material use in Hungary;
- renovation of public buildings, increasing energy efficiency and development of renewable hydrogen production capacity in Lithuania;

<sup>4</sup> As an investment proposal can fall into several investment areas, the total number of investment proposals in this chart is higher than the total amount of confirmed priority investment proposals.



- building heating plants based on renewable energy sources and improvement of energy efficiency in industry in Poland;
- building 8 photovoltaic parks and modernisation of electricity networks in Romania;
- the rehabilitation and extension of district heating and cooling networks, and decarbonisation projects in the industrial sector in Slovakia.

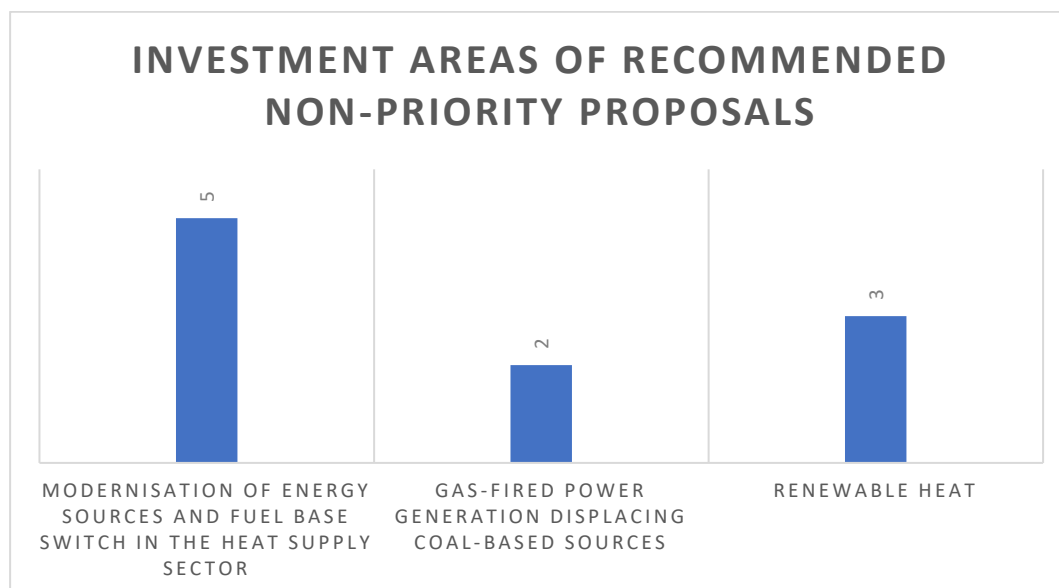
## **b. Non-priority proposals**

In 2022, out of the 17 non-priority investment proposals submitted by three beneficiary Member States (Czech Republic, Poland and Romania), the EIB could complete its due diligence report for 10 proposals.

The IC recommended all 10 proposals for financing from the Modernisation Fund. All IC recommendations can be consulted on the Modernisation Fund website:

- [MF 2022-1 CZ 1-001 – IC Recommendations Scheme \(Part 1A\) Modernization of energy sources to biomass without CHP non-priority investments of the Programme HEAT](#)
- [MF 2022-1 CZ 1-003 – IC Recommendations Scheme \(Part 1C\) Modernization of energy sources to natural gas without CHP](#)
- [MF 2022-1 CZ 1-004 – IC Recommendations Scheme \(Part 2A\) Modernization of energy sources to biomass without CHP](#)
- [MF 2022-1 CZ 1-006 – IC Recommendations Scheme \(Part 2C\) Modernization of energy sources to natural gas without CHP](#)
- [MF 2022-1 CZ 1-008 – IC Recommendations Scheme \(Part 2E\) Modernization of energy sources to natural gas without CHP](#)
- [MF 2022-1 RO 1-001 – IC Recommendations Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 850 MW at Isalnita](#)
- [MF 2022-1 RO 1-002 – IC Recommendations Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 475 MW at Turceni.](#)
- [MF 2022-2 CZ 1-001 – IC Recommendations – Renewable Modernisation of Energy Sources for Residential Sector \(HOUSEnerg Programme\)](#)
- [MF 2022-2 PL 1-001 – IC Recommendations – RES – Heat sources for district heating](#)
- [MF 2022-2 PL 1-002 – IC Recommendations – My heating – subsequent disbursement decision](#)

**Chart 3: Investment areas of recommended Non-priority proposals in 2022**



Specific summary conclusions and IC justifications for its recommendations of the individual investment proposals, following from the technical and financial due diligence carried out by the EIB, can be found in the individual IC recommendations.

The IC found that:

- The proposals met the conditions specified in Article 7(7) of the Implementing Regulation.
- The EIB had carried out a technical and financial due diligence on the basis of the Implementing Regulation and transmitted to the IC, as required by Article 7, (2)-(6) of the Implementing Regulation. The due diligence was based on documents and information provided by the Beneficiary Member State.
- Based on the information provided and having considered the scope of the investment proposal, including its costs, the EIB expressed the positive opinion on the technical, financial and expected emission reduction aspects of the investment proposal.
- The representative of the European Investment Bank had endorsed financing the investment proposal from the Modernisation Fund.
- All investment proposals were consistent with Article 10d(1) of Directive 2003/87/EC. They supported the modernisation of energy systems and were consistent with the objectives set in the National Energy and Climate Plans (NECP) of the respective countries.

Other non-priority proposals were also submitted by Czech Republic, Poland and Romania, and related to heating (4 proposals) and energy sources (3 proposals). Based on the information submitted, the EIB was not in a position to conclude its due diligence as per the Commission

Implementing Regulation, and the proposals were returned to the Member States, in general due to a lack of information.

### **c. Overview information on investment proposals**

A summary table with information on all confirmed priority proposals by the EIB or recommended by the Investment Committee (non-priority proposals) in 2022 has been attached in Appendix 1 to this report. In particular, the table provides data on:

- the type of proposal (priority or non-priority) and type of investment (project vs scheme)<sup>5</sup>
- The date of confirmation by the EIB (priority investment) and date of recommendation of the Investment Committee (non-priority investment)
- the amount requested for disbursement
- the scope of the investment
- the priority areas of the investment

In accordance with article 18 (1c) of the [Implementing Regulation](#), the confirmations of the EIB are also being published in the relevant section of the [Modernisation Fund website](#), while the list of all confirmed and recommended investment proposals (including short descriptions) is also being updated on the [investments](#) page of the Modernisation Fund website after each disbursement cycle.

An assessment of the added value of each investment in terms of energy efficiency and modernisation of the energy system needs to be included in the [annual reports](#), to be submitted by the beneficiary Member States by 30 April each year and should, among others, include information on the greenhouse gas emissions saved in tCO<sub>2</sub> and the expected cumulative tCO<sub>2</sub> saved by the end of the investment lifetime<sup>6</sup>.

As such, in the annual reports for 2021, submitted by the beneficiary Member States to the European Commission, beneficiary Member States provided expected aggregate greenhouse gas emissions saved for their disbursed investment proposals in 2021, as well as the expected cumulative tCO<sub>2</sub> saved by the end of the investments' lifetime.

<sup>5</sup> A scheme' means an investment proposal which complies with the following criteria: (a) it comprises a consistent set of priorities coherent with the objectives of the Modernisation Fund, and because of the characteristics of the projects under the scheme, it can be qualified either as a priority or non-priority investment; (b) it has a duration of more than one year; (c) it has a national or regional scope; and (d) it aims to support more than one public or private person or entity responsible for initiating or initiating and implementing projects under the scheme.

<sup>6</sup> In accordance with annex II of the Implementing Regulation.

