Webinar | Calls for projects for the installation of photovoltaic power plants

30 July 2024 | 10:30 AM - 12:00 PM

19 September 2024 | 10:30 AM - 12:00 PM

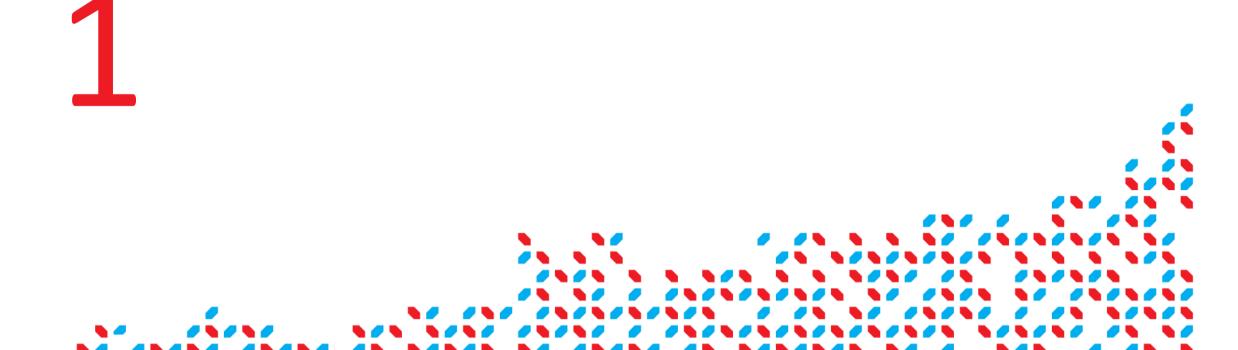




AGENDA

- 1. GENERAL CONTEXT
- 2. CALL FOR PROJECTS OPERATING AID
- 3. CALL FOR PROJECTS INVESTMENT AID
- 4. MYGUICHET PROCEDURE
- 5. QUESTIONS & ANSWERS

GENERAL CONTEXT



WHY 2 CALLS FOR PROJECTS?

GENERAL INFORMATION

- Promotion of photovoltaics in general
- Choice left to companies, depending on their needs and expectations, as well as on their specific situation, in particular with respect to their electricity consumption and the surfaces available for the installation of photovoltaic panels
 - Investment aid (subsidy): single payment on commissioning
 - Operating aid (market premium contract): minimum « guaranteed » income over a period of 15 years
- Indicative multiannual calendar for both call for projects



WHY A COMPETITIVE PROCEDURE?

GENERAL INFORMATION

- Calls for projects -> competitive tender; to comply with state aid requirements
- **Cumulation excluded** of different state aids for the same project:
 - Either subsidy or market premium contract; one project cannot be simultaneously submitted to both calls for projects
 - Power plants 30-60 kW (subsidy): no cumulation with the temporary environmental impact aid scheme (SME)
 - Power plants 30-500 kW (subsidy): no cumulation with the guaranteed feed-in tariff
- Press release of the <u>Ministry of the Economy</u>



GENERAL CONTEXT

NEW ELEMENTS

- « Innovative » lots in both calls for projects: photovoltaic power plants mounted on the facades of buildings, and photovoltaic power plants using « light » modules installed on roofs
 - · Light modules: overcome potential static deficiencies of a building
 - Need to use these modules to be established by a consultant/engineer
 - Take into account the higher specific costs
 - In the same context: specific lots for carports are maintained
- Financial guarantee required in both calls for projects for plants with a capacity above 500 kW: guarantee a high realization rate of big plants > 500 kW
 - Financial guarantee must be issued by a financial institution after the project being awarded
 - 35.000 €/MW
 - Return of the guarantee after commissioning



GENERAL CONTEXT

USE OF THE PRODUCED ELECTRICITY

Choice left to companies: self-consumption, sharing, total or partial injection, PPA ... all options allowed by the amended law for the organization of the electricity market (LoiE) are possible

