

HIPA Website Factory Rescue FAQ

1. What is the legal basis for participating in the Factory Rescue Program?

Item 1: aid for investments made in order to achieve a higher level of energy efficiency (based on the General Block Exemption Regulation – Article 38);

Item 2: aid for investments made for the production and storage of energy from renewable sources (based on the General Block Exemption Regulation – Article 41);

Item 3: helping companies affected by the negative economic effects of the military conflict in Ukraine by supporting investments in energy efficiency and/or renewable energy production and storage (TCF 2.1).

2. Who can participate in the aid?

The aid shall be granted to all large companies according to the General Block Exemption Regulation that are involved in a processing industry-related activity and which have completed at least one business year at the time of registration.

3. Where can more be read about the aid?

The aid available under the Program shall be governed in accordance with Government Decree 210/2014. (VIII. 27.) on the use of the investment incentive target allocation. In addition, we recommend that you continuously monitor the www.hipa.hu website.

4. When does the program start and how can it be applied for?

The registration period for the Factory Rescue Program starts on 2 November 2022. Successful registrants can apply for the aid then.

5. Where can registration be made for the Factory Rescue Program?

The Factory Rescue Program will be available on the www.gyarmento.hu platform on 2 November 2022. The platform is not available until this date.

6. Is there a form at the time of registration? What information is required for registration? Are specific projects needed, including sums?

During registration, all relevant data appearing on the platform must be filled in, by which the companies provide the financial parameters and locations of their investments that improve planned energy efficiency or increase renewable energy use. Registration consists of a few steps after the user interface is created.

7. Where can the application form be submitted after registering?

No public application data sheet is available during the Factory Rescue Program. In the event of successful investment registration you will receive the necessary documents in an automated response message for the submission of the aid application. We recommend that you consult with our staff before formally submitting the application in order to correctly complete it, and properly compile the annexes to be submitted. The draft aid application must first be sent to gyarmento@hipa.hu with all relevant attachments, after which the official, signed version can be submitted by post or in person upon receipt of feedback from the HIPA associates.

8. What kind of investments can be supported?

The range of investments eligible for aid is defined in Government Decree 210/2014 (VIII. 27.) on the use of the investment incentive target allocation. The investment shall relate to the activities listed in the Annex to this Regulation.

9. Will the energy production equipment installed in the new hall to be established (not yet built) be eligible?

Yes, but in this case the most important requirement is that the production capacity and the energy production investment are put into operation at the same time.

10. If our company plans to make more investments, do we need to indicate them all within one registration, or does a separate registration need to be submitted for each planned investment?

One number can be used to complete one registration, so please indicate your investments related to a separate site in the course of the registration.

11. What determines the intensity of the aid?

In the case of investments in Budapest, the maximum intensity of aid is 30%, and in the case of investments in rural areas, the maximum intensity of aid is 45%. In each case, the Sponsor is entitled to determine the amount of the specific aid individually within the above limits, based on the criteria set out in the Government Decree.

12. In the settlements of Pest County, should we calculate with the aid intensity of Budapest or the countryside?

In Pest County, with the exception of Budapest, the maximum intensity of aid that can be obtained during the Program is 45%.

13. My planned investment is below EUR 500,000. Can I still register for the Program?

A company can only register in the Program with a minimum investment volume of EUR 500,000.

14. On the basis of the value of our planned investment and the relevant aid intensity, we might be eligible for an aid of EUR 18 million. Is that possible?

No, because no more than EUR 15 million per legal entity can be applied for in the Program during a registration period.

15. Our company has several sites, of which we do processing industry-related work at only one of our sites. Is it possible to implement subsidized investments at our other sites?

No, because only those investments related to processing industry activities are eligible under the Program.

16. Is it possible to carry out an investment on a leased site?

Yes, aid may also be requested for investment on leased premises during the Program. However, the rent cannot be subsidized in the Factory Rescue Program.

17. How much time will be available to realize the investment after the planned investment is approved?

The duration of the investment may not exceed 24 months, provided that, where justified, the Sponsor may, at the request of the Beneficiary, extend it for a further period of 12 months.

18. When can the investment start?

The investment can start on the day following the date of submission of the aid application.

19. Can investments that have already started, which increase energy efficiency, also be submitted during the application?

No aid shall be provided in the Factory Rescue Program for investments that have already started. However, this does not preclude preparatory actions relating to the investment from being carried out before the application is submitted; however, their cost can be considered eligible only in the case of limited aid, provided that they were incurred after 17 September 2022. Assets or construction works related to the investment may only be ordered after the submission of the aid application.