**Table 1: Aggregated expected greenhouse gas emissions saved from proposals supported by the Modernisation Fund in 2021 as reported by the beneficiary Member States in their [2021 annual reports](#)<sup>7</sup>**

|                |   |                |
|----------------|---|----------------|
| Bulgaria       | No disbursed investment proposals in 2021   |                |
| Croatia        | GHG saved (tCO <sub>2</sub> /year)  | 2,538          |
|                | Expected cumulative tCO <sub>2</sub> saved by the end of the investments' lifetime  | 38,319         |
| Czech Republic | GHG saved (tCO <sub>2</sub> /year)  | 5,920,000      |
|                | Expected cumulative tCO <sub>2</sub> saved by the end of the investments' lifetime  | 59,195,000     |
| Estonia        | GHG saved (tCO <sub>2</sub> /year)  | 500 - 1000     |
|                | Expected cumulative tCO <sub>2</sub> saved by the end of the investments' lifetime  | No information |
| Hungary        | GHG saved (tCO <sub>2</sub> /year)  | No information |
|                | Expected cumulative tCO <sub>2</sub> saved by the end of the investments' lifetime  | No information |
| Latvia         | No disbursed investment proposals in 2021   |                |
| Lithuania      | GHG saved (tCO <sub>2</sub> /year)  | No information |
|                | Expected cumulative tCO <sub>2</sub> saved by the end of the investments' lifetime  | 120,595        |
| Poland         | GHG saved (MgCO <sub>2</sub> /year)   | 10,177,044     |
|                | Expected cumulative MgCO <sub>2</sub> saved by the end of the investments' lifetime | 53,810,220     |

<sup>7</sup> These numbers are expected greenhouse gas emissions saved as reported by the beneficiary Member States to the European Commission and have not been verified by the European Commission.

|          |  |           |
|----------|--|-----------|
| Romania  | GHG saved (tCO <sub>2</sub> /year)   | 16,212    |
|          | Expected cumulative tCO <sub>2</sub> saved by the end of the investments' lifetime | 778,176   |
| Slovakia | GHG saved (tCO <sub>2</sub> /year)   | 765,100   |
|          | Expected cumulative tCO <sub>2</sub> saved by the end of the investments' lifetime | 9,321,000 |

Considering the early stage of implementation of disbursed investment proposals (first submissions for the Modernisation Fund only occurred in 2021), it is however still too early to report in an aggregate manner on realised greenhouse gas emissions saved in this report.

Depending on the information received in the 2022 annual reports from the beneficiary Member States, the Investment Committee envisages to also report on a more aggregate manner on realised greenhouse gas emissions saved in its reports going forward.

### 3. MONETISATION VOLUMES, ASSET MANAGEMENT AND DISBURSEMENTS

Auctions of EU ETS allowances for the Modernisation Fund began on 2 February 2021 via the European Energy Exchange (EEX)<sup>8</sup>. The EIB directly receives the proceeds from EEX and allocates them among the beneficiary Member States, based on shares determined by the investor key set by the EC. The auction results for 2022 are presented below:

**Table 2: Auctions of EU ETS allowances Modernisation Fund in 2022**

|                             |             |
|-----------------------------|-------------|
| Number of Auctions          | 143         |
| Total Allowances Sold       | 68,255,000  |
| Total Revenues (EUR m)      | 5.446bn     |
| Average Auction Price (EUR) | 80.09       |
| Price Range (EUR)           | 57.91/97.51 |

Asset management of the revenues by the EIB began immediately upon receipt of the funds. The revenues are being invested under the Asset Management Guidelines (AMGs) agreed between the EIB and the beneficiary Member States (under the advice of DG BUDGET).

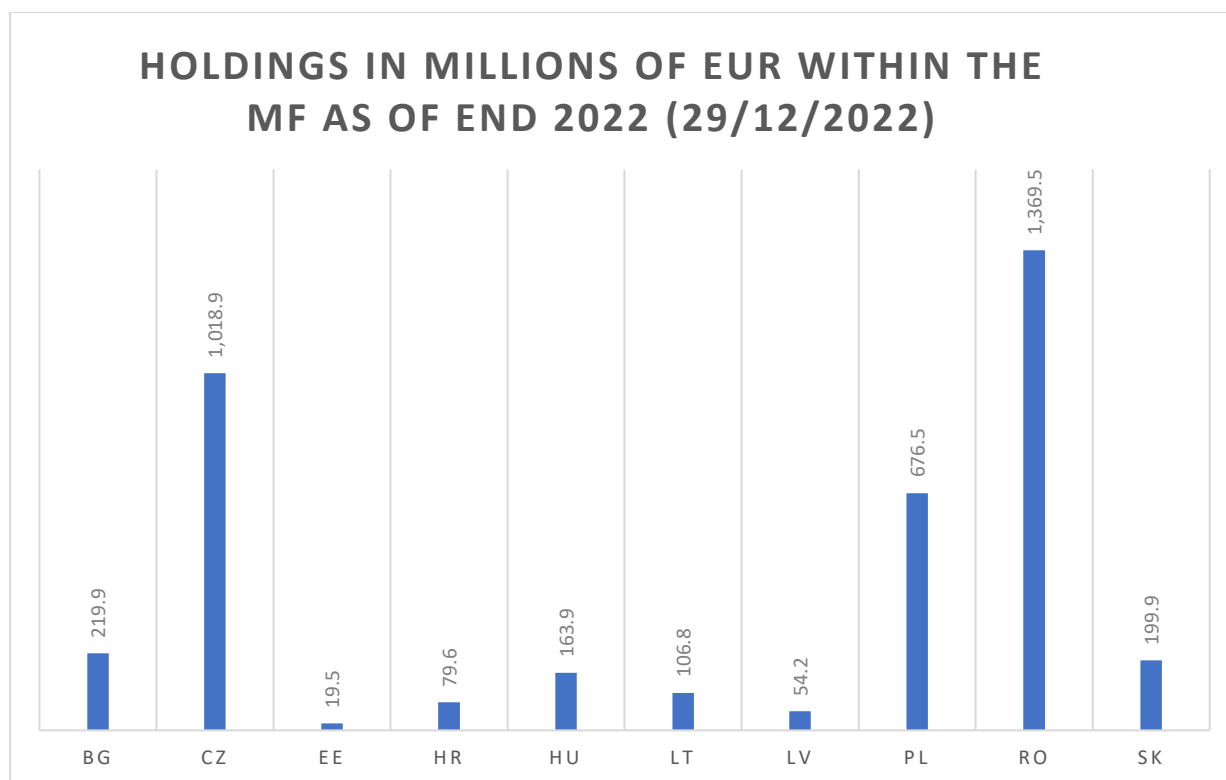
Under the AMGs, Environmental, Social and Governance (ESG) considerations should play an important role in the management of the Fund's Assets. As such, the EIB also monitors the holdings of ESG label bonds relative to the Benchmark composition and incorporates ESG analysis into investment decisions.

The majority of bonds (~56%) in the long-term portion of the portfolio (>1yr) are from issuers of Sovereigns, supranationals and agencies and covered bonds.

As of end 2022 (29/12/2022), the market value of the holdings of the beneficiary Member States within the Modernisation Fund were EUR 3.89bn. Of 643.2m prospective allowances to be auctioned, 137.6m have been auctioned in 2021/2022, with 505.6m allowances remaining to be auctioned over the next 8 years.

<sup>8</sup> The auction results are published and can be consulted on [EEX EUA Primary Auction Spot - Download](#).

