



## ZERO-EMISSION HEAVY DUTY VEHICLES PURCHASE GRANT SCHEME RULES

### 1. Overview

- 1.1 This document sets out the rules (the *Scheme Rules*) which govern the zero-emission heavy duty vehicle (*ZEHDV*) purchase grant scheme (the *Scheme*).
- 1.2 Under the Scheme, the Minister of Transport, acting through the Department of Transport (the *Department*), will provide funding to Transport Infrastructure Ireland (*TII*), which, in turn, operates the Scheme. Through the Scheme, TII provides grants (*Grants*) to applicants (*Applicants*) satisfying certain criteria as set out in these Scheme Rules but subject to the terms specified by it in order to promote the purchase and use of ZEHDVs.
- 1.3 The Scheme is subject to review by the Minister for Transport (the *Minister*) and TII from time to time. The Scheme may be amended or terminated by TII in accordance with paragraph 11.

### 2. Background

- 2.1 The transport sector accounts for approximately 20% of Ireland's national greenhouse gas emissions, and transformational change is required if the sector is to reduce emissions in line with national and international commitments. Although heavy duty vehicles (*HDVs*) only account for approximately 5% of vehicles on European Union (*EU*) roads, they are responsible for around 25% of all road transport emissions. In 2019 alone, it was estimated that the HDV sector contributed over 19% of Irish land transport emissions. Projections indicate that without significant policy action, an upward emission trajectory is set to continue. Developing mitigation measures to successfully tackle emissions from this sector is an increasingly important objective.
- 2.2 To mitigate against this upward emission trajectory, the Department and the Low Emission Vehicle Taskforce determined the need for financial supports for the HDV sector, to assist in the transition to lower emitting alternatives.
- 2.3 At the request of the Department, TII has been tasked with establishment and temporary administration of the Scheme to aid in our national transport decarbonisation efforts and the transition to low and zero emission vehicle technologies with the objective of reducing transport emissions and pollutants. The Scheme aims to accelerate the decarbonisation of the heavy duty transport sector, which includes vans, trucks, buses and coaches. TII currently operates the Scheme as the Scheme Operator but reserves the right, from time to time, to engage one of its contractors to operate the Scheme on its behalf
- 2.4 The Scheme's provisions have been designed to accord with the general provisions of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty of the functioning of the EU as amended by Commission Regulation (EU) 2023/1315 (*GBER*) and, more particularly, with Section 7, Article 36b, which concerns state aid for the acquisition of zero-emission vehicles
- 2.5 TII has secured funding from the Department to assist vehicle purchasers to bridge the price differential between zero-emission and conventional HDV technologies. Each year, funding for the Scheme will be determined by the Department as part of the annual estimates process, following consultation with TII.

### **3. Scheme Period**

- 3.1 The Scheme commences on 1 November of each calendar year for the following budgetary year. Applications for Grants may be made from that date for the scheme associated with the following budgetary year.
- 3.2 Applications may be submitted in each calendar year until the earlier of:
- (a) 30 September of that calendar year; or
  - (b) the date on which funds for the Scheme for the calendar year in question have been exhausted,
- (the *Scheme End Date*).

### **4. Pre-condition to Acceptance of Applications**

- 4.1 The acceptance of Applications and then the making and timing of payments under the Scheme is wholly dependent on the level of funding allocated by Government to the Scheme in a particular calendar year.
- 4.2 Where allocated funding is expended in a particular calendar year, it will not be possible for Applications to be considered or for payments to be made until further funds become available.

### **5. Purpose of Grant**

- 5.1 The Grant is provided to facilitate the purchase of a new ZEHDV in order to promote future-proof zero-emission technologies to accelerate the use of sustainable, accessible and smart transport.

### **6. Eligible HDVs**

- 6.1 For the purposes of this Scheme, a HDV is a van, truck, bus or coach with an unladen design gross weight of more than 3.5 tonnes.
- 6.2 TII shall publish on its website from time to time a list of the categories of HDVs and power train eligible for the Scheme, by reference to the definition of a “zero-emission vehicle” set out in the GBER. Any such published list shall replace and supersede any prior list.
- 6.3 As of the commencement of the Scheme, to be considered as “zero-emission” and to be eligible for the Grant, a vehicle must:
- (a) not have an internal combustion engine; or
  - (b) have an internal combustion engine but emit less than 1 g CO<sub>2</sub>/kWh; or
  - (c) have an internal combustion engine but emit less than 1g CO<sub>2</sub>/km.
- 6.4 Applicants are advised to consult Regulation (EC) No 595/2009 of the European Parliament and of the Council and its implementing measures and Regulation (EC) No 715/2007 of the European Parliament and of the Council where either paragraph 6.3(b) or 6.3(c) is applicable.
- 6.5 Subject to the requirement in paragraph 6.3, as of the commencement of the Scheme, the

following types of HDV are eligible for the Grant:

- (a) a Fuel Cell Electric Vehicle, meaning a new electric motor vehicle powered by a fuel cell in combination with a battery or supercapacitor;
- (b) a Battery Electric Vehicle, meaning a new vehicle that is powered by an electric battery which can only be charged and re-charged by plugging in to an external electric power source;
- (c) a Plug In Hybrid Electric Vehicle, meaning a new vehicle that is powered by a battery that may be charged and re-charged by plugging it into an external electric power source as well as by its on-board engine and generator; or
- (d) a hydrogen powered vehicle.