20. Which institution will administer the aid? HIPA?

The Factory Rescue Program is sponsored by the Ministry of Foreign Affairs and Trade, and the administering body is HIPA Non-Profit Ltd.

21. What happens when the registration is closed?

Interested companies will be informed of the closing of the registration in an error message.

22. Who can I contact should I have further questions?

If you have any special further questions, please write to us at gyarmento@hipa.hu or call our central line at +36-1-872-6520.

23. What exactly is meant by the concept of all large companies according to the General Block Exemption Regulation (GBER)? Is this the same definition as the definition of a large company in economics, i.e.: do we consider large companies where the number of employees exceeds 250, or the turnover exceeds EUR 50 million, or the balance sheet total exceeds EUR 43 million?

GBER is available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02014R0651-20210801&from=EN>

According to Article 2 (24) of the Regulation, 'large companies' mean undertakings which do not fulfil the criteria laid down in Annex I. In accordance with Article 2 (1) of Annex I:

Micro, small and medium-sized enterprises (SMEs) include enterprises with fewer than 250 employees whose annual turnover does not exceed EUR 50 million and/or whose annual balance sheet total does not exceed EUR 43 million.

24. Based on point b) Article 26/W of the Regulation, does the difference between the book value of the asset to be replaced and the net purchase price of the new energy efficiency device create the basis of the eligible cost? If not, we would like to ask for your help in interpreting point b).

In the case of an asset replacement it is necessary to obtain two quotations for the asset capable of fulfilling the same function, if possible. One is a less energy-efficient instrument, the other is a good energy-efficient instrument (the subject of the planned procurement) and the cost difference between the two will be the basis for calculating the aid amount.

25. Is it possible to mix eligible costs? In other words, can I simultaneously carry out building insulation works, asset replacement for energy efficiency and investment in renewable energy production to increase the energy efficiency of an existing building?

Yes, the request may be directed to different types of activities. This does not mean “mixing” the eligible costs, but the simultaneous application for different subsidy items, as permitted by law. During registration, all planned investment activities must be registered.

26. In the case of an asset replacement for energy efficiency purposes pertaining to a limited amount of aid, is the purchase price of the new asset purchased fully eligible?

Yes, in the case of a limited amount of aid when replacing an asset for energy efficiency purposes, the purchase price of the purchased new asset can be settled in its entirety up to the maximum of this aid item, which is determined by the European Commission, taking into account the relevant provisions on aid cumulation.

27. To what extent is it necessary to specify the financial parameters of the investment? Per cost item or activity, or is it sufficient to provide an overall estimate of the planned investment? Will a Client Gate (Ügyfélkapu) login be required?

The volume of the planned investment (in HUF) and the requested aid (in HUF) shall be indicated by activity and location. Client Gate (Ügyfélkapu) login will not be required.

28. We would like to register for the Factory Rescue Program. Our company qualifies as a medium-sized enterprise, is it possible that the range of registrants will be expanded to include medium-sized companies?

Support under the Factory Rescue Program may be provided to large companies in accordance with the legislation in force, which will not be amended until the registration on 2 November 2022.

29. Can the purchase of a production tool be supported in order to achieve energy savings? So, for example, can we buy a more energy-efficient CNC machine?

Yes, it is also possible to account for this type of procurement under the Program, provided that your Company meets the eligibility criteria under applicable law.

30. Will it be possible to deviate from the data provided during the required pre-registration in the case of a subsequent application? Based on the questions and answers in the FAQs, we see that it will be necessary to specify the project location and financial parameters at the time of registration. My question would focus on whether the data provided at the time of registration will conclude the framework for a future tender, for example, in relation to the implementation sites? For example, if one planned location is indicated during the registration, will it be

possible to involve more locations during the actual application (with the same financial parameters specified at the time of registration)?

During the registration process, please record the data corresponding to the real plans and needs of the company. However, in justified cases, it is acceptable for the company to deviate from the data provided in the registration when submitting the application.

31. What is meant by an energy audit and should it be submitted at the time of registration?

The concept of energy audit is regulated by Act LVII of 2015 on Energy Efficiency. The energy audit does not need to be submitted at the time of registration.

32. Is it not possible to account for the cost of building insulation works the purpose of which is to increase the energy efficiency of an existing building?

