



REGULATION

xx.xx.202x No

Support for the deployment of electric buses

The Regulation is established on the basis of § 161(3) and § 182¹(5) of the Atmospheric Air Protection Act.

1. chapter General provisions

§ 1. Scope of the Regulation

This Regulation lays down the conditions and procedure for granting and using support for the acquisition of an electric bus (hereinafter *electric bus*) and an electric bus charging point (hereinafter *support*), for use in public regular services operated on the basis of a public service contract (hereinafter *public regular service*) and in school transport organised by local authority (hereinafter *school transport*), for the implementation of the sub-measure “Support for sustainable mobility pilot projects” of the measure “Support for pilot projects for climate and energy policy purposes” under the State Budget Strategy 2025–2028.

§ 2. The objective and outcome of the support

- (1) The aim of the support is to reduce greenhouse gas emissions and increase energy efficiency in the Estonian transport sector through the introduction of electric buses and to promote the transition to zero-emission public transport.
- (2) The performance indicator for the use of the support is the number of electric buses purchased and the increase in energy efficiency and reduction in greenhouse gases resulting from the introduction of electric buses compared with the use of equivalent diesel-powered buses.
- (3) The granting of the support contributes to the fulfilment of the environmental criteria and requirements applicable to public procurement.

§ 3. Provider of the support

The Environmental Investment Centre (hereinafter *EIC*), as the provider of the support pursuant to § 161(7) of the Atmospheric Air Protection Act, shall perform the tasks specified

in this Regulation on the basis of an administrative contract.

2. chapter

Requirements for receiving support, eligibility of expenditure, and the rate and amount of support

§ 4. Activities to be supported

(1) Support is granted for the acquisition of an electric bus and the battery charging point necessary for its operation (hereinafter *charging point*) on the basis of a sales contract or a leasing contract (hereinafter *acquisition*), provided that, as a result, the asset remains in the possession of the applicant (hereinafter *project*). The supported project must contribute to the achievement of the objective and the outcome referred to in § 2.

(2) An electric bus for the purposes of this Regulation is a fully electric vehicle of categories M1, M2 and M3, with at least eight seats in addition to the driver's seat, whose carbon dioxide emissions are zero grams per kilometre.

(3) An electric bus of categories M2 and M3 shall have at least one service door with low entry and at least one space for a pram or a wheelchair.

(4) An applicant, with the exception of a public transport centre serving more than one county, may submit one application per call for the following activities to receive support:

- 1) the purchase of up to four electric buses;
- 2) purchase of one charging point per electric bus.

(5) An electric bus shall be used for public regular service or school transport in accordance with Regulation (EC) No 1370/2007 of the European Parliament and of the Council on public passenger transport services by rail and by road and repealing Council Regulations (EEC) No 1191/69 and (EEC) No 1107/70 (OJ L 315, 3.12.2007, pp. 1–13), and the service area of the electric bus must be, for the most part, outside the administrative territory of the cities of Tallinn and Tartu. An electric bus or its charging point may not generate any commercial income that is not related to the public service obligation.

(6) For the purchase of an electric bus for public regular services, support shall be granted to one applicant per county.

§ 5. Support applicant, partner and requirements for the applicant

(1) Support may be applied for by a local authority or a regional public transport centre within the meaning of § 15 of the Public Transport Act (hereinafter the *applicant*).

(2) The service area of the applicant is mostly outside the administrative territory of the cities of Tallinn and Tartu.

(3) The applicant may involve in the implementation of the project another local authority or a regional public transport centre (hereinafter the *partner*) which meets the conditions laid down in subsections 1 and 2.

(4) The partner shall participate in the supported activities necessary for the implementation of the project, during which eligible costs will be incurred.

(5) The partner is jointly and severally liable with the beneficiary for the implementation of the project, the preservation of the assets acquired in the course of the project, the use of the support, and the purposeful use of the assets.

(6) The applicant and the partner must meet the following requirements:

- 1) the applicant and the partner have no national tax arrears, or the payment of their national tax arrears has been deferred, and in the case of deferred tax arrears, the taxes have been paid on time;
- 2) the economic activities of the applicant or partner have not been terminated or suspended;
- 3) no liquidation or bankruptcy proceedings have been initiated against the applicant, no temporary bankruptcy trustee has been appointed in accordance with the Bankruptcy Act, and no bankruptcy has been declared by a court ruling;
- 4) the applicant has previously repaid, within the prescribed period, any amounts received from the state budget or from other European Union or foreign aid funds that were subject to repayment, or, in the case of deferred repayment of the grant, has made the repayments in the prescribed amount;
- 5) an applicant and the legal representative of the business applicant do not have a valid penalty imposed under §§ 209, 209¹, 210, 260¹, 372, 373, 379 or 384 of the Penal Code.