**Chart 3: Holdings in EUR within the Modernisation Fund as of end 2022 (29/12/2022)**



Following a [disbursement decision](#) taken by the EC on 23 May 2022, the EIB made payments from the Modernisation Fund of EUR 2.4 bn to support investments in seven Beneficiary Member States in June 2022:

- Romania (EUR 1,391.6m)
- Czech Republic (EUR 520m)
- Poland (EUR 244.2m)
- Lithuania (EUR 85m)
- Hungary (EUR 74.3m)
- Slovakia (EUR 49.5m)
- Croatia (EUR 40m)

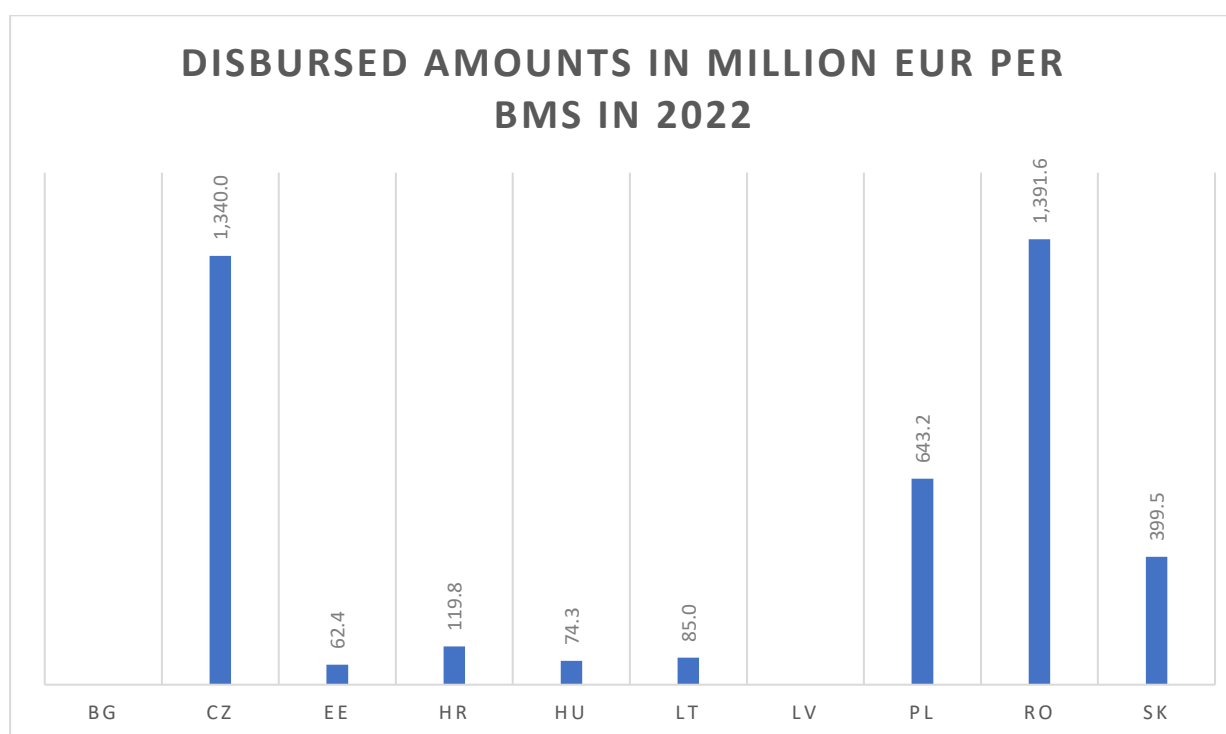
This concluded the third investment cycle of the Modernisation Fund (first two cycles were in 2021) and represented a sharp increase in spending compared to previous investment cycles.

In the second disbursement cycle of 2022, following a [disbursement decision](#) taken by the EC on 12 December 2022, the EIB made payments for a further EUR 1.71 bn to five beneficiary Member States in December 2022<sup>9</sup>:

- Croatia (EUR 79.8m)
- Czech Republic (EUR 820 m)
- Estonia (EUR 62.4 m)
- Poland (EUR 399m)
- Slovakia (EUR 350m)

As a result, a total of EUR 4.11bn has been disbursed from the Modernisation Fund in 2022, up from nearly EUR 900m in 2021<sup>10</sup>.

**Chart 4: Disbursed amounts per bMS in 2022**



As next steps, each beneficiary Member State will need to transfer the funds received from the Modernisation Fund to the project proponents or scheme managing authorities. They also need to monitor the implementation of the Modernisation Fund investments and submit annual

<sup>9</sup> [European Green Deal: €4.11 billion from the Modernisation Fund to accelerate the clean energy transition in 8 Member States - Modernisation Fund](#)

<sup>10</sup> [Modernisation Fund invests nearly €900 million during first year of operation - Modernisation Fund](#)



reports to the EC. The first annual reports for the implementation of the Modernisation Fund for 2021 were due on 30 April 2022 and have also been published on the [Modernisation Fund website](#). The annual reports for the implementation of the Modernisation Fund for 2022 are due on 30 April 2023.

In accordance with annex II of the [Implementing Regulation](#), the beneficiary Member States need to provide information in the annual report to the Commission on:

- The overview of investments (e.g. number of on-going, completed and discontinued investments)
- Each investment (e.g. Total investment triggered, dates and amounts of payments from the Modernisation Fund to the project proponent or the scheme managing, and an assessment of the added value of the investment in terms of energy efficiency and modernisation of the energy system)
- Investments other than schemes (e.g. Identified or expected delays in implementation)
- Confirmation of co-financing from private sources for non-priority investments.

## 4. GOVERNANCE AND STAKEHOLDER RELATIONS

### a. IC meetings

The IC held two meetings in 2022 (in April and October). The most important topic of discussion in 2022 related to the [recommendation](#) of 10 non-priority proposals for financing from the Modernisation Fund. The IC recommended 7 priority proposals at its meeting on 7 April 2022<sup>11</sup>, while 3 more proposals were recommended in its meeting on 25 October 2022<sup>12</sup>.

The EIB distributed to the IC its due diligence reports on 24 March 2022 and 11 October 2022. The information provided by the respective beneficiary Member States (in their proposals) and by the EIB (in its due diligence reports) within the timelines set in the Implementing Regulation and IC Rules of Procedure allowed for the IC to have all necessary data to be able to make a recommendation on the respective proposal.

For its recommendation, the IC used the template that it approved in its meeting of 22 June 2021, building upon the legal framework in place for the Modernisation Fund. Having a template for the IC recommendation, allowed the IC to draft its recommendations in a uniform matter. General observations of the IC on the different proposals can be found in chapter 2 of this report, while the specific summary conclusions and IC justifications for its recommendations are included in the [individual IC recommendations](#).

A second main topic of discussion of the IC related to the lessons learned from the two disbursement cycles in 2022. The main lessons learned related to the optimal way of composing schemes from different measures and/or project components. In this respect, it was recommended that Member States create schemes which address as much as possible the same objective, apply similar technical solutions, cover the same type of beneficiaries, and have similar investment costs and implementation periods.

Other important topics for discussion were the asset management strategy and external stakeholder relations. The IC approved the amendment of the Benchmark for the Treasury Investment Portfolio to improve the liquidity of the portfolio in October 2022, while regular updates on the available funds, asset allocation and the auctions of the EU ETS allowances were provided by the EIB services.