Within the framework of the Factory Rescue Program, the replacement of doors and windows can be implemented and accounted for. However, from the legal perspective on subsidies, replacing doors and windows is not considered building insulation work, but an investment that increases energy efficiency for other purposes.

33. Is the limited amount of aid only available for costs related to renewable energy production and storage?

No, the limited amount of aid is also available for investments that increase energy efficiency.

34. According to the HIPA website, 90% of the base number is to be maintained. What happens if, at the end of the 12-month maintenance period, we remain below the average number of employees by even one person? Is the aid amount already paid to be repaid in full or is it to be repaid in proportion to the amount of the shortfall? In the event of repayment, what other fees (interest, etc.) should be calculated in addition to the amount of the aid? Is there a calculation for that?

In the above case, the Sponsor may withdraw from the contract. The law therefore leaves the application of possible sanctions to the discretion of the Sponsor.

35. Do the purchased assets also need to be activated by the end of the investment period, or does the purchase only need to be verified by an invoice and a bank statement?

The assets must be activated in the Beneficiary's books by the end of the investment period.

36. By the end of the investment period, only the 50% advance payment will be made and the remaining 50% will have to be paid in one lump sum after the closing of the accounts, or should settlement packages be submitted at certain intervals (e.g. every six months), after which the additional aid amounts will be transferred following the Sponsor's approval?

After the entry into force of the aid contract, 50% of the awarded aid will be paid to the Beneficiary within the framework of an advance. Subsequently, the aid will be paid ex post on the basis of the eligible costs, on a pro rata basis, the timing of which will be specified in the aid contract.

37. I would like to inquire if a company engaged in manufacturing as its main activity and with offices at several sites, can have their building insulation subsidized? The factory is located at the central site, next to the office for the white-collar staff (which is not integrated into the factory). There are also offices at other sites. Can the development be subsidized? In relation to the office at the same site as the factory and/or in relation to the office at the other site?

In the Factory Rescue Program, activities related to processing industry activities can be supported. In the above case, the insulation of the building in which the manufacturing activity takes place may be supported, but not of the separate, i.e. not integrated offices for the white-collar staff.

38. Is it possible to apply for the Program as a small enterprise with 44 employees?

Aid under the Factory Rescue Program may be provided to large companies in accordance with the legislation in force, which will not be amended until the registration on 2 November 2022.

39. Is it possible to apply for the Program in consortium form?

According to the legislation in force regarding the Factory Rescue Program, the aid can only be granted for an investment to be carried out by a single economic entity. Consortiums are therefore excluded from applying for the Program.

40. Where does the retention of staff (job retention) start? At the time of submitting the application? And what is the end date when the 90% must be maintained?

The headcount undertaken in the Factory Rescue Program shall be maintained for a period of one year after the completion of the investment.

41. In the case of the first item, for example, is the purchase of a more energy-efficient production line/equipment than the current equipment used for production/processing industry-related activities eligible? Is it possible to subsidize the replacement of doors and windows, or the implementation of external insulation and roof insulation in the existing production hall? Is it allowed to upgrade the cooling/heating system? (e.g. design cost, purchase of new heat transmitters/heaters, more efficient boiler?) Is the modernization of the domestic hot water system (design cost, solar panel installation, purchase and installation of a more modern/efficient hot water storage tank) eligible?

According to Article 38 of the General Block Exemption Regulation, all of the above costs are eligible if the investor otherwise meets the application criteria.

42. In the case of the second item, for example, is the installation of a solar system on a building/hall with a production/processing industry function eligible? (design, licensing, installation work fee, solar panels, inverter, support structure, solar battery cost)? Can the maximum target for system scaling be the full replacement of past consumption? Is it possible to scale the solar system based on the consumption volumes in the current bills of the last one year? Or what is the basis of scaling?

All the items listed are eligible under this item, provided that the investor otherwise fulfils the application criteria. The amount of energy produced by the aided investment shall not

exceed what is necessary for the self-sufficiency calculated at the time the investment is put into operation. Capacity beyond that will not be eligible under the Program.

43. In particular, what investments in renewable energy production and storage are included in Item 3? What effects are considered to be the “negative economic effects of the military conflict”? What conditions must the applicant therefore demonstrate in order to prove/show compliance with this item?

The activities relevant to the first and second items are also eligible under Item 3. Under Item 3, the applicant is not required to present a certificate, the Sponsor assumes that all enterprises operating in Hungary are affected by the effects of the military conflict.