(7) Local authority or an entity dependent on it that contributes to the self-financing of the project or to the ineligible costs must, in order to receive the support, comply with the requirements laid down in § 34¹ of the Local Government Financial Management Act.

§ 6. Budget for granting support

The budgetary resources for granting support shall be determined by an order of the Minister responsible for the use of the revenue indicated in the national budgetary strategy.

§ 7. Project eligibility period

(1) The eligibility period for the project shall start on the date of submission of the application and shall end on the date specified in the decision approving the application, which may not be later than 31 December 2028.

(2) Only costs incurred during the eligibility period of the project may be included in the eligible costs.

(3) The beneficiary or the partner may pay the lease payments under the leasing agreement outside the eligibility period.

(4) The cost is incurred when the work on which the cost is based has been carried out, received or provided and the cost can be proved by means of a document, including an invoice, delivery note, delivery and receipt act or other certification to that effect.

§ 8. Rate and amount of the support

(1) The maximum support amount is EUR 1 000 000 per project.

(2) Support for the purchase of a charging point for an electric bus shall be granted up to a maximum of 10% of the VAT-exclusive cost of the electric bus.

(3) The maximum amount of the support for eligible project costs is as follows:

- 1) up to 50% for the purchase of an M1 category electric bus and its charging point;
- 2) up to 70% for the purchase of an M2 and M3 category electric bus and its charging point.

§ 9. Eligible and ineligible costs

(1) Eligible costs are:

- 1) purchase cost of a new electric bus within the meaning of § 2(7)(3) of the Value Added Tax Act;
- 2) purchase cost of a charging point.

(2) Ineligible costs are:

- 1) costs related to the installation and operational reliability of electric bus charging points;
- 2) the conclusion of the loan or lease agreement and the costs related to interest and insurance;
- 3) the purchase cost of the property on the basis of the leasing contract, if the contract does not contain the obligation of the lessee to purchase the property at the end of the contract and it does not become the property of the lessee;
- 4) depreciation costs;
- 5) costs reimbursed from the funds of the local authority, the state or the European Union or other external aid instruments;
- 6) other costs not related to the project and unreasonable or insignificant from the point of view of the implementation of the project;
- 7) VAT to the extent that the beneficiary is entitled to a refund;
- 8) training costs;
- 9) costs related to legal aid, court and the Public Procurement Appeals Committee;
- 10) salary costs.

3. chapter Application for support

§ 10. Application for support

- (1) Support can be applied for from the opening of the application round until the budget funds are exhausted or until 31 December 2026.
- (2) The EIC shall notify of the deadline for the opening of the call for proposals and the amount of budgetary resources on its website at least seven calendar days before the opening of the call for proposals.
- (3) The EIC shall notify of the balance of the budgetary resources, the end thereof and the termination of the acceptance of applications on its website.

§ 11 Submitting the request

To apply for support, the applicant shall submit an application to EIC via the State Shared Services Centre's e-support environment (hereinafter the *e-support environment*) using the application form together with a digitally signed statement and the documents forming part of the application.

§ 12 Requirements for the application

The applicant shall submit an application to the EIC containing the following information:

- 1) the name and the registry code of the applicant,
- 2) the name and registry code, if any, of the partner;
- 3) project name;
- 4) a description of the purpose and results of the project, corresponding to the results and purpose referred to in § 2;
- 5) the number of electric buses to be acquired within the implementation of the project;
- 6) a timetable for the use of the support (hereinafter the *financing plan*), which must be practically possible to implement and according to which the project activities are planned to be completed during the eligibility period of the project;
- 7) the total budget of the project by cost types, distinguishing between eligible and ineligible costs and self-financing;
- 8) the amount of the support applied for and the rate of support in relation to the eligible costs.

§ 13 Requirements for documents forming part of the application

- (1) The application shall contain at least the following information, declarations or documents:
 - 1) where a partner is involved, the identity of the partner and the supported activities carried out by the partner, as well as the partner's agreement to participate in the project;
 - 2) a description of the electric bus, the routes served by the electric bus, and the establishment and operational reliability of charging points;
 - 3) calculation of the greenhouse gas savings and energy savings from the introduction of an electric bus in comparison with the use of a diesel-powered bus;
 - 4) confirmation and information regarding the availability of adequate self-financing;

- 5) a power of attorney, if the person authorised to represent the applicant and the partner acts on the basis of an authorisation;
- 6) information on whether the applicant has simultaneously applied for support from national budget funds or other European Union or external aid instruments, or has received other non-repayable state aid for the same project or parts thereof;
- 7) confirmation that the electric bus to be purchased and its charging point are not intended to generate commercial revenue unrelated to public service obligations;
- 8) a declaration that the applicant will provide the scheduled bus service itself or on the basis of a public service contract and that, in the case of a support for the introduction of electric buses, the financial impact of the aid applied for within the meaning of regulation (EC) No 1370/2007 of the European Parliament and of the Council will be taken into account.