In general, the IC also continued to emphasise the importance of transparency in the implementation of the Modernisation Fund. As such, it continued to publish a record of its decisions per meeting on the dedicated [Modernisation Fund website](#) and supports the publication of all confirmed and recommended investment proposals (including short descriptions) on the investments page of the Modernisation Fund website after each disbursement cycle. The IC is also being updated by the EIB and EC on third party requests for

---

<sup>11</sup> [https://modernisationfund.eu/wp-content/uploads/2022/06/Record\\_of\\_MF\\_IC\\_decisions\\_-\\_7\\_April\\_2022.pdf](https://modernisationfund.eu/wp-content/uploads/2022/06/Record_of_MF_IC_decisions_-_7_April_2022.pdf)

<sup>12</sup> [Record-of-MF-IC-decisions-25-October-2022.pdf \(modernisationfund.eu\)](#)

information on the implementation of the Modernisation Fund, on new features of the website and on other events related to the Modernisation Fund in each IC meeting.

In order to improve the exchange of information between the beneficiary Member States, IC members also gave updates on the implementation of the Modernisation Fund in their respective countries during the IC deliberations. In addition, the October IC meeting was held in Prague, and beside the official meeting, included a seminar on the implementation of the Modernisation Fund and an information meeting with delegates of the Prague City Council focusing on the renewable energy sector and on Prague's plans to become a climate neutral city by 2050.

## **b. Stakeholder relations**

A dedicated [Modernisation Fund website](#) started being operational on 27 January 2021. The website is regularly updated and gives general information on the Modernisation Fund and access to a wide range of documents on its implementation. It also includes a FAQ section, as well as news releases after each disbursement cycle.

A record of the decisions of the IC is published after each meeting on the [IC webpage of the Modernisation Fund website](#). In addition, the list of active IC members and their alternates can be consulted on the [Modernisation Fund website](#), including the curricula vitae and declaration of interests of the (alternate) members<sup>13</sup>.

In 2022, the website has further been updated with a "[List of confirmed and recommended investment proposals](#)", which is being updated after each disbursement cycle. It provides information on each investment proposal, including a short description of each proposal, has different filter functionalities, and can also be downloaded in different formats.

In addition, the beneficiary Member States shall make publicly available on the websites of their relevant departments managing the Modernisation Fund information on the investments supported to inform the public of the role and objectives of the Modernisation Fund<sup>14</sup>.

---

<sup>13</sup> In case new members are nominated, the curricula vitae and declaration of interests of the previous (alternate) members are removed from the website.

<sup>14</sup> The relevant webpages of beneficiary Member States are:

- Czech Republic: [About the Modernisation Fund – SFŽP ČR \(sfzp.cz\)](#)
- Estonia: [Modernisation Fund | Keskkonnaministeerium \(envir.ee\)](#)
- Lithuania: <https://www.apva.lt/nacionalines-investicijos/modernizavimo-fondas/apie-projekta/>
- Poland : [Dowiedz się więcej - Fundusz Modernizacyjny - Portal Gov.pl \(www.gov.pl\)](#)
- Romania: <https://energie.gov.ro/category/fondul-pentru-modernizare/>
- Slovakia : <https://www.minzp.sk/klima/modernizacny-fond/modernisation-fund/>

Besides the IC meetings, more than 25 trilateral (beneficiary Member States, EC, EIB) meetings have been organised to discuss the implementation of the Modernisation Fund in the respective countries in 2022.

In addition, as part of the EU Sustainable Energy Week (EUSEW) 2022 Extended Programme, a dedicated session on "Modernisation Fund: supporting clean energy transition in Central and Eastern Europe" was organised on 20 September 2022. The session can be consulted on the [following link](#) and took stock of the progress achieved under the Modernisation Fund so far and shared best practices of beneficiary Member States.

Lastly, promoters, as well as the general public, have continued to file regular requests for information on the implementation of the Modernisation Fund, both to the beneficiary Member States, as to the Secretariat of the IC in 2022. Moreover, since the launch of the dedicated [website](#) at the beginning of 2021, a strong increase in visiting numbers has been registered throughout 2021 and in 2022. In this respect, the IC invites everybody who is interested in the implementation of the Modernisation Fund to visit the dedicated website, and in case of any remaining questions, to [contact](#) the Secretariat of the IC.

## 5. CONCLUSIONS – LOOKING AHEAD

In its second year of operation, the Modernisation Fund made available a total of EUR 4.11bn<sup>15</sup> to eight beneficiary countries to help modernise their energy systems, reduce greenhouse gas emissions in energy, industry, transport and agriculture and support them in meeting their 2030 climate and energy targets. Investments were confirmed in Czech Republic (EUR 1.34bn), Estonia (EUR 62.4m), Croatia (EUR 119.8m), Hungary (EUR 74.3m), Lithuania (EUR 85m), Poland (EUR 643.2m), Romania (EUR 1.391bn), and Slovakia (EUR 399.5m).

The Modernisation Fund is a crucial element for a fair transition and to scale up investments to meet the 2030 climate and energy targets. With revenues from the EU ETS, it delivers concrete results on the ground, helping beneficiary Member States reduce greenhouse gas emissions in key sectors and become climate neutral.

As such, the Modernisation Fund complements other European instruments such as the [cohesion policy](#) and the [Just Transition Fund](#). It mobilises significant resources, which can help beneficiary Member States support investments in line with the recent [REPowerEU Plan](#) and [Fit For 55](#) package.

Going forward, a [provisional deal](#) was reached on the strengthened EU ETS on 18 December 2022, which will increase the size of the Modernisation Fund and provide financial assistance to three additional Member States with their transition (Portugal, Greece and Slovenia).

For 2023, in accordance with the legislative framework, two disbursement cycles are again foreseen.

The deadline for beneficiary Member States to submit investment proposals for potential support by the Modernisation Fund for the first disbursement cycle in 2023 was 19 January 2023 for non-priority proposals, i.e. investments that fall outside the Fund's priority areas, and 16 February 2023 for priority proposals, i.e. investments that fall under the priority areas.

---

<sup>15</sup> This is up from EUR 898m in disbursements in 2021.