44. Are there plans to amend and harmonise the government decree regulating the Factory Rescue Program with the Commission regulation on the amendment of the temporary crisis management framework for state aid adopted by the European Commission on 30.10.2022? In other words, will it be possible to receive up to EUR 2 million in the case of a limited amount of aid in the context of Factory Rescue applications?

The Government Decree contains a flexible reference to the Communication of the Commission cited in the question, which means that the amount of aid available under Item 3 of the Factory Rescue Program has also automatically increased. For the same reason, the increased time limit for the conclusion of aid contracts until 31 December 2023 should also apply automatically.

45. In relation to Question 2 of the FAQ, my question would be, if the investment is not made at a large company, but at a company belonging to a large company (or to a holding company) which is not classified as a large company, is it eligible for support?

If a legal entity qualifies as a large company through a group of companies, it may be eligible if other conditions are met.

46. My question is whether it is only possible to replace existing equipment, or whether a new investment is also eligible (by comparison with less efficient equipment).

The aim of the aid is to support investments in order to achieve a higher level of energy efficiency. In this context, investments for the replacement or modernisation of assets for energy efficiency purposes shall be eligible. If an asset is to be purchased, it must always be new, which may replace the existing machine in production. The purchase of a used asset is not eligible. The purchase of equipment exclusively for capacity expansion is not eligible; however, the production equipment to be replaced, besides being more energy-efficient, may also result in additional production capacity.

47. In the case of production equipment, if the installed capacity of the selected equipment exceeds the previous one, but results in lower specific energy consumption in production, can the investment be subsidized, or since we are talking about economic growth in this form, is it not eligible?

The purchase of equipment exclusively for capacity expansion is not eligible; however, the production equipment to be replaced, besides being more energy-efficient, may also result in additional production capacity. In order to confirm whether the planned asset is in line with

the purpose of the aid, the Ex-Ante and Ex-Post energy audit and the certificate issued on the basis thereof must be presented to the administering body.

48. We would like to inquire whether, within the framework of the Factory Rescue Program, a preliminary plan including the main equipment and their electrical connection is sufficient for the design documentation related to the solar system and thus supports the construction budget?

A technical design and the related contractor's price quotation must be submitted. The technical design shall mean a construction plan, authorization plan, or at least a concept plan. Where a concept plan is available, it shall cover the information on the basis of which the investor can demonstrate to the administering body that the planned energy generating investment is technically sound and feasible.

The **tender documentation** to be submitted as part of the aid application shall include at least the fulfilment of the following, as well as their technical and cost implications, in order to assess whether the planned energy generating investment is technically sound and feasible:

1. the energy generating system is implemented to meet the investor's own energy needs;
2. a declaration by the tenderer that the connection point of the installation and its performance are suitable for connection to the intended system;
3. the tenderer's declaration of completeness in relation to the implementation of the planned energy generating system that it meets both the purpose of the aid and the relevant legal requirements and technical specifications.

The **Concept Plan** to be submitted in support of the aid application shall include at least the following:

1. technical description;
2. timetable;
3. how the operation of the energy generating system to be established will be implemented (e.g. isolated system; system with reverse-watt protection; system feeding into the grid);
4. the solar inverter ratio for solar systems;
5. the name and description of the intended surveillance system;
6. a site plan showing the location of the installation of the energy generating system;
7. designer's or expert's declarations on the feasibility of the energy generating system (Energy and electricity specialisation; Lightning protection specialisation; Architecture and statics specialisation):
 - o the guaranteeing of placement,
 - o the timely availability of technological elements and the necessary authorizations.

If an authorization or construction plan is available for the energy generating investment, the Concept Plan can be replaced with it.

49. Regarding the energy audit required in the application submitted within the framework of the Factory Rescue Program, my question is whether the submission of the application in the first round requires the material submitted and uploaded

to MEKH, or the material compiled by an auditor recognized by MEKH is sufficient.

The EEOS type audit prepared by the auditor included in the name list and the Ex-Ante certificate issued based on it are sufficient. With the energy audit and the Ex-Ante certificate, the investor confirms to the administering body that the energy use and energy saving values included in the aid application are appropriate.

50. Is a full-scale energy audit necessary, or is a project-level audit sufficient to submit the application?

The energy audit shall support the data contained in the aid application. Accordingly, not the large company energy audit should be attached, but the so-called EEOS type audit¹, which is investment-focused.