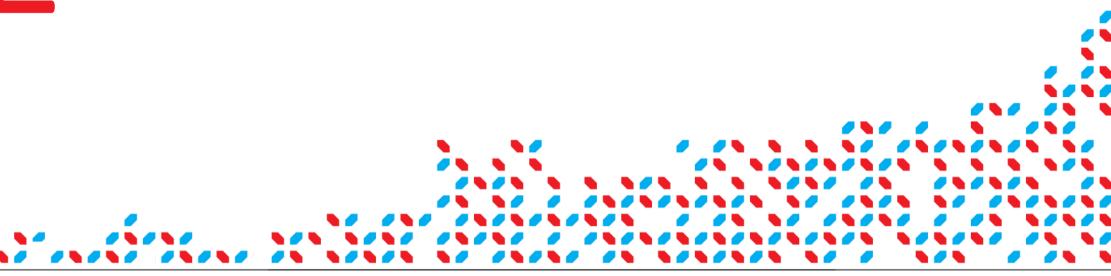
Good to know:

- For the **surplus of electricity** in the case of **self-consumption**:
 - In case of the call for projects <u>investment aid</u> -> the surplus of electricity can be injected in the grid and sold on the market; contract with a supplier of your choice required; inquire price offers before the submission of the application
 - In case of the call for projects <u>operating aid</u> -> the surplus of electricity injected in the grid is remunerated following the two established contracts (direct sales -> authorized representative/supplier; market premium -> grid operator)
- As self-consumer, your **consumption profile** changes contact your supplier to evaluate the impact on your electricity supply contract
- Lot 4, carports: in case of linked charging points of the same owner -> self-consumption



CALL FOR PROJECTS – OPERATING AID





GENERAL INFORMATION

- Sixth « regular » call for projects for big power plants since 2018
- Construction and operation of solar photovoltaic power plants
 - Installed on the external envelopes of buildings,
 - as shade structures/carports or on water basins, and
 - on « **industrial sites** » following a definition specific to this call for projects
- **Eligible applicants:** all physical or moral persons
- Maximal capacity to be allocated: 50 MW
- Submission of applications from 19.07.2024 to 29.11.2024
 - Granting decision latest 2 months after the submission deadline (late January/early February 2025)
- Publication notice on <u>Guichet.lu</u>



ELIGIBLE INSTALLATIONS

Five different lots

- Lot 1: Industrial sites (capacity > 500 kW and ≤ 20 MW)
- Lot 2: Roofs of buildings (capacity > 200 and ≤ 500 kW)
- Lot 3: Roofs of buildings (capacity > 500 kW and ≤ 5 MW)
- Lot 4: « Innovative » (on buildings : roofs with light modules, modules on facades)
 - Sub-lot 4a: > 200 kW and < 500 kW
 - Sub-lot 4b: > 500 kW and ≤ 3 MW
- Lot 5: Shade structures/carports or water basins (capacity > 30 kW and ≤ 3 MW)
- Maximal capacity to be allocated: 50 MW

Lot 1: 25 MW; Lot 2: 4 MW; Lot 3: 8 MW; Lot4: 6 MW (Sub-lot 4a: 2 MW; sub-lot 4b: 4 MW); Lot 5: 7 MW



ELIGIBLE INSTALLATIONS

- The power plants have to be new plants
- **Completion date**: 1st injection latest 18 months after the allocation (24 months / with penalty)
- Having all authorizations required for the installation of the plant is not required when submitting
- After the allocation:
 - Financial performance guarantee if plant > 500 kW
 - Submission of the **grid connection request** within two months (recommendation: inquiry for a pre-evaluation of the connection at the grid operator before the submission of the application)
 - Contract for market premium to be concluded with the network operator
 - AND bilateral contract with an authorized representative for the direct sales of electricity on the market



MAXIMAL AMOUNTS AND RANKING

Maximal amounts of the reference remuneration (RR) per MWh of injected electricity (€/MWh):

(€/MWh)	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5
R _{sup}	85	105	100	<u>4 a:</u> 130 <u>4 b:</u> 125	150

Ranking: best price

- By ascending reference remuneration €/MWh;
- In case of equality of this amount, by ascending capacity;
- In case of equality of reference remuneration and capacity, by drawing lots among the ex-æquo files;
- Competitiveness clause in case of under-subscription;
- Transfers of capacity volumes to be allocated possible