## 7. Applicants

7.1 For the purposes of the Scheme,

- (a) “**Affiliate**” means:
  - (i) in respect of any person that is an enterprise, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;
  - (ii) in respect of an individual person,:
    - (A) an enterprise in which such person has a majority of the shareholders’ or members’ voting rights;
    - (B) an enterprise in which such person has the right to appoint or remove a majority of the members of the administrative, management or supervisory body;
    - (C) an enterprise in which such person has the right to exercise a dominant influence over pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association; or
    - (D) an enterprise, which is a shareholder in or member of another enterprise, which such person controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise;
  - (iii) “**Holding Company**” means in relation to a person, any other person in respect of which it is a Subsidiary; and
  - (iv) “**Subsidiary**” shall have the meaning ascribed to it in section 7 of the Companies Act 2014.

7.2 An Applicant can be any person (such as an individual or a body corporate), whether private, public or commercial. This includes any sole trader, company or statutory corporation.

7.3 It is a condition to the acceptance of any Application for a Grant that:

- (a) the Applicant and its Affiliates have not received Grants under the Scheme :
  - (i) where the combined total of the Grants exceeds €500,000 (including the Grant the subject of the Application); or
  - (ii) in respect of more than twenty (20) ZEHDVs (including the vehicle the subject of the Application (the *Vehicle*));
- (b) where the Applicant is predominantly established in an EU Member State that is not Ireland, the Applicant must nonetheless show that it has some establishment, branch or activity within Ireland;
- (c) the Vehicle (i) shall not have received or is to receive any other subsidy or grant under any other scheme and/or (ii) shall not have previously received funding through this Scheme;
- (d) the Applicant and its Affiliates are not subject to an outstanding recovery order made by the European Commission for repayment of illegal State aid previously granted by the State;
- (e) the Vehicle has not yet been acquired by the Applicant or been the subject of any agreement or contract for its acquisition by the Applicant. It is important to note that, as set out in further detail in the Scheme Terms and Conditions (see paragraph 9 below), in order to be eligible for a Grant, an Applicant cannot have purchased the Vehicle until having completed steps 8.1(a)– 8.1(e) below; and
- (f) where the Applicant is not the first owner of the Vehicle, the previous owner of the vehicle shall not have received any other subsidy or grant under any other scheme and/or shall not have previously received funding through this Scheme.

## 8. Grant process

8.1 The following process will apply to those looking to receive a Grant towards the purchase of an ZEHDV (the *Applicant*):

- (a) The Applicant will complete an application form located on TII’s website (the *Grant Application Form*) and supply the required information, including the specifications of the Vehicle, evidence of the staff head count and turnover of the Applicant and, as applicable, information of any partner enterprise or linked enterprise (as defined under Annex 1, Article 3 of GBER), to enable a determination of the Provisional Grant Amount in accordance with paragraph 10 below.
- (b) Applications and all correspondence shall be submitted electronically, to the Scheme Operator’s email, [zehdvgrant@pierce.ie](mailto:zehdvgrant@pierce.ie).
- (c) Applications will be considered on a “first received” basis, subject to an application being satisfactorily completed.
- (d) Upon consideration of the information provided in the Grant Application Form (the *Application*), a letter will be issued to the Applicant (the *Grant Letter*) containing an amount provisionally proposed to be made by way of a grant (the *Provisional Grant Amount*) determined in accordance with paragraph 10 below as well as setting out the conditions to be satisfied by the Applicant in the event that they accept the Grant Letter. An Applicant will have twenty-one (21) days to accept the Grant Letter.

- (e) If the Applicant accepts the Grant Letter in accordance with its terms, the Applicant can then purchase the Vehicle and supply further information required under the terms of the Grant Letter to the Scheme Operator. The Applicant will have until 31 October of the budgetary year in which the Grant Letter has been accepted to satisfy its obligations in this regard (the “Grant Availability Period”).
- (f) Upon verification of the information provided in accordance with the Grant Letter and confirmation of the SME status of the Applicant at the time of the issuance of the Grant amount, the amount of the Grant will be determined, which will be made at TII’s absolute discretion and in accordance with the Grant Letter. The amount will be notified to the Grantee by the Scheme Operator after which payment of the Grant will be made at TII’s discretion, but no later than two (2) months following Scheme Operators confirmation of the grant amount.

## 9. Scheme Terms and Conditions

- 9.1 The terms and conditions of a sample Grant Letter between an Applicant and TII can be accessed on TII’s website.

