

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

# **IC Recommendation on Non-Priority Proposal**

**MF 2022-2 PL 1-002  
“My Heating” (Subsequent Disbursement)**



## **1. Background**

The Modernisation Fund was set up pursuant to Article 10d of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (ETS Directive).

Detailed rules on the operation of the Modernisation Fund (MF) are set in the Commission Implementing Regulation (EU) 2020/1001 of 9 July 2020 laying down detailed rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the operation of the Modernisation Fund supporting investments to modernise the energy systems and to improve energy efficiency of certain Member States (Implementing Regulation).

In accordance with Article 10d(6) of the ETS Directive, where an investment in the modernisation of energy systems, which is proposed to be financed from the Modernisation Fund, does not fall into the areas listed in paragraph 2 of Article 10d, the Investment Committee shall assess the technical and financial viability of that investment, including the emission reductions it achieves, and issue a recommendation on financing the investment from the Modernisation Fund.

The Investment Committee may issue a recommendation on financing the investment from the Modernisation Fund, if the conditions specified in Article 7(7) of the Implementing Regulation are met.

Where a proposal concerns a subsequent disbursement for a scheme recommended for the financing by the Investment Committee, the proposal shall not require carrying out of due diligence assessment by the EIB, and the assessment of the proposal by the Committee shall be limited to verification of compliance with the requirements specified in points (b), (c) and (d) of paragraph 7 of Article 7 of the Implementing Regulation, provided that there have been no changes to the scheme

## **2. Investment proposal**

Pursuant to Article 4(1) of the Implementing Regulation, on 05/08/2022, Poland (the “beneficiary Member State”) submitted to the EIB and the Investment Committee an investment proposal concerning a subsequent disbursement from the Modernisation Fund for the Scheme “My heating” (MF reference number 2022-2 PL 1-002).

The Investment Committee issued [a recommendation for financing the scheme “My Heating”](#) (MF reference number 2021-2 PL 1-001) from the Modernisation Fund on 26/10/2021.

The scheme supports the purchase and installation of heat pumps based on renewable energy sources in new single-family residential buildings.

The scheme targets only new buildings complying with the new energy performance standards for buildings, known as technical requirements WT 2021 that define the Polish standard for nearly zero energy buildings. The duration of the scheme is 2021-2027.

The final beneficiaries of the scheme are natural persons, who are the owners or co-owners of the new single-family residential buildings.

The beneficiary Member State has indicated an expected Modernisation Fund funding for the investment proposal of EUR 133 333 333.

The EIB has disbursed an amount of EUR 22 222 222.

The beneficiary Member State has requested funding of EUR 111 111 111 for a subsequent disbursement. This is the second and final disbursement request for this investment, completing the overall requested support from the Modernisation Fund.

### ***3. Compliance with the conditions for non-priority investment***

As the proposal concerns a subsequent disbursement and as there have been no changes to the scheme, the proposal shall not require carrying out of due diligence assessment by the EIB, and the assessment of the proposal by the Investment Committee shall be limited to verification of compliance with the requirements specified in Article 7(7) points (b), (c) and (d) of the Implementing Regulation:

- a) The beneficiary Member State has sufficient funds available according to the statement of the available funds referred to in Article 5(1) of the Implementing Regulation and after deduction of any amounts to be disbursed for investments already confirmed in accordance with Article 6(9) of the Implementing Regulation.
- b) The European Investment Bank confirmed that the share of the funds allocated to priority investments is at least 70 % of the total amount of funds used by Poland, as defined in Article 7(7)(c) of the Implementing Regulation.
- c) The beneficiary Member State has confirmed in writing that up to 70% of the relevant costs of an investment will be supported with resources from the Modernisation Fund and the remaining costs are financed by private legal entities.

### ***4. Recommendation***

The Investment Committee recommends financing the subsequent disbursement from the Modernisation Fund for the scheme of EUR 111 111 111.

## **5. *Justification for recommendation***

The Investment Committee deems support from the MF the subsequent disbursement as here have been no changes to the scheme and the the investment proposal meets the requirements specified in points (b), (c) and (d) in Article 7(7) of the Implementing Regulation.

## **6. Suggestions regarding application of the financing instruments (if applicable)**

The Investment Committee has no suggestions regarding the application of the financing instruments.

Investment Committee, 25 October 2022