(2) The greenhouse gas savings and energy savings associated with the introduction of electric buses are calculated in comparison with diesel-powered buses used on the same public transport routes or for school transport. The EIC shall publish the guidelines for the calculation of such data on its website.

4. chapter

Processing of the application

§ 14 Processing of the application

(1) The EIC shall process and satisfy applications in the order in which they were received until the closing of the application round.

(2) The EIC shall check:

- 1) the timely submission of the application;
- 2) availability of required documents;
- 3) the correctness of the data provided;
- 4) the compliance of the applicant, partner, application and supported activity with the requirements laid down in this Regulation.

(3) The EIC shall process the application within 60 calendar days as of the receipt of a valid application.

(4) The applicant shall immediately inform the EIC of any change in the information provided in the application or of any circumstances which may affect the decision on the application.

§ 15 Approval of an application

(1) The EIC shall make a decision to approve an application if all the requirements set for the applicant, partner and application in this Regulation are met and the budget of the application round allows the application to be satisfied.

(2) The decision to grant the application shall provide for:

- 1) project name;
- 2) the maximum amount and rate of support;
- 3) the period of eligibility of the project and the financing plan;
- 4) the name, rights and obligations of the beneficiary and the partner;
- 5) the conditions and procedure for the intended use and storage of the electric bus and its charging point,
- 6) the terms and conditions and procedure for supervision over the use of support;
- 7) the terms and procedure for submission of information and reports related to the granting and use of the support, including the interim report and final report of data analysis;
- 8) the procedure for the submission of data on the consumption of renewable energy set out in § 20(8);
- 9) the conditions of and procedure for the payment of the support.

(3) The EIC may make a decision to partially approve an application and reduce the amount of the support applied for and change the supported activities with the

consent of the applicant, provided that the objectives of the support are achieved.

(4) A decision to support an application may be made subject to the additional condition laid down in § 53(1)(3) of the Administrative Procedure Act.

(5) The EIC shall deliver the decision to approve the application to the recipient of the support via the e-support environment immediately after the decision is made.

§ 16 Rejection of the application

(1) The EIC shall make a decision to reject an application if:

- 1) the applicant, partner, application or electric bus does not comply with the requirement set out in this Regulation;
- 2) the applicant influences the processing of the application by means of fraud, threats or other unlawful means;
- 3) the applicant does not allow the verification of compliance with the application requirements at the applicant's or the partner's place of business, or at the location of the planned activity;
- 4) the budgetary funds allocated to finance the applications have been exhausted;
- 5) the applicant disagrees with the proposal for partial acceptance of the application.

(2) The EIC shall deliver the decision to reject an application to the beneficiary through the e-support environment immediately after making the decision.

5. chapter

Use and payment of support

§ 17 Project implementation

Public procurements related to the project will be announced within nine months from the start of the project's eligibility period.

§ 18 Reporting on the use of the support

(1) The beneficiary shall submit interim reports on the implementation of the project as of 31st December to the EIC no later than 15th January.

(2) The interim project reports shall include information on the implementation of the project and an assessment of the results of the implementation of the activities as set out in the application.

(3) The final report on the project shall be submitted via the e-environment within 30 calendar days after the end of the project activities, but no later than 31st December 2028.

(4) The final project report shall include at least the following information:

- 1) the name of the project, the project number, the name of the beneficiary;

- 2) the outcome of the implementation of the project activities;
- 3) information on the procurements performed and work performed during the implementation of the project;
- 4) the beneficiary's assessment of the effectiveness and implementation of the project;
- 5) if necessary, information on the notification for use issued by the competent authority;
- 6) the confirmation of the beneficiary regarding the accuracy of the information and the date of submission of the report.

(5) The beneficiary submits a follow-up report to the EIC via the e-support environment for a period of one year from the date of payment of the support. The follow-up report shall be submitted within 30 calendar days of the end of that period.

(6) The follow-up report shall include at least the following information:

- 1) the name and number of the project;
- 2) the name of the beneficiary;
- 3) data on mileage, passenger volumes and greenhouse gas savings during the period of the follow-up report in comparison with the use of a bus with an equivalent diesel engine.

(7) EIC prepares guidelines for interim, final and follow-up reports and publishes them on its website.

§ 19 Procedure for payment of support

(1) The costs must have been incurred and paid for by the beneficiary or partner during the eligibility period, except for lease payments made by the beneficiary or partner under a leasing agreement which do not fall within the eligibility period.

(2) The support may be paid out after the additional condition laid down in § 15(4) of the Regulation has been met.

(3) The EIC pays the support to the beneficiary or partner on the basis of the support payment application and the accompanying documents of costs. The support shall be paid within 30 calendar days from the date of submission of the request for payment by the beneficiary.