Accordingly, the energy audit must be able to clearly establish the extent of the company's annual energy consumption in the initial state prior to the start of the investment (see section 1.18 of the aid application). If the investment starts in 2023, the energy consumption in 2022 should be considered as the initial state. If the investment is to start in 2022, the audit should cover a period of 12 months prior to the start of the investment.

Energy audits must be able to establish satisfactorily the annual energy savings (Ex Ante audit) planned to be achieved as a result of the implementation of the investment and the energy savings (Ex Post audit) compared to the initial state; see section 2.4 or section 2.70 of the aid application. This shall also be indicated in the Ex-Ante certificate attached to the aid application.

If the company intends to implement several energy efficiency investment elements (measures) (e.g. building insulation and upgrading of production equipment) through the use of aid to increase energy efficiency (see aid application 2/A)/limited amount of aid (see aid application 2/C), the energy audit should include a description of all the technological elements (measures) concerned by the aid.

¹ Pursuant to Section 3 (11b) of Government Decree 210/2014 – Ehat. 15/A. § (1) – the rules and content requirements applicable to general energy audits for EEOS energy audits (Government Decree 122/2015. Government Decree 13. §) shall apply mutatis mutandis in relation to the given investment and the energy savings achieved by it.

When preparing the EEOS energy audit, special attention must be paid to the supplementary mandatory content of the EEOS energy audit as described in 17/2020 § 4 of the MEKH Decree:

§4 The energy audit for the purpose of determining energy savings shall include:

- (a) a description of the baseline situation prior to the energy efficiency improvement measure or the technical situation prior to the implementation of the energy efficiency investment and the energy efficiency indicators that characterise it,
- (b) a detailed description of the energy efficiency improvement measure or investment,
- (c) in the case of building structures, a detailed description of the layer design, the product characteristics and thickness of the built-in materials, and the relevant technical solutions,
- (d) in the case of the purchase or replacement of machinery and equipment, the name, type, performance characteristics of the machinery and equipment, the expected operating period and lifetime,
- (e) a description of the construction and installation work, its material characteristics, size or quantity and the calculation of the energy savings achieved in accordance with the relevant legislation, national standard or the rules of the profession,
- (f) an indication of the energy efficiency requirement in force in the European Union or in Hungary for the installed new equipment (in particular the minimum requirements contained in the implementing measures adopted pursuant to Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of eco-design requirements for energy-related products), or a clear statement of the absence of such a requirement,
- (g) an indication of the legislation, national standards, international standards, technical directives, sectoral technical directives or other technical documents relating to the measures implemented, taking into account the energy savings achieved,
- (h) a detailed description of the methodology for calculating energy savings, taking into account Commission Recommendation (EU) 2019/1658 of 25 September 2019 on the transposition of energy savings obligations under the Energy Efficiency Directive.

If a company carries out an investment at more than one site, it may be sufficient to prepare an energy audit, which contains the necessary data by site and by technology underneath.

51. Is it necessary to submit additional documents in addition to the annexes indicated in the regulation or in the aid application sample at the time of submission of the application?

The aid application must be submitted within 4 months of registration, together with the annexes. This may be preceded by prior electronic submission and verification of the draft application. When making a preliminary opinion on the application, it is appropriate to send all the annexes forming part of the application to the administering body electronically in order to support compliance with the data and eligibility criteria contained in the application.

52. Can the possibility of submitting an application be suspended within the 4-month period, or will it in any case be open for 4 months, regardless of the amount of aid received in the meantime?

Applications may be submitted at any time within 4 months if the conditions for granting the aid are still met.

53. In the case of improving the energy efficiency of existing production equipment and technology, how are the eligible costs composed? If we buy components for the existing equipment that improve its energy efficiency and not a brand-new equipment, does the difference between the additional components in this case also constitute the eligible costs?

Based on Chapter IV/B of Government Decree 210/2014 (VIII.27.) on the use of the investment incentive target, within the framework of the application of the differential accounting methodology, the difference between the investment costs and the costs of a similar but less energy-efficient investment provides the basis for the eligible cost. Differential accounting is based on two different assets available on the market, which have similar functions but different energy efficiency. The Eligible Cost shall be equal to the difference between the purchase price of the energy-efficient asset to be purchased and the purchase price of the less energy-efficient asset.

If the investor does not know or does not intend to apply the differential accounting methodology described above, the total investment cost may be eligible under the limited amount of aid.

54. In the course of registration, the amount of aid requested under Item 3 can be classified into which category, given that the costs can only be fixed within the energy efficiency and renewable energy production groups?