| BMS | Title of the investment   | Type of proposal | Type of investment | Status               | Date of confirmation (PI) (IC decision (NPI)) | Requested amount (tranche) | Description  | Priority Area   | MF reference number |
|-----|---|------------------|--------------------|----------------------|---|----------------------------|--|---|---------------------|
| CZ  | Scheme (Part 1A): Modernization of energy sources to biomass without CHP; non-priority investments of the Programme "HEAT" (Modernization of thermal energy supply systems)   | Non-Priority     | Scheme             | Approved by IC (NPI) | 07/04/2022                                    | 50,000,000 €               | The main aim of the proposed investments is the modernisation of energy sources and fuel base switch in the heat supply sector, with primary objectives of a substantial improvement in energy efficiency and emission reductions. The scheme supports the replacement of the energy source with a change of the fuel to renewable energy sources (RES) without high-efficiency combined heat and power (CHP). Total expected capacity of to be supported projects is 1 240 MW <sub>th</sub> .   | Not applicable  | MF 2022-1 CZ 1-001  |
| CZ  | Scheme (Part 1C): Modernization of energy sources to natural gas without CHP; non-priority investments of the Programme "HEAT" (Modernization of thermal energy supply systems)   | Non-Priority     | Scheme             | Approved by IC (NPI) | 07/04/2022                                    | 40,000,000 €               | Modernisation of energy sources and fuel base switch in thermal energy supply systems, with primary objective of decommissioning of coal-fired energy sources, in particular replacement of the energy source with a change of the fuel used or type of energy to natural gas without CHP. The following technologies will be supported by the investment:<br>- natural gas hot water boiler (lignite as the original fuel)<br>- natural gas steam boiler (lignite as the original fuel)<br>- natural gas hot water boiler (hard coal as the original fuel)<br>- natural gas fired steam boiler (hard coal as the original fuel).                            | Not applicable  | MF 2022-1 CZ 1-003  |
| CZ  | Scheme (Part 2A): Modernisation of energy sources to biomass without CHP; non-priority investments of the Programme "ENERG ETS" (Improvement of energy efficiency and reductions of emissions of greenhouse gases in EU ETS industry)   | Non-Priority     | Scheme             | Approved by IC (NPI) | 07/04/2022                                    | 10,000,000 €               | The main aim of the proposed investments is modernisation of energy sources and fuel base switch in EU ETS industry, with primary objectives of a substantial improvement in energy efficiency and emission reductions. The scheme supports the replacement of the energy source with a change of the fuel used or type of energy to renewable energy sources (RES), without high-efficiency combined heat and power (CHP). Total expected capacity of to be supported projects is 160 MW <sub>th</sub> .  | Not applicable  | MF 2022-1 CZ 1-004  |
| CZ  | Scheme (Part 2C): Modernisation of energy sources to natural gas without CHP; non-priority investments of the Programme "ENERG ETS" (Improvement of energy efficiency and reductions of emissions of greenhouse gases in EU ETS industry)   | Non-Priority     | Scheme             | Approved by IC (NPI) | 07/04/2022                                    | 25,000,000 €               | Modernisation of energy sources and fuel base switch in thermal energy supply systems in EU ETS industry, with primary objective of decommissioning of coal-fired energy sources, in particular replacement of the energy source with a change of the fuel used or type of energy to natural gas without CHP. The following technologies will be supported by the investment:<br>- natural gas hot water boiler (lignite as the original fuel)<br>- natural gas steam boiler (lignite as the original fuel)<br>- natural gas hot water boiler (hard coal as the original fuel)<br>- natural gas fired steam boiler (hard coal as the original fuel).         | Not applicable  | MF 2022-1 CZ 1-006  |
| CZ  | P-2E: Scheme – Modernization of natural gas energy sources without CHP, ENERG ETS (CZ) Programme  | Non-Priority     | Scheme             | Approved by IC (NPI) | 07/04/2022                                    | 5,000,000 €                | Modernisation of energy sources in energy supply systems used in industry under EU ETS, where natural gas is used as fuel, without CHP. The following technologies will be supported by the scheme:<br>- natural gas hot water boiler, directly heating the heat supply system's heating water<br>- natural gas steam boiler<br>The projects under the scheme will aim to modernise energy systems and improve energy efficiency.  | Not applicable  | MF 2022-1 CZ 1-008  |
| CZ  | Scheme: Modernization of energy sources to natural gas with CHP; priority investment of the Programme "HEAT" (Modernization of thermal energy supply systems)   | Priority         | Scheme             | Confirmed (PI)       | 23/03/2022                                    | 50,000,000 €               | The investment proposal concerns a scheme for the period 2022-2030 relating to the modernisation (reconstruction or replacement) of energy sources in thermal energy supply systems into high efficiency combined heat and power (CHP) generation with fuels switch from solid fossil fuels to natural gas.  | Improvement of energy efficiency  | MF 2022-1 CZ 0-001  |
| CZ  | Scheme: Modernisation of energy sources to natural gas with CHP; priority investments of the Programme "ENERG ETS" (Improvement of energy efficiency and reductions of emissions of greenhouse gases in EU ETS industry)  | Priority         | Scheme             | Confirmed (PI)       | 23/03/2022                                    | 20,000,000 €               | The investment proposal concerns a scheme for the period 2022-2030 relating to the modernisation (reconstruction or replacement) of energy sources in industry under EU ETS into high efficiency combined heat and power (CHP) generation with fuels switch from solid fossil fuels to natural gas.  | Improvement of energy efficiency  | MF 2022-1 CZ 0-002  |
| CZ  | Scheme: Modernisation of energy sources to natural gas with CHP; priority investments of the Programme "ENERG ETS" (Improvement of energy efficiency and reductions of emissions of greenhouse gases in EU ETS industry) (P-5 Modernization of natural gas energy sources with CHP) | Priority         | Scheme             | Confirmed (PI)       | 23/03/2022                                    | 10,000,000 €               | The investment proposal concerns a scheme for the period 2022-2030 relating to the modernisation (reconstruction or replacement) of natural gas energy sources in industry under EU ETS into high efficiency combined heat and power (CHP) generation.   | Improvement of energy efficiency  | MF 2022-1 CZ 0-003  |
| CZ  | Scheme: Municipal PV - small municipalities; priority investment of the "RES+" Programme (New renewable energy sources)   | Priority         | Scheme             | Confirmed (PI)       | 23/03/2022                                    | 50,000,000 €               | The objective of the scheme is to promote investments in renewable energy sources by providing investment subsidies for new installed capacity. This scheme focuses on projects of photovoltaic power plants in municipalities up to 3 000 inhabitants. Electricity storage systems and reimbursement of acquisition and installation costs of smart metering and energy management system facilities can be also supported as a part of a complex photovoltaic plant project installed directly at the source site. In addition, support may be provided for the purchase of an electrolyser to produce green hydrogen from PV plants.                      | Generation and use of electricity from renewable sources;<br>Energy storage | MF 2022-1 CZ 0-004  |
| CZ  | Scheme: Municipal PV – communal renewable energy; priority investment of the "RES+" Programme (New renewable energy sources)  | Priority         | Scheme             | Confirmed (PI)       | 23/03/2022                                    | 100,000,000 €              | The objective is to promote investments in renewable energy sources by providing investment subsidies for new installed capacity. This scheme focuses on projects of photovoltaic power plants within communal energy in municipalities, mostly on public sector properties. Electricity storage systems and reimbursement of acquisition and installation costs of smart metering and energy management system facilities can be also supported as a part of a complex photovoltaic plant project installed directly at the source site. In addition, support may be provided for the purchase of an electrolyser to produce green hydrogen from PV plants. | Generation and use of electricity from renewable sources;<br>Energy storage | MF 2022-1 CZ 0-005  |
| CZ  | Scheme: Modernisation of public lighting; priority investment of the Programme "LIGHTPUB" (Modernization of public lighting systems)  | Priority         | Scheme             | Confirmed (PI)       | 23/03/2022                                    | 10,000,000 €               | The scheme focuses on projects of reconstruction and modernisation of public lighting systems within municipalities and increasing energy efficiency. Supported measures within the scheme:<br>- reconstruction and modernisation of public lighting systems,<br>- modernisation of light sources, luminaires and optimal spatial arrangement and use of light points,<br>- regulation of luminous flux and equalisation of current consumption in individual phases of operation of the public lighting system,<br>- automation, optimisation of control and monitoring of the operation of public lighting systems in order to reduce energy consumption.  | Improvement of energy efficiency  | MF 2022-1 CZ 0-006  |
| CZ  | Scheme (Part B): Support for photovoltaic power plants with installed capacity above 1 MW of the "RES+" Programme (New renewable energy sources)  | Priority         | Scheme             | Confirmed (PI)       | 23/03/2022                                    | 150,000,000 €              | 2 <sup>nd</sup> disbursement of the scheme MF 2021-1 CZ 0-002.   | Generation and use of electricity from renewable sources;<br>Energy storage | MF 2022-1 CZ 0-008  |
| CZ  | Renewable Modernisation of Energy Sources for Residential Sector (HOUSEnerg Programme)  | Non-Priority     | Scheme             | Approved by IC (NPI) | 25/10/2022                                    | 300,000,000 €              | The scheme aims at replacing inefficient fossil fuel based domestic heating sources with renewable heat sources through the following measures:<br>1. Replacement for heat pumps (electrically driven)<br>2. Low-emission biomass boilers and heaters<br>3. Solar thermic systems for hot water heating<br>4. Support can also represent a replacement from a fossil and inefficient heat source and connection to an efficient heat supply system.  | Not applicable  | MF 2022-2 CZ 1-001  |