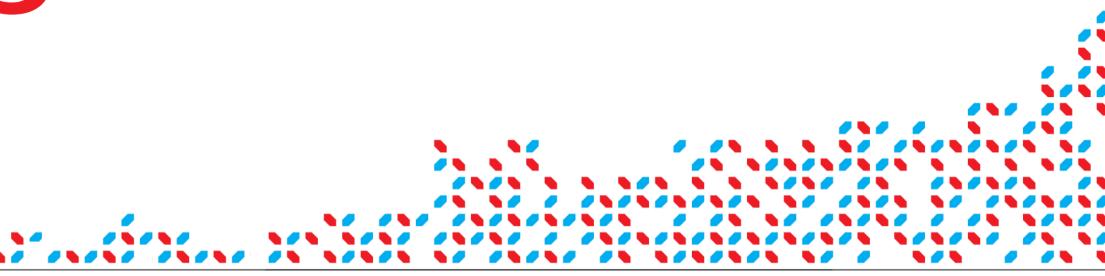
MARKET PREMIUM CONTRACT

- The remuneration of the beneficiary consists of **two parts**, regulated by two separate contracts:
 - Market premium contract to be concluded with a grid operator (standard contract, in accordance with the provisions and formula of the relevant Grand-Ducal Regulation (RGD) and the provisions of the tender documents)
 - Amount of the market premium: difference between the reference remuneration (RR) and the monthly market price « MW Solar »
 - amendment of the regulation-text related to negative hours
 - Bilateral contract with an authorized representative/supplier for the direct sales of the electricity on the market
 - conditions to be freely negotiated between both parties
 - the supplier acting as an intermediate invoices its services
 - it is essential for applicants to **inform before the submission** in order to fix its RR in full knowledge of the pricing facts
- Market premium + Revenues from direct sales -> difference with the exact RR possible



CALL FOR PROJECTS – INVESTMENT AID





GENERAL INFORMATION

- ✓ Third call for projects investment aid since 2022
 - Success of the two first editions: aid instrument to be continued (results of previous calls for projects)
- Construction and operation of solar photovoltaic power plants
 - Installed on the external envelopes of buildings, on ZAE sites or as shade structures/carports
- Eligible applicants: moral persons (SA, SARL, cooperatives) who
 - are established in Luxembourg,
 - are engaged in an economic activity as their main occupation,
 - invest in solar photovoltaic power plants, and
 - meet the general conditions that apply in this matter (e.g. authorization, state aid)
- Maximal budget € 23 millions
- Submission of applications from 19.07.2024 to 31.10.2024
 - Grant decision latest 3 months after the submission deadline (late January/early February 2025)
- Information and procedures on <u>Guichet.lu</u>



ELIGIBLE INSTALLATIONS

- Five different lots
 - Lot 1: Roofs of buildings and/or ZAE sites : > 30 kW and ≤ 200 kW
 - Lot 2: Roofs of buildings and/or ZAE sites : > 200 kW and ≤ 500 kW
 - Lot 3: Roofs of buildings and/or ZAE sites : > 500 kW
 - Lot 4: Innovative: Facades and/or roofs with light modules
 - Sub-lot 4a: > 30 kW and ≤ 200 kW
 - Sub-lot 4b: > 200 kW and ≤ 500 kW
 - Sub-lot 4c: > 500 kW
 - Lot 5: Shade structures/carports > 30 kW
- Maximal budget to be allocated: € 23 millions
 Lot 1: € 3 millions, Lot 2: € 4 millions, Lot 3: € 8 millions, Lot 4: € 4 millions (Sub-lot 4a: € 1 million, sub-lot 4b: € 1 million, sub-lot 4c: € 2 millions), Lot 5: € 4 millions



ELIGIBLE INSTALLATIONS

- The power plants have to be new plants
- **Completion date**: commissioning latest 18 months after the allocation
- Having all authorizations required for the installation of the plant is not required when submitting
- After the allocation:
 - Financial performance guarantee if plant > 500 kW
 - Submission of the **grid connection request** within two months (recommendation: inquiry for a pre-evaluation of the connection at the grid operator before the submission of the application)
 - In case of self-consumption: the surplus of electricity can be injected in the grid and sold on the market
 - -> contract required with a supplier of your choice



MAXIMAL AMOUNTS AND RANKING

	Maximal aid intensity [%]	Maximal aid amount [€/kW]
Lot 1	50	675
Lot 2	45	505
Lot 3	40	425
Lot 4		
а	50	845
b	45	635
С	40	535
Lot 5	45	990



MAXIMAL AMOUNTS AND RANKING

- Ranking: best price
 - By ascending reference aid €/kW;
 - In case of equality of this amount, by increasing capacity;
 - In case of equality of this amount and the capacity, by drawing lots among the ex-æquo files;
 - Competitiveness clause in case of under-subscription;
 - In every lot, no group (single economic entity) may receive aid for one or more projects in an amount **exceeding**40 % of the budget per lot.