In the framework of the limited amount of aid, either energy efficiency or renewable energy production investment categories can be designated (see points 2.50 to 2.65 of the aid application).

55. Based on point 44 of the FAQ, is it well understood that the amount of aid that can be claimed under Item 3 has increased to EUR 2 million?

Yes.

56. For the maintenance period, the company is required to keep 90% of the base headcount. What is considered a base headcount? The average statistical headcount available at the end of the last closed year at the time of registration?

The base headcount is the average statistical headcount of 2022.

57. Pursuant to Section 26/U of the Government Decree, the determination of the amount of the aid depends on the annual final energy savings and the relative energy consumption and turnover. Should these data be provided for the maintenance period and in what form should they be presented or supported?

In this context, the information referred to in points 1.17 to 18, 2.4, 2.40 and 2.70 of the aid application shall be provided. The exact methodological basis for the demonstration of energy savings is defined in Act LVII of 2015 on Energy Efficiency.²

58. Pursuant to point 24: In the case of an asset replacement, if possible, it is necessary to obtain two quotations for an asset capable of fulfilling the same function. One is a less energy-efficient instrument, the other is a good energy-efficient instrument (the subject of the planned procurement) and the cost difference between the two will be the basis for calculating the amount of aid.

Yes. See also: Point 53.

59. Do we understand correctly that (in the case of an investment in the production of renewable energy) the application sample requires the submission of one price offer?

One per technological item is sufficient. See also: Point 48.

60. Do we understand correctly that, in the case of an energy efficiency investment, if the development is aimed at the replacement of an existing production equipment or technology for energy efficiency purposes, it is sufficient to submit a technical expert opinion? Do we understand correctly that the submission of Annexes 6/a and 6/b is optional, but it can be used to substitute the technical expert opinion?

Where the investment relates to the replacement of existing production equipment or technology for energy efficiency purposes, either Annexes 6/a and 6/b or technical expert opinion shall be submitted to the aid application.

In the case of a technical expert opinion, the technical expert opinion and Ex ante certificate prepared by an energy auditor, technical expert or competent engineer must be submitted. In

²Based on § 1 of Act LVII of 2015 on Energy Efficiency:

11. energy savings mean the amount of energy by which the measured or estimated consumption after the implementation of an energy efficiency improvement measure has been reduced in relation to that before the measure, ensuring normalisation in accordance with external conditions affecting energy consumption;

30. end-use energy savings: in accordance with § 12, with regard to certain obligation periods the energy savings target determined by applying the calculation method according to the principles set out in the Government Decree implementing this Act, which the Government shall ensure to be achieved by the end consumers;

31. end-user: (...) an entity which purchases energy for its own use; in the case of a building with central cooling, if the central cooling service is measurable in all parts of the building, with the exception of those parts of the building which are shared, the owner of each part of the building shall also be considered to be the final user;

32. final energy consumption means energy supplied to industry (...), with the exception of the supply of energy to the energy conversion sector and the energy industry.

The national energy efficiency target under Article 7 of the Energy Efficiency Directive therefore reflects the savings achieved by end-users. In accordance with Article 7 of the Energy Efficiency Directive, the methodological basis of eligibility is laid down in Article 122/2015. (V. 26.) Government Decree Annex 7.

view of the fact that the Ex-Ante certificate must be issued by an energy auditor, the technical expert opinion is likely to be certified by the auditor.

61. When conducting the energy audit, compared to what should the energy saving be demonstrated? Compared to the original system (if the useful life has expired /does not expire)? Compared to the EU minimum energy efficiency requirement? Compared to a new asset with similar functionality but with lower energy efficiency (counteroffer)?

The investment should result in the demonstration of energy savings. The auditor should determine and apply the correct methodology for this.

62. Is the answer to the previous question different if the aid application is made under items 2/A or 2/C and the eligible cost base is different?

In the case of items 2/A or 2/C, there is no difference in the requirements of the energy audit.

63. If the capacity of the new asset is greater than the capacity to be replaced, is it possible to show savings based on specific energy consumption?

Energy savings should be demonstrated in relation to another less energy-efficient machinery (not the one replaced), which should have approximately the same capacity. See also: Point 53.

64. What are the criteria for ranking aid applications during the assessment? Does the absolute value of the amount of energy saved and/or the specific energy savings per energy saved matter?

The Sponsor shall evaluate the aid applications in accordance with the criteria set out in the Government Decree 210/2014 (VIII. 27.).

