
Briefing – Energy Transformation CEE

Welcome to the third briefing for our network partners in the Energy Transformation CEE project.

This briefing provides you with an overview of climate and energy developments in selected countries of the project area. The contributing organizations have chosen the topics themselves, considering current interesting developments in their home countries. If you have additional questions or comments or you would like to add some information on your country for the next briefing, please do not hesitate to contact us.

Special focus: NECPs

The 31st of December 2018 marked a special date for the European energy and climate policies, as it was the deadline for governments handing in their draft national energy and climate plans (NECP). A significant number of countries (according to Euractiv 21) managed to hand in their NECP on time or in early January. The commission is currently taking a first look and will start to evaluate the NECPs and put together the national goals, matching them with the overall EU goals.

Our European partner organization the European Environmental Bureau (EEB) and the Climate Action Network Europe (CAN Europe) have put together a google spreadsheet with information on the NECPs. The excel sheet is meant to facilitate the exchange of information, giving a first overview of where each country stands. **It is not meant to be publicly available, therefore please send us an email if you are interested in taking a look and helping to fill in missing data.**



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Bulgaria

Martin Vladimirov, Ruslan Stefanov, Center for the Study of Democracy

Overcoming the energy security risks of Bulgaria, which hamper the energy transition of the country including high energy poverty, low energy efficiency and dependence on a single supplier of oil and gas remains riddled with unclarity and poor governance. The diversification of the natural gas supply, a key option for the energy transition, has been dragging for a decade now and the liberalization of cross-border gas trading is yet to be unlocked. Capture of energy policies by powerful private domestic and foreign state interests has been all too

visible and Bulgarians continue to pay its dues, not least in non-compliance to the EU rules the country itself agreed upon. Governance and administrative capacity deficits prevent the formation and the implementation of long-term energy policy consistent with the EU energy and climate agenda. Russia, for example, has skillfully exploited these governance gaps and lack of capacity to, among others, sabotage the [country's natural gas diversification](#) and promote non-market-based-large-scale projects, which bind Bulgaria's energy future in unsustainable pathways and deplete the country's financial resources, such as the continuation of Turkish Stream in Southeastern Europe and the Belene nuclear power plant.

This has become visible in the process of developing the EU agreed National Energy and Climate Plan, which is supposed to be the framework for the country's energy transition until 2030. Inconsistent renewable energy support schemes, insufficient administrative capacity as well as heavy red tape and tax burdens are among the main obstacles preventing Bulgaria to unlock its huge potential for RES-based electricity. The 2030 Plan, which is due to come out for public discussion in January 2019, will likely aim at increasing the current share of renewables in the electricity mix to around 27%, with ¾ of the coal-fired power generation scheduled to be phased out by 2030. The main driver for the closing of power plants burning coal or lignite is the rising carbon price, which quadrupled in 2017-2018 reaching close to €25 per ton of CO₂. Bulgaria's Maritsa Istok 2 lignite power plant, the largest thermal power plant in SEE, has generated more than €150 million in losses by the end of 2018. Previously one of the cheapest power generators in the region, Maritsa Istok 2 now finds it hard to sell electricity on the free market. As the EU plans to continue reducing the CO₂ quotas