RANKING: EXAMPLE

Submitted bids Lot 3 (fictive projects)

Capacity [kWc]	Total project costs [€]	Amount of the aid requested [€]	Intensity of the aid requested [%]	Reference aid [€/kWc]
700	3 000 000	1 100 000	36.67	1 571.43
700	3 000 000	240 000	8	342.86
900	833 333.33	250 000	30	277.78
900	500 000	300 000	60	333.33
800	720 000	216 000	30	270
600	833 340	166 668	20	277.78
750	712 500	275 000	38.60	366.67



RANKING AND ALLOCATION

RANKING: EXAMPLE

Ranking established by the Ministries after the deadline for submission of bids

Under-subscription: at least 10 % of the submitted eligible offers are eliminated

Capacity [kWc]	Total project costs [€]	Amount of the aid requested [€]	Intensity of the aid requested [%]	Reference aid [€/kWc]				
800	720 000	216 000	30	270				
600	833 340	166 668	20	277.78				
900	833 333.33	250 000	30	277.78				
700	3 000 000	240 000	8	342.86				
750	712 500	275 000	38.6	366.67				
700	3 000 000	1 100 000	36.67	1 571.43				
900	500 000	300 000	60	333.33				



PAYMENT OF THE AID: PROCEDURES

Investment aid

- Payment of the aid upon commissioning and presentation of the invoices
- Intensity and amount mentioned in the decision cannot be exceeded
- Amendment of the capacity possible
 - Attention: the ranking of the project within the lot or sub-lot could be revised

Eligible costs :

- Purchase and installation of electrical equipment (photovoltaic modules, inverters, cabling, junction boxes)
- Storage with a capacity of no more than 1 kWh per 1 kWp of the plant
- Setting up of the grid connection (connection costs, transformer, civil engineering works)
- Engineering and development costs
- Structural elements / tracker for ZAE areas and shade structures/carports)





SUBMISSION OF BIDS

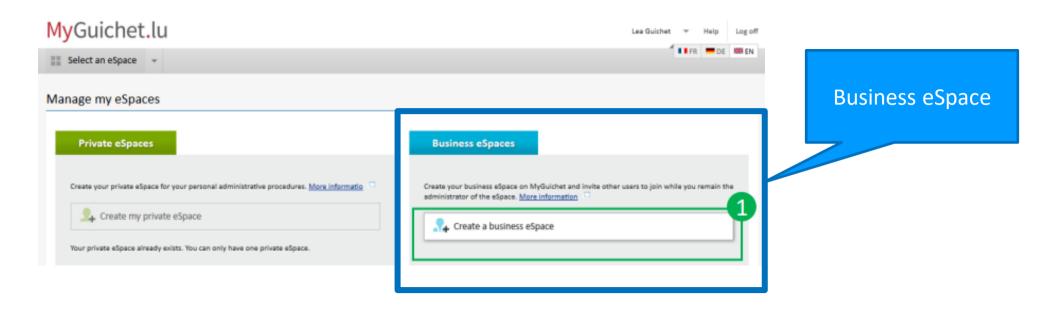
PROCEDURE

- Supporting document and submission via MyGuichet
- Support provided by LuxInnovation aides@luxinnovation.lu
- Application to be filed before the start of the project (1st binding commitment)
- An undertaking in difficulty is not eligible



MyGuichet.lu

✓ Myguichet – Business eSpace Support — Guichet.lu



Procedure – MECO: Financial aid application for companies





STEPS OF THE PROCEDURE

- Identity of the applicant
- Information on the applicant business
- Group
- Size of the applicant business/Size of the group
- Financial position
- Project summary with start and end dates
- Scheme
- Costs
- Form of aid sought
- Project (pre)financing plan
- Supporting documents
- Declaration of honour
- Validation

Information on the business

Type of business

What type of business is this?*

Identity of the business

Business name - company name*

National identification number*

Legal form*

Number in the Trade and Companies Register*

VAT number

NACE code of the main activity*

Overview of the activities



/	*
/	*
☐ Please select a value.	*
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SCHEME – CHOICE OF AID

Scheme

For more information, please review the summary table of types of aid..

Based on your statements, your business, including the group it belongs to, constitutes a company.

If you believe this information is incorrect, please enter the information in the 'size of the business' section.