65. On what basis is the ranking between investments aimed at the production of renewable energy and investments aimed at energy efficiency?

The Sponsor shall evaluate the aid applications in accordance with the criteria set out in the Government Decree 210/2014 (VIII. 27.).

66. In case of an investment in the production of renewable energy for the installation of heat pumps and/or the recovery of waste heat

- a. **is the energy production capacity to be calculated at gross heat energy level? Is the consumed electricity not to be taken into account?**
- b. The investment should result in the demonstration of energy savings. The auditor should determine and apply the correct methodology for this. **Should the equipment be located in a building engaged in manufacturing activities?**

It must supply energy to the manufacturing activity and the technology, including its location, must be designed accordingly, but not necessarily in the building.

67. If the company intends to have the savings from the energy efficiency investment certified under the Energy Efficiency Obligation Scheme (EEOS), should this be indicated in line +Amount of other support required for the investment?

Please indicate in a separate statement. See clause on reporting to the Hungarian Energy and Public Utility Regulatory Authority indicated as point 4. k) of the aid application.

68. Is there a deadline for the submission of the draft of the aid application attached to the e-mail received for preliminary review, can the possibility of this be suspended?

The draft shall be submitted to HIPA before the official deadline for submission, with sufficient time for prior consultation.

69. If there is no deadline for the submission of the draft aid application, do you have any suggestions as to when it should be submitted?

See previous point.

70. Will the possibility of submitting an aid application be limited, that is, if it is deemed so, will the possibility of submitting grant applications be suspended for applicants who have not yet submitted an application?

Pursuant to the regulation, 4 months are available for submitting the grant application, if the conditions for granting the aid are still met.

71. If the applications received are appropriate, will a decision be taken continuously in the order of their receipt, or only at the same time after the expiry of the deadline for submitting aid applications?

Decision-making is continuous.

72. Is there a difference between the two registration rounds (02/11 and 09/11) during the evaluation, that is, will the projects that have successfully registered in the first round be given priority?

Such an assessment criterion is not included in the Regulation.

73. In order to submit the draft of the aid application for preliminary review, is it necessary to submit all the attached documents listed in Excel, or is it sufficient to submit them for the final application?

If available, please send it in advance so that the data contained in the aid application can be fully and credibly substantiated.

74. Description No. 5 of the Annexes to be attached in the aid application sample - "If the investment planned by the company is implemented in several locations, a breakdown by location must be submitted." We do not understand what exactly the annex is to be submitted here?

This means that a company carrying out an investment at several sites must also fill out Annex 5.

75. In the case of Item 3 (TCF 2.1), is the deadline for the decision of the Sponsor 31/12/2023, or is there any deadline for the implementation of the subsidized investment?

This item is also subject to the general rule of the Regulation, it must be implemented over a period of 24 months, which may be extended by 12 months if justified, subject to the approval of the Sponsor.

76. In the case of energy-generating and energy-storage equipment, are there guidelines regarding the amount of specific costs that can be accounted for? (e.g. solar system x HUF/kW)

No, but only costs necessary for self-sufficiency are eligible costs. The costs of capacity beyond that are not. See also: Point 48.

77. When evaluating the aid application, is it an advantage to attach the application and authorization procedures initiated for renewable energy production systems, or other documents not included in the mandatory list?

The necessary annexes are included in the order and the aid application sample. In addition, it is of course possible to submit further documents presenting the technical parameters of the project. See also: Points 48 and 63.

78. We have the following questions regarding the annexes to be submitted to the aid application.

a. **Who needs to certify the copy of the company register to be submitted: is it required to be certified by the applicant or by the company court? Is there a limitation on how many days it has to be no older than?**

The copy of the company register must be certified by the court of registration or e-certified.

b. **Is it correct that the technical expert opinion to be submitted in the event of the replacement of the production equipment can be prepared by a suitably qualified person within the company?**

The technical expert opinion must be issued by the person included in the register of energy auditors or auditing organisations managed by the Hungarian Energy and Public Utility Regulatory Authority (MEKH).

79. At the time of registration, an implementation site was designated, as a solar system will be created during the project, which will cover the energy needs of a production hall. In nature, however, due to its size, the solar system will be located on two adjacent plots with two topographical numbers. In this case, is it enough to indicate one implementation site? The cost of the system cannot be divided between the two topographical numbers, in reality one solar system with one energy storage is created.