## 10. Grant amount

### 10.1 *Maximum amount*

- (a) The maximum amount of the Grant is the difference between €500,000 and the aggregate amount otherwise received by way of grant under the Scheme (or any replacement or amended Scheme) by the Applicant (together with all Affiliates).
- (b) With regards to GBER, which sets out the maximum aid amount that can be allocated from state funds for the purchase of transport vehicles under EU state aid rules, the Provisional Grant Amount in respect of an ZEHDV varies by reference to:
  - (i) the size of the undertaking applying for the grant, i.e. whether the undertaking can be categorised as ‘small’, ‘medium’ or ‘large’, as set out in paragraph 10.2 below;
  - (ii) the price differential for each vehicle, as set out in paragraph 10.3(b) below.

### 10.2 *Size of undertakings*

- (a) Undertakings are categorised (according to the provisions of GBER Annex I, Articles 1 to 6) as ‘small’, ‘medium’ or ‘large’ on the basis of:
  - (i) staff head-count; and
  - (ii) financial thresholds (i.e. turnover and/or balance sheet totals).
- (b) Therefore, for the purposes of the Scheme:
  - (i) a ‘small enterprise’ is an undertaking with fewer than 50 staff members and with a turnover equal to or under €10 million and/or a balance sheet of equal to or under €10 million;
  - (ii) a ‘medium enterprise’ is an undertaking with fewer than 250 staff members

and with a turnover equal to or under €50 million and/or a balance sheet of equal to or under €43 million;

- (iii) a 'large enterprise' is an undertaking with more than 250 staff members, and with a turnover in excess of €50 million and/or or a balance sheet in excess of €43 million.
- (c) In order to avail of the Grant, undertakings will be required to supply documentary evidence of their staff head counts and turnover so that their relative size and the grant levels to which they are eligible can be calculated.
- (d) In the case of an autonomous enterprise, as defined under Annex 1, Article 3 of GBER, the data, including the number of staff, are determined exclusively on the basis of the most recent accounts of that enterprise.
- (e) The headcount corresponds to the number of annual work units (AWU), i.e. the number of persons who worked fulltime within the enterprise in question or on its behalf during the entire reference year under consideration.
- (f) The amount selected for the turnover is calculated excluding value added tax (VAT) and other indirect taxes.
- (g) In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply is to be derived from a *bona fide* estimate made in the course of the financial year.
- (h) For additional information on the definition of 'small', 'medium' and 'large' enterprises and on the type of data required to demonstrate the relative size of an undertaking, Applicants are advised to consult Annex I, Articles 1 to 6 of GBER and the European Union Commission's *User Guide to the SME Definition*.
- (i) In the case of enterprises having partner enterprises or linked enterprises (as defined under Annex I, Article 3 of GBER), specific rules apply regarding the data to be used, and aggregated, for determining the relative size of the enterprise. Applicants are advised to consult Annex I, Articles 1 to 6 of GBER and the latest version of the European Commission's *User Guide to the SME Definition*.

### 10.3 Price differential for each vehicle

- (a) The Provisional Grant Amount for each category of undertaking is set as a percentage of the price differential for each vehicle, but subject to the amount not exceeding, in aggregate, €500,000 for each undertaking (together with Affiliates) as set out in the table below.

Size of undertaking	Staff head count Turnover/balancesheet total	Maximum total Amount per undertaking	Maximum available amount per ZEHDV
<b>Small</b>	<50 staff <€10m/ <€10m	Up to €500,000	60% of price differential
<b>Medium</b>	<250 staff <€50m/ <€43m	Up to €500,000	50% of price differential
<b>Large</b>	>250 staff >€15m/ >€43m	Up to €500,000	30% of price differential



- (b) Specimen tables illustrating how price differential for the purposes of paragraph 10.3(a) can be calculated can be accessed on TII's website.
  - (c) In order to avail of the Grant, Applicants will be required to supply evidence of the purchase price of the ZEHDV for which the Grant is being sought.
- 10.4 The amount of the Grant may not exceed the Provisional Grant Amount set out in the Grant Letter, but may be reduced in accordance with the terms of the Grant Letter and these Scheme Rules (e.g. change in the Applicant's SME Status etc.).

## 11. Right to amend/modify Scheme Rules

11.1 TII may in its absolute discretion:

- (a) amend the Scheme (including these Scheme Rules) from time to time; or
- (b) terminate the Scheme,

upon seven (7) days' notice, by publishing a notice to such effect on TII's website.

11.2 Without prejudice to paragraph 11.1, amendments and modifications to the Scheme Rules shall also be effective forthwith upon their acceptance by Applicants.

11.3 Upon a termination of the Scheme in accordance with paragraph 11.1, no further applications may be made or will be considered.

## 12. Transparency of State aid

12.1 In line with Article 9 of the GBER, TII shall publish the following details on the European Commission's Transparency Aid Module (*TAM*) for all individual aid awards in excess of €100,000:

- (a) Name of the beneficiary;
- (b) Beneficiary's identifier;
- (c) Type of enterprise at the time of granting (i.e. SME/Large);
- (d) Region in which the beneficiary is located;
- (e) Sector of activity at NACE group level;
- (f) Aid element;
- (g) Aid instrument;
- (h) Date of granting;
- (i) Objective of the aid;
- (j) Granting authority; and
- (k) Reference of the aid measure

12.2 TII will publish the information at paragraph 12.1 within 6 months of the date of granting the aid.