(4) The support shall be paid directly to the supplier if the beneficiary has applied for it in the application for payment, the self-contribution has been paid and the beneficiary has received confirmation from the issuer of the invoice that the supplier is aware of this.

(5) The EIC's right to make payments directly to the supplier does not mean that the beneficiary's obligations are transferred to the EIC, nor does it mean that the beneficiary has assigned the claim for payment of the support to the supplier.

(6) In the case of leasing, the support shall be paid to the lessor's account after the beneficiary has paid the initial lease payment, which must be at least five per cent of the cost of the leased asset.

(7) The application for payment shall be submitted to the EIC during the eligibility period by the deadline specified in the financing plan.

(8) A payment application is submitted through the e-support environment and the following documents shall be appended to it:

- 1) procurement contract, if it is not made available to the EIC in the Public Procurement Register;
- 2) invoice or other accounting document;
- 3) copy of the document certifying the transfer and acceptance of the goods and the document certifying the operational readiness of the charging point;
- 4) leasing agreement, indicating the amount of the initial payment, if any;
- 5) document proving payment of the invoice;
- 6) document certifying the recognition of the asset in the accounts;
- 7) guarantee, insurance or security document, if required under the procurement contract.

§ 20 Obligations of the beneficiary

- (1) The beneficiary shall use the support for its intended purpose and in a reasonable and most economical manner, following the relevant requirements laid down in national law, including the Public Procurement Act, the financing plan and this Regulation, when carrying out the supported activity.
- (2) The beneficiary shall ensure the conservation and targeted use of the fixed assets acquired in the performance of the supported activity for a minimum period of five years from the date of payment of the balance by the EIC.
- (3) The beneficiary shall allow the person authorised by the EIC or by the minister responsible for the use of the revenue to examine the documents related to the use of the support, including the accounting and financial documents of the beneficiary, which, in the opinion of the EIC or the ministry responsible for the use of the revenue, are relevant to the assessment of the proper use of the support, before the acquisition of the property, at the time of the acquisition of the property, and within five years after the payment made for the implementation of the project.
- (4) The beneficiary shall keep the documents relating to the use of the support for a period of at least five years from the date of payment of the balance by the EIC.
- (5) The beneficiary shall make it possible to carry out and provide all the assistance necessary for carrying out the audit, supervision or other control in connection with the obtaining of the support, including by providing the information and documents required for the performance of the audit, supervision or other control within ten working days of receipt of the request.
- (6) The beneficiary shall immediately notify the EIC of any changes in the data submitted in the application or related to the supported activity or of circumstances affecting the implementation of the activity.
- (7) The recipient of the support shall make a clear distinction in its accounting between the costs associated with the use of the support and the cost and payment documents on which they are reflected from the other cost and payment documents.
- (8) The beneficiary shall use only renewable energy in the electric buses acquired with the support and shall submit to the EIC the guarantees of origin cancelled for the benefit of the beneficiary in the electronic register of guarantees of origin, the beneficiary's electricity supply contract and electricity consumption data, or the production and consumption data on the beneficiary's renewable energy production unit, to the EIC together with the final report or, at the request of the EIC, within the time period specified in subsection 2.
- (9) The beneficiary shall submit the interim, final and follow-up reports of the project in accordance with § 18.

(10) If the beneficiary uses leasing to finance the acquisition of an electric bus, the amount of the agreed lease may not exceed the acquisition cost of the electric bus, reduced by the amount of the support and the initial contribution.

(11) The beneficiary is not allowed to sell the asset acquired with the support to the lessor for the purpose of leasing the asset until five years have passed since the payment made for the implementation of the project.

(12) The beneficiary shall inform the public that the acquisition of the asset has been supported by the Estonian state from the auction revenues of the European Union Emissions Trading System.

6. chapter

Recovery of the support

§ 21 Amendment of the decision to approve the application and recovery of the support

(1) A decision to approve an application may be amended on the basis of an application submitted by the beneficiary or on the initiative of the EIC, provided that the amendment does not hinder the achievement of the objectives of the project and does not result in the project's results and objectives failing to be achieved.

(2) EIC may revoke, in whole or in part, the decision to support an application or recover part or all of the support granted for the implementation of the project, under the conditions and in accordance with the procedure laid down in § 182¹ of the Atmospheric Air Protection Act.

(3) In the event of recovery of the support, the decision to support the application shall be declared invalid to the extent concerned.

(4) The beneficiary shall repay the recovered support within 60 calendar days. Interest provided for in § 182¹(4) of the Atmospheric Air Protection Act shall be imposed on any overdue amount. A decision to recover the support is subject to compulsory execution.

(signed digitally)
Minister of Regional Affairs and Agriculture

(signed digitally)
Secretary General