Please select the aid scheme

PME - Small and medium-sized enterprise

RDI - Research, development and innovation

ENV - Environmental protection

ENV Scheme

Choice of aid

For more information, please review the summary table of types of aid. Please select the type of aid sought ENV-NOR - Investment enabling businesses to exceed EU environmental protection stan tal protection d **ENV-ESR** the absence of such standards ○ ENV-AAN - Early adaptations to future EU standards ○ ENV-MEE - Investment in energy efficiency measures ENV-CHR - Investment in high-yield cogeneration © ENV-ESR - Investment in the production of energy from renewable energy sources ENV-ASC - Investment in the remediation of contaminated sites ENV-RCF - Investment in the district heating or cooling distribution network ENV-RRD - Investment in the recycling or re-use of waste ○ ENV-IEN - Investment in energy infrastructure ○ ENV-EEN - Environmental studies Is your request for financial aid subject to the « Photovoltaic » call for projects? Yes ○ No

Yes



REG - Regional

COSTS

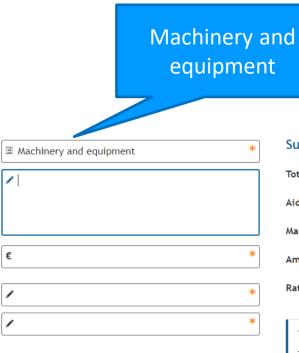
Type of cost*

Description of the cost

Cost in EUR excl. VAT*

Renewable energy production (kWh)*

Installed power (kWp)*



Summary of costs and aid application

Total cost for the type of aid (EUR)

0,00

Aid intensity sought (%)*

Maximum aid amount calculated (EUR)

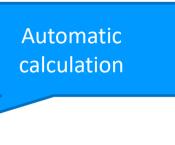
0,00

Amount of aid sought (EUR)*

€

*

Ratio "Requested aid / kWp"



The amount of aid sought and the maximum aid amount calculated as indicated in the fields above have to be identical.

The aid intensity sought (%) must not exceed the maximal allowable aid intensity (%) for the specific lot of the call for projects.

The ratio "Requested aid/kWp" must not exceed the maximal allowable amount of aid (€/kWp) for the specific lot of the call for projects (see specifications of the call for projects).



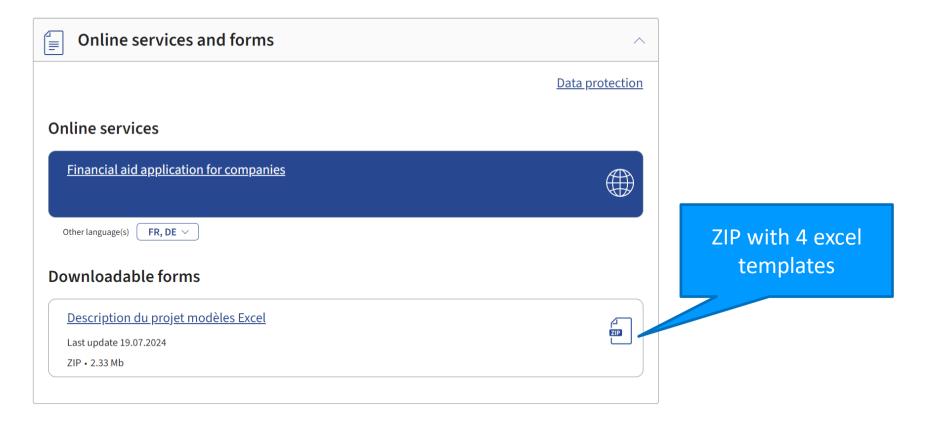
SUPPORTING DOCUMENTS

What?	How?
Power of attorney to complete the procedure (if applicable)	PDF, Office
Organisation chart	PDF, Office
2023 annual financial statements (applicant business and group)	PDF
Bank account identification document (RIB)	PDF
Joint Social Security Centre (CCSS) certificate (number of employees)	PDF
Site use right certificate	PDF
Offer / Price quotation (if available)	PDF
Annual financial statements (BS + PL) of the applicant business	EXCEL template provided
Annual financial statements (BS + PL) of the group	EXCEL template provided
Company size	EXCEL template provided
Description of the project	EXCEL template provided