|    |   |          |         |                |            |               |  |   |                    |
|----|---|----------|---------|----------------|------------|---------------|--|---|--------------------|
| CZ | Energy Efficiency and Energy Savings in houses and buildings for Residential Sector (HouseEnergy Programme)         | Priority | Scheme  | Confirmed (PI) | 11/10/2022 | 300,000,000 € | The support aims at increasing energy efficiency, reducing energy consumption, and further increasing adaptation and mitigation measures in building in residential sector, in particular by:<br>- reduction of energy consumption and increasing of energy efficiency of single family houses and apartment buildings (implementation of measures such as thermal insulation of facade, roof and ceiling, replacement of windows and doors, including appropriate additional mitigation measures such as the optional installation of green roofs, shading technology, and effective water management);<br>- energy savings by using wastewater heat recovery;<br>- installation of photovoltaic systems;<br>- controlled ventilation systems with heat recovery (recuperation);<br>- purchase and installation of charging stations for electric vehicles.   | Generation and use of electricity from renewable sources;<br>Energy efficiency in buildings; Energy storage; Modernisation of energy networks | MF 2022-2 CZ 0-001 |
| CZ | Improving energy efficiency in industrial production under the EU ETS   | Priority | Scheme  | Confirmed (PI) | 11/10/2022 | 200,000,000 € | The aim of the investment is to increase energy efficiency and reduce greenhouse gas emissions in the production or industrial processing primarily through modernisation (reconstruction or replacement) or change of configuration of production or processing facilities.<br>Energy efficiency measures are expected in installations in the steel industry, chemical industry, production of paper products and manufacture of rubber and plastic products.<br>Other supported measures under this scheme are:<br>- production of renewable hydrogen<br>- implementation of energy management.<br>- reducing the energy demand of buildings in the production area.  | Improvement of energy efficiency; Generation and use of electricity from renewable sources  | MF 2022-2 CZ 0-002 |
| CZ | Financial instrument for improving energy efficiency in business (ENERG Programme)                                  | Priority | Scheme  | Confirmed (PI) | 11/10/2022 | 20,000,000 €  | The scheme will support measures to increase energy efficiency in business where the recipients of support will be business entities outside of the EU ETS system.<br>Supported measures fall under the following categories:<br>- Measures in the energy management of enterprises (renewable energy installations, modernisation and reconstruction of energy production equipment for self-consumption leading to an increase in efficiency, innovative energy management, accumulation of all forms of energy within RES installations, modernisation of lighting systems and the use of waste energy).<br>- Energy reduction in buildings (insulation and other construction measures that can reduce energy losses, increasing the energy efficiency of technical equipment – ventilation, air conditioning, etc., improvements in building control).<br>- Application of hydrogen from renewable sources.   | Improvement of energy efficiency; Generation and use of electricity from renewable sources  | MF 2022-2 CZ 0-003 |
| EE | Programme for improvement of energy efficiency and renewable energy use in public sector buildings                  | Priority | Scheme  | Confirmed (PI) | 11/10/2022 | 39,423,400 €  | Subsequent disbursement of the scheme MF 2021-2 EE 0-001.  | Energy efficiency in buildings  | MF 2022-2 EE 0-001 |
| EE | Energy-efficient low-emission public transport programme  | Priority | Scheme  | Confirmed (PI) | 11/10/2022 | 22,997,000 €  | Subsequent disbursement of the scheme MF 2021-2 EE 0-002.  | Energy efficiency in transport  | MF 2022-2 EE 0-002 |
| HR | State Aid Scheme to support the production of electricity from renewable energy sources from the Modernisation fund | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 40,000,000 €  | The scope of the investments will be the construction of RES installations at production plants as well as other facilities and areas associated with production plants.<br>The Scheme covers only one measure, which is the promotion of energy from RES, meaning that 100% of the Scheme volume is going to be invested into this specific measure.  | Generation and use of electricity from renewable sources;<br>Energy storage   | MF 2022-1 HR 0-001 |
| HR | Energy efficiency improvement and high-efficiency cogeneration investments in the manufacturing industry            | Priority | Scheme  | Confirmed (PI) | 11/10/2022 | 40,000,000 €  | The investment proposal will support the scheme for improving energy efficiency in industry in Croatia.<br>The proposed measures can be divided into two main areas:<br>(1) Energy Efficiency in manufacturing and production processes.<br>(2) High-efficiency cogeneration (electricity and heat), trigeneration (electricity, heat and cold) or quatergeneration (electricity, heat, cold and purified CO <sub>2</sub> ).   | Improvement of energy efficiency  | MF 2022-2 HR 0-002 |
| HR | GRID SCALE SMART ENERGY STORAGE   | Priority | Project | Confirmed (PI) | 11/10/2022 | 19,800,000 €  | Battery storage for energy balancing services to Croatia's TSO.  | Energy storage  | MF 2022-2 HR 0-004 |
| HR | State Aid Scheme to support the production of electricity from renewable energy sources from the Modernisation fund | Priority | Scheme  | Confirmed (PI) | 11/10/2022 | 20,000,000 €  | Subsequent disbursement of the scheme MF 2022-1 HR 0-001.  | Generation and use of electricity from renewable sources  | MF 2022-2 HR 0-005 |
| HU | Energy efficiency improvements of district heating infrastructure   | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 22,857,143 €  | The investment proposal concerns a scheme for the period 2022-2030 relating to modernisation and energy improvements of district heating systems in Hungary.   | Modernisation of energy networks  | MF 2022-1 HU 0-002 |
| HU | Energy storage instalments for grid security  | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 51,428,571 €  | The investment proposal aims to support storage of part of the current overflow of electricity produced by renewable capacities at peak generation.  | Energy storage  | MF 2022-1 HU 0-003 |
| LT | Implementation of energy-efficient production technologies in EU-ETS manufacturing enterprises                      | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 30,000,000 €  | The scheme aims to support optimisation, digitalisation and automation of manufacturing processes within manufacturing industry, which will reduce electricity consumption and material use.<br>Projects will include new equipment as well parts upgrade, improvements in control and sensors, software upgrade, improvement in process efficiency, heat recovery and modernisation of the systems.   | Improvement of energy efficiency  | MF 2022-1 LT 0-001 |
| LT | Central government public buildings' renovation increasing energy efficiency  | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 27,500,000 €  | The investment proposal concerns a scheme for the period 2022-2027 relating to the renovation of public buildings increasing energy efficiency.  | Energy efficiency in buildings  | MF 2022-1 LT 0-003 |
| LT | Development of "green" hydrogen production capacity   | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 2,500,000 €   | The investment proposal aims to develop capacities of the production of "green" hydrogen, thereby increasing the share of renewable energy sources in energy consumption and decreasing GHG emissions.   | Generation and use of electricity from renewable sources;<br>Energy storage   | MF 2022-1 LT 0-005 |
| LT | Renewable energy development in EU-ETS manufacturing enterprises  | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 10,000,000 €  | The investment proposal targets the manufacturing sector and aims to support investments in the generation and use of electricity from renewable sources to reach the reduction of GHG emissions.  | Generation and use of electricity from renewable sources  | MF 2022-1 LT 0-006 |
| LT | Pure electric vehicle purchase incentive  | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 15,000,000 €  | The investment proposal aims to reduce the emission of greenhouse gases and energy consumption in the most polluting transport sector in Lithuania – road transport. The scheme comprises the financial incentive which foresees compensation for natural persons and legal entities for purchasing battery electric vehicles (BEV).   | Energy efficiency in transport  | MF 2022-1 LT 0-007 |
| PL | The use of alternative fuels for energy purposes  | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 177,600,000 € | 2 <sup>nd</sup> disbursement of the scheme MF 2021-2 PL 0-004.   | Improvement of energy efficiency; Energy storage  | MF 2022-1 PL 0-001 |
| PL | Energy-intensive industry – improving energy efficiency   | Priority | Scheme  | Confirmed (PI) | 23/03/2022 | 11,110,000 €  | The overall objective of the scheme is to ensure industrial development of the energy-intensive industry and reduction of carbon emission intensity.<br>The support will cover investments aimed at improving energy efficiency, including:<br>1. Modernisation and replacement of internal and external lighting<br>Optimising the consumption of electricity necessary to illuminate the premises of offices, production halls and outdoor areas. This measure will reduce electricity consumption by 40-50% in relation to the existing consumption for lighting.<br>2. Modernisation of technological lines<br>This measure includes improvement of energy efficiency in production lines and modernisation of offices and industrial halls.<br>3. Heat recovery<br>Projects to improve energy efficiency through thermal energy recovery in industrial processes, including installation of heat recovery from flue gas in a waste incineration plant.<br>4. Modernisation thermal insulation<br>This measure includes replacement of insulation for heating pipelines, tanks and boilers in the production facilities. | Improvement of energy efficiency; Energy storage  | MF 2022-1 PL 0-003 |