If the two adjacent plots are located in the same settlement, it is sufficient to indicate one implementation site in the aid application, indicating the two topographical lot numbers. If the two adjacent plots are located in different settlements, both settlements and both properties must be indicated.

80. Is the final aid application to be submitted by post with all the attachments required? Do the original copies of the annexes have to be attached or are certified copies sufficient (e.g. in the case of a copy of the signature address certified by a notary public)?

It may be submitted by post or delivered in person to HIPA with the annexes indicated in the application. Authentication by a notary public is acceptable.

81. Based on Government Decree 210/2014. (VIII. 27.) Section 26/ZO § (4) it is considered eligible if the location of energy consumption (a production plant operating in the TEÁOR 10-33 activity area) and the solar park providing the production of renewable energy are located in different settlements, and the electrical connection between the two locations can be properly ensured. Please kindly confirm that a properly secured electrical connection is considered if the solar park produces energy into the grid and the electricity produced at the other site is transferred to the place of energy consumption through an energy trading company.

Yes, it is confirmed.

82. What document is required to prove the proportion of own resources (if necessary)?

By signing the aid application, the investor declares that it has own resources in addition to the aid necessary to carry out the investment.

83. Is the specimen signature and a certified company extract to be submitted to HIPA in original?

In the form of an original or a certified copy.

84. Is it necessary to send the completed data sheet to HIPA in advance before the final signature/submission?

It is recommended.

85. If the Authority awards a smaller aid than the requested aid, is it possible to revise the project between items or can the content of the data sheet no longer be modified after submission?

This is no longer possible after the formal submission of the application.

86. If, for example, for the installation of a solar panel, building transformation tasks must also be carried out, can they be eligible? For example, if the slab must be reinforced or a separate building wing must be created for a transformer house?

Yes, these costs are eligible.

87. The company plans to implement several investment projects at one site. Some projects require longer preparation (primarily energy evaluation). When submitting the aid application, is it a condition that the projects for the total amount requested during registration be submitted in one application (in a joint package) or is it possible to submit the projects at separate times?

The application shall be submitted in one aid application.

88. Can the amounts specified by the Company in the registration for each development category be changed by reallocation at the time of submitting the application? Leaving the total value unchanged, the higher investment amount

would be entered under the heading "Renewable energy" and the same amount would be reduced in the other line.

Yes, this change can be made until the aid application is officially submitted.

89. The detailed rules of the aid program are set out in Government Decree 210/2014. (VIII. 27.). Regarding title IV/C Chapter 15/W of the Regulation "Scope of eligible activities" 26/ZH. (3) a), we would like to ask for the interpretation of HIPA as a law enforcement officer. The project to be implemented is the establishment of a solar park solely to cover own energy needs - Our question is whether the operating costs of the resulting solar park can be included in the budget in any form?

No, because it does not constitute an investment cost.

90. Is there a requirement in relation to the energy efficiency investment project elements (e.g. building insulation, replacement of doors and windows, etc.) that the energy classification of the building should be improved, should the building be upgraded in relation to the energy classification? If an upgrade is needed, is there a requirement for at least how many levels to upgrade or is there an expected classification level?

During the energy audit, it must be demonstrated in the case of buildings that their energy efficiency will improve.

91. After the confirmation of the registration, can the investment be started at own risk (e.g. solar system design, licensing, construction)?

The investment may be started after the aid application has been submitted.

92. In the case of an investment aimed at the production of renewable energy, is it always necessary to use the energy produced in the building carrying out manufacturing activities?

Yes.

93. Does procurement from the aid entail a public procurement obligation, or is it sufficient to support the market price with an alternative offer?

Pursuant to Section 5. (2) of the PPA (Public Procurement Act). if an organisation falling within the personal scope of the PPA provides support in excess of 50% in the case of reaching the EU procurement threshold (HUF 1,883,592,360) or 75% in the case of reaching the national threshold (HUF 50,000,000) for the works and related services.

Please note that if the company exceeds the above aid intensities in the case of other aid measures complementing the cash support provided by HIPA, it may be necessary to conduct a public procurement procedure, which must be examined by the applicant.

94. Is it also necessary to fill Annex 5 for multiple locations if the renovation is carried out on a single site, but on or in several buildings?

In this case, it is not necessary to fill out Annex 5.

95. In the case of solar panel installation, if network development is necessary because the old system is not suitable for receiving and transmitting the energy production

of the new system, are the related capacity expansion costs also eligible within the framework of this application? (For example, cable or cable section, component replacement or development)

In case of a private line, yes.