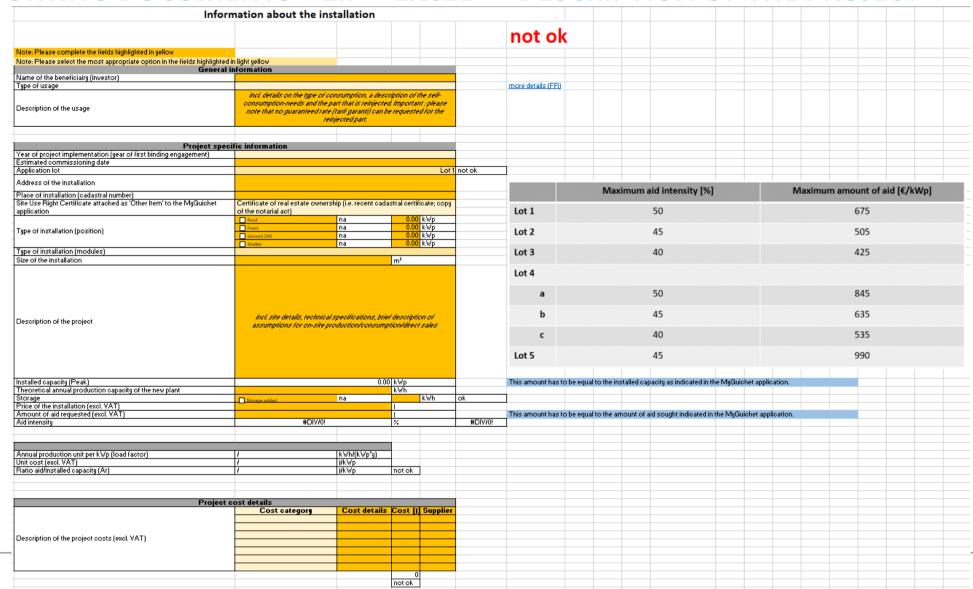
SUPPORTING DOCUMENTS – ZIP

Guichet.lu





SUPPORTING DOCUMENTS - ZIP - EXCEL << DESCRIPTION OF THE PROJECT >>





DÉMARCHE MYGUICHET

SUPPORTING DOCUMENTS - ZIP - EXCEL << DESCRIPTION OF THE PROJECT >>

Simplified business plan

Explanations:

Note: Please complete the fields highlighted in yellow

1) Estimate of electricity savings due to autoconsumption

Indicate the annual avoided electricity purchase costs over a 15-year period in €/MWh

Indicate the annual production in kWh used for autoconsumption

2) Estimated revenue from direct sales (if re-injected or if the beneficiary is not the consumer)
Indicate the annual selling price of the electricity produced over a period of 15 years in €/MWh

Indicate the annual production in kWh used for reinjection or sale to a consumer

3) Estimated operating costs for the operation of the PV installation over a 15-year period

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Estimated electricity cost [€/MWh] (Purchase)																
Production autoconsumption [kWh]																
Electricity savings ("Revenue") [€/year]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated electricity price [€/MWh] (Sale)																
Production reinjection [kWh]																
Income from direct sales ("Revenues") [€/year]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating expenses ("Costs") [€/year]																

You are strongly encouraged to contact your electricity supplier to negotaite the options before the submission



USEFUL LINKS

Useful links

- https://guichet.public.lu/en/entreprises/financement-aides/energie/production-energie/production-electricite-energies-renouvelables.html
- https://guichet.public.lu/en/entreprises/financement-aides/aides-environnement/appel-projets-photovoltaique-aides-investissements.html
- https://events.luxinnovation.lu/aide-a-l-investissement-pv-2024

List of planners at Klima-Agence

• https://www.klima-agence.lu/en/business/accompanying-you/photovoltaics/large-scale-photovoltaic-project-planners

Useful documentation in the context of self-consumption, energy communities and energy sharing

- https://assets.ilr.lu/energie/Documents/ILRLU-1685561960-1117.pdf (inofficial coordinated text of the LoiE, FR)
- https://web.ilr.lu/FR/Professionnels/Electricite/Commun/Decisions-et-reglements-lk ILR/ layouts/15/ILR.Internet/Publications.aspx (FR)
- https://www.weshareenergy.lu/ (FR)
- https://www.klima-agence.lu/en/why-produce-photovoltaic-electricity-or-consume-it-yourself
- https://www.klima-agence.lu/en/collective_self-consumption
- https://www.klima-agence.lu/en/energy-community



QUESTIONS & ANSWERS

5

PV@energie.etat.lu appel.pv@eco.etat.lu aides@luxinnovation.lu