|    |   |              |         |                      |            |               |  |  |                    |
|----|---|--------------|---------|----------------------|------------|---------------|--|--|--------------------|
| PL | Energy-intensive industry – RES   | Priority     | Scheme  | Confirmed (PI)       | 23/03/2022 | 11,110,000 €  | The support will cover investments related to the construction or reconstruction of electricity generating units from renewable energy sources together with energy storage. The condition for granting support for an energy storage is to integrate it with the energy source, which will be implemented simultaneously under the project.<br>The investment will support projects related to the generation of electricity from renewable sources such as photovoltaic and wind installations. As part of the supported investment, only new devices are eligible, manufactured not earlier than 48 months before installation. | Generation and use of electricity from renewable sources; Energy storage                                   | MF 2022-1 PL 0-004 |
| PL | The use of alternative fuels for energy purposes  | Priority     | Scheme  | Confirmed (PI)       | 23/03/2022 | 44,400,000 €  | The main aim of the investment is improving energy efficiency by optimising thermal and energy management using alternative fuels instead of conventional sources. The investment will support projects related to the improvement of energy efficiency in enterprises with the following scope:<br>- Construction of a thermal conversion installation for alternative fuels, operating in high-efficiency cogeneration conditions (excluding energy generated in a coal-fired cogeneration unit), including their connection to the transmission network.<br>- Implementation of investments in the field of energy storage.     | Improvement of energy efficiency; Energy storage   | MF 2022-1 PL 0-007 |
| PL | RES - heat sources for district heating   | Non-Priority | Scheme  | Approved by IC (NPI) | 25/10/2022 | 22,222,222 €  | Construction (and/or conversion of fossil fuel based heat only generation plants) based on renewable energy sources (RES).<br>RES technologies:<br>- geothermal heat plants<br>- large-scale heat pumps<br>- solar heat collector plants.  | Not applicable   | MF 2022-2 PL 1-001 |
| PL | My heating  | Non-Priority | Scheme  | Approved by IC (NPI) | 25/10/2022 | 111,111,111 € | Subsequent disbursement of the scheme MF 2021-2 PL 1-001.  | Not applicable   | MF 2022-2 PL 1-002 |
| PL | Smart energy infrastructure   | Priority     | Scheme  | Confirmed (PI)       | 11/10/2022 | 178,000,000 € | Subsequent disbursement of the scheme MF 2021-1 PL 0-003.  | Energy storage; Modernisation of energy networks   | MF 2022-2 PL 0-001 |
| PL | Cogeneration for counties   | Priority     | Scheme  | Confirmed (PI)       | 11/10/2022 | 22,200,000 €  | a) Construction of new installations operating in conditions of high-efficiency cogeneration.<br>b) Reconstruction of existing:<br>- Power plants<br>- Heating plants<br>- Combined heat and power plants (not operating in the conditions of high-efficiency cogeneration), as a result of which the installations will operate in the conditions of high efficiency cogeneration.<br>c) The conversion of existing heat and power plants operating in the conditions of high efficiency cogeneration to higher efficiency.   | Improvement of energy efficiency   | MF 2022-2 PL 0-002 |
| PL | Energy for Rural Areas  | Priority     | Scheme  | Confirmed (PI)       | 11/10/2022 | 20,990,000 €  | The scheme involves the construction of photovoltaic installations, wind installations, biogas plants, hydropower plants and energy storage facilities.  | Generation and use of electricity from renewable sources; Energy storage                                   | MF 2022-2 PL 0-003 |
| PL | Development of cogeneration based on municipal biogas   | Priority     | Scheme  | Confirmed (PI)       | 11/10/2022 | 44,440,000 €  | The aim of the program is to promote energy production in the conditions of high-efficiency cogeneration using municipal biogas.<br>The planned investments will consist of the construction of new and expansion or modernisation of existing installations where selectively collected municipal bio-waste will be used to obtain biogas for energy production in the conditions of high-efficiency cogeneration.  | Generation and use of electricity from renewable sources; Energy storage; Improvement of energy efficiency | MF 2022-2 PL 0-004 |
| RO | Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 850 MW at Isalnita   | Non-Priority | Project | Approved by IC (NPI) | 07/04/2022 | 253,125,302 € | Construction of a 850 MW gas CCGT at Isalnita in the context of the restructuring plan of the Oltenia complex.   | Not applicable   | MF 2022-1 RO 1-001 |
| RO | Construction of a Natural Gas-Fired Combined Cycle Power Unit of approx. 475 MW at Turceni  | Non-Priority | Project | Approved by IC (NPI) | 07/04/2022 | 167,504,815 € | Construction of a 475 MW gas CCGT at Turceni in the context of the restructuring plan of the Oltenia complex.  | Not applicable   | MF 2022-1 RO 1-002 |
| RO | Construction of a Photovoltaic Park on the Waste Pile Rovinari Est –Open Pit Mining Unit  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 72,863,317 €  | Construction of a 110 MW solar PV farm on the Waste Pile Rovinari Estin Gorj county.   | Generation and use of electricity from renewable sources   | MF 2022-1 RO 0-001 |
| RO | Construction of a Photovoltaic Park on the Waste Pile Poinasa Open Pit Mining Unit  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 47,902,281 €  | Construction of a 65.78 MW solar PV farm on the Waste Pile Poinasa in Gorj county.   | Generation and use of electricity from renewable sources   | MF 2022-1 RO 0-002 |
| RO | Construction of a Photovoltaic Park on the Waste Pile Bohorelu – Jilt Open Pit Mining Unit  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 12,933,740 €  | Construction of a 19.21 MW solar PV farm on the Waste Pile Bohorelu in Gorj county.  | Generation and use of electricity from renewable sources   | MF 2022-1 RO 0-003 |
| RO | Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Isalnita  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 53,432,006 €  | Construction of a 85 MW solar PV farm on the ash and slag deposits of Isalnita power plant.  | Generation and use of electricity from renewable sources   | MF 2022-1 RO 0-004 |
| RO | Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Rovinari  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 51,187,936 €  | Construction of a 83.35 MW solar PV farm on the ash and slag deposits of Rovinari power plant.   | Generation and use of electricity from renewable sources   | MF 2022-1 RO 0-005 |
| RO | Construction of a Photovoltaic Park on the ash and slag closed deposits of SE Turceni   | Priority     | Project | Confirmed (PI)       | 22/03/2022 | 70,407,657 €  | Construction of a 111.68 MW solar PV farm on the ash and slag deposits of Turceni power plant.   | Generation and use of electricity from renewable sources   | MF 2022-1 RO 0-006 |
| RO | Construction of a Photovoltaic Park on the Inner Waste Pile within Tismana 1 – Rosia-Rovinari Open Pit Mining Unit  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 80,084,542 €  | Construction of a 128.3 MW solar PV farm on the Inner Waste Pile Tismana 1 at Rovinari.  | Generation and use of electricity from renewable sources   | MF 2022-1 RO 0-007 |
| RO | Construction of a Photovoltaic Park on the Inner Waste Pile Tismana 2 Rosia – Rovinari Open Pit Mining Unit   | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 80,750,467 €  | Construction of a 131.67 MW solar PV farm on the Inner Waste Pile Tismana 2 at Rovinari.   | Generation and use of electricity from renewable sources   | MF 2022-1 RO 0-008 |
| RO | Building a new 400 kV OHL single circuit Gădălin – Suceava, including its interconnection to the National Power Transmission System   | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 101,208,938 € | The investment concerns the development of a new 400 kV power line between Gădălin substation and Suceava substation as well as the expansion of the two substations. The investment comprises a 400 kV overhead line with a total length of 260.8 km.   | Modernisation of energy networks   | MF 2022-1 RO 0-009 |
| RO | Internal Line between Reșița and Timișoara/Săcălăz (PCI 3.22.3.), consisting of new 400 kV OHL Reșița-Timișoara/Săcălăz and retrofit to 400 kV of 110/2020 kV Timișoara substation  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 63,610,824 €  | The investment concerns the development of a new 400 kV power line connecting Reșița substation with Timișoara and Săcălăz substations as well as the retrofitting of the 220/110 kV substation of Timișoara into 400/220/110 kV substation. The investment comprises a 400 kV double circuit overhead line with a total length of 109.8 km.   | Modernisation of energy networks   | MF 2022-1 RO 0-010 |
| RO | Building the 400 kV OHL Timișoara/Săcălăz - Arad  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 57,506,448 €  | The investment concerns the development of a new 400 kV power line connecting Arad substation with Timișoara and Săcălăz substations as well as the refurbishment and expansion of the substations of Arad and Săcălăz. The investment comprises a 400 kV double circuit overhead line with a total length of 68 km.   | Modernisation of energy networks   | MF 2022-1 RO 0-011 |
| RO | Converting to 400 kV of the OHL Brazi Vest - Teleajen - Stâlpu  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 51,067,426 €  | The investment concerns the conversion to 400 kV of the existing Brazi – Vest – Teleajen – Stâlpu overhead line in order to create a new 400 kV corridor connecting Dobrogea to Bucharest city.  | Modernisation of energy networks   | MF 2022-1 RO 0-012 |
| RO | Pilot project - Refurbishment of the 220/110/20 kV Alba Iulia station – in digital concept station  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 46,956,109 €  | The investment concerns the refurbishment of the 220/110/20 kV substation of Alba Iulia with the installation as a pilot project of a smart grid architecture and digital standards.   | Modernisation of energy networks   | MF 2022-1 RO 0-013 |
| RO | Installation of two modern means of compensating reactive power in the 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu substations  | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 52,336,143 €  | The investment concerns the installation of two static synchronous compensators in the substations of Sibiu Sud and Bradu Sud with a capacity of -150/+150 MVar in order to provide automatic secondary voltage and reactive power control.  | Modernisation of energy networks   | MF 2022-1 RO 0-014 |
| RO | Optimising the operation of the existing 400 kV OHL in NPS (SEN), used for interconnection and power output from Cernavodă nuclear power plant and the renewable-energy power plants in Dobrogea, by installing on-line monitoring systems (SMART GRID) | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 10,475,032 €  | The investment concerns the installation of Dynamic Line Rating (DLR) monitoring systems for twenty-three 400 kV overhead lines of the national transmission system. DLR monitoring systems will be installed on 10 interconnection lines and 12 power transmission lines used for power output from Cernavodă nuclear power plant and the renewable energy power plants in Dobrogea region.   | Modernisation of energy networks   | MF 2022-1 RO 0-015 |
| RO | Digitalisation of Electricity Transmission Network in Romania by installing two on-line systems, for Metering and Data Management for measuring the electricity on the wholesale electricity market and for Monitoring the quality of electricity       | Priority     | Project | Confirmed (PI)       | 23/03/2022 | 18,251,593 €  | The investment concerns the installation of a metering and data management system for measuring electricity on the wholesale electricity market as well as a power quality monitoring system that will be integrated into the smart grid platform of the Transmission System Operator.   | Modernisation of energy networks   | MF 2022-1 RO 0-016 |
| RO | Support for the expansion and modernisation of the electricity distribution network   | Priority     | Scheme  | Confirmed (PI)       | 23/03/2022 | 100,000,000 € | The investment concerns the modernisation and digitalisation of substations and power lines of the distribution networks as well as the expansion of the power distribution infrastructure.  | Modernisation of energy networks   | MF 2022-1 RO 0-017 |
| SK | State aid scheme to support the investments to modernise energy systems, including energy storage and energy efficiency improvement from the Modernisation Fund - DHC   | Priority     | Scheme  | Confirmed (PI)       | 23/03/2022 | 29,500,000 €  | 2 <sup>nd</sup> disbursement of the scheme MF 2021-2 SK 0-003.   | Modernisation of energy networks   | MF 2022-1 SK 0-002 |
| SK | State Aid Scheme to support the investments to modernise energy systems, including energy storage and energy efficiency improvement from the Modernisation Fund: high-efficiency cogenerations  | Priority     | Scheme  | Confirmed (PI)       | 23/03/2022 | 20,000,000 €  | 2 <sup>nd</sup> disbursement of the scheme MF 2021-2 SK 0-002.   | Improvement of energy efficiency   | MF 2022-1 SK 0-003 |



