



The RUE action plan: grants for primary-energy savings in Flanders

Companies in the Flemish Region that are connected to the Elia network at voltages of up to 70 kV can apply to Elia for a grant. The aim of these grants is to make investing in rational use of energy more attractive. The amount of the grant received is based on a specific percentage of the total investment, that percentage being linked to the length of time it will take to recover the investment (payback time).

I. The RUE action plan for Flanders: basic principles

Policies to combat global warming have seen various governments taking action to promote rational use of energy (RUE). The Flemish government decided to impose a general obligation on distribution system operators (DSOs) to take action to promote primary-energy savings. DSOs must ensure that customers connected to their system can obtain the necessary financial support when taking measures to cut their energy consumption.

I.1. Report submitted to the Flemish Energy Agency

To demonstrate its compliance with this requirement, each year Elia has to prepare a report that it submits to the Flemish Energy Agency ('Vlaams Energieagentschap'). This report states the total energy savings made in the previous calendar year, without disclosing details about individual Elia customers.

I.2. Subsidies to support energy savings

Elia offers grants to customers connected at voltages of up to 70 kV in the Flemish Region. The aim of these grants is to subsidise measures that customers wish to take in order to save primary energy. To qualify for a grant, the measures must be feasible and realistic from both an energy and a financial perspective.

I.3. Size of grants

The basic principle for determining the size of grants is that the more profitable a measure is in itself, the lower the amount of support required. Measures are supported if they have a payback time (PBT) of between 2 and 10 years, with the level of support being determined by the PBT. For measures with a PBT of between 2 and 5 years, the grant increases in proportion to the PBT from 10% to 40% of the investment cost. For PBTs of between 5 and 10 years, the level of support is a constant 40%. Where the PBT is longer than 10 years, no support is offered. This information is summarised in the table below, where grants are divided into two categories:

	Payback time	Grant (as a % of investment cost)
Category A	Between 2 and 5 years	(Payback time expressed in number of years * 10%) – 10%
Category B	Between 5 and 10 years	40%

The PBT of a measure must therefore be known in order to calculate the correct amount of the grant. The PBT is calculated as follows:

Payback time (year) = investment cost (€) / energy saving (€/year)

- When determining the investment cost, all external costs arising directly from implementation of the measure are taken into account. Quotations or invoices must be submitted as proof of this amount.
- The decrease in energy consumption must be estimated in an energy study carried out by an authorised energy expert. The energy study must be submitted to Elia for approval. Based on the energy cost, the energy saving in financial terms can then be calculated. The energy cost can be established by presenting energy bills from the past 12 months. Alternatively, the customer can agree to a fixed energy cost proposed by Elia.

The above calculation method is suitable for determining the PBT for a measure that involves a modification or replacement in existing facilities. However, if energy-saving measures are being implemented in new facilities, there is no benchmark consumption value for estimating the energy saving. In this case, the energy consumption of the low-energy design must be compared with the standard design. If a replacement is proposed, the 'life expectancy' of the current facilities must be longer than the PBT.



I.4. Grant eligibility criteria

Grants are subject to a number of conditions:

- The investment must not have begun at the time of the grant application. The customer should first arrange for an authorised energy expert to carry out the energy study. The customer then submits the application to Elia. Only once Elia has approved the application can the customer place the order for the measure to be implemented.
- The maximum grant per application year is €200,000 per customer and per site.
- The grants that Elia can award are limited by the available budget.
- The saving measures must be fully implemented within two years. In case of unforeseen delays, an extension may be granted. This must be applied for in writing.
- The grant cannot be combined with other subsidies or green certificates, cogeneration certificates or green heating certificates awarded by the Flemish government for the same investment. However, the grant can be combined with guarantees issued by the Flemish government or environmental support for the same investment.
- Elia gives preference to projects with a payback time of between two and five years.

II. How to submit a grant application

The grant application must be submitted using special documents that can be downloaded from the Elia website www.elia.be (under "Products & services").

Elia forwards the applications it receives from its customers to an independent body. During this phase, additional questions may be asked in order to complete the file. When the file is complete and closed, Elia will prepare an approval decision setting out the provisional amount of the grant. Once the subsidised measures have been implemented, the customer draws up a report containing the results of the measures. This report is sent to Elia together with proof of the expenditure that the customer has incurred. Elia may carry out on-site inspections if necessary to complete its assessment of the application.

Once all these steps are complete, the amount of the grant is finalised and then paid. The savings achieved by the project and the costs incurred in implementing it are taken into account when determining the final amount.

III. Strengths of the RUE action plan

The saving measures implemented in connection with the RUE action plan have a positive impact:

- By investing in energy-saving measures, the Elia customer contributes to meeting the overall targets for combating global warming. The financial support allows the customer to pursue an environmental policy that will also have an economic impact on its business.
- The grant allows the customer to carry out projects with a longer payback time.
- The procedure for obtaining grants is administratively very simple, mainly due to the fast approval procedure based on objective criteria.
- The applicant is informed about the amount of the grant before the measures are implemented.

IV. Legal and contractual basis

To qualify for these grants, customers must be connected to the Elia network at the time that their application is made. Their access point must be in Flanders and the voltage must not be more than 70 kV.

The requirement for system operators to take action to save primary energy is a consequence of the Flemish government's Energy Decree of 19 November 2010 laying down general provisions on energy policy.

The RUE action plan in 5 points

- Elia is meeting its obligation to take action on RUE by offering grants to its customers in the Flemish Region who are connected to its network at voltages of up to 70 kV.
- The amount of the grant is dependent on the payback time of the investment. All measures with a payback time of between two and ten years may be eligible for a grant.
- Grants may be as much as € 200,000 per customer per year. They give recipients an opportunity to implement environmentally friendly measures while also enhancing their business's profitability.
- The customer must first arrange with an authorised energy expert to carry out an energy study. They then submit their application to Elia. Only once Elia has approved the application can the customer place the order for the measures to be implemented.
- The procedure for obtaining a grant is quick and easy.