|    |  |          |        |                |            |               |  |                    |
|----|--|----------|--------|----------------|------------|---------------|--|--------------------|
| SK | State aid scheme for the decarbonisation of industry from the Modernization fund | Priority | Scheme | Confirmed (PI) | 11/10/2022 | 350,000,000 € | <p>The scheme will support projects that will ensure a significant increase in energy efficiency in the energy intensive sector: Improvement of energy efficiency</p> <p>a) installation and modernisation of technologies to reduce GHG emissions in the production and processing and introduction of BAT (Best Available Technology) into industrial processes.</p> <p>b) measures concerning changes in technological processes and configuration in order to reduce GHG emissions.</p> <p>The supported measures fall under the following categories:</p> <p>1. Installation of industrial waste heat recovery technologies to produce electricity based on Organic Rankin Cycle principles resulting in energy efficiency increase and decrease in grid electricity consumption.</p> <p>2. Replacement of inefficient production technologies and changes in the production process resulting in increase in energy efficiency.</p> <p>3. Replacement of outdated production technologies with modern, automated and digitalised production process.</p> <p>4. Replacement of solid fuel based powered production process by electrified technology thus eliminating direct GHG emissions. Generally, electrically driven equipment is more energy efficient than the conventional option. This would normally lead to a better control and energy management, driving higher energy efficiency.</p> | MF 2022-2 SK 0-002 |
|----|--|----------|--------|----------------|------------|---------------|--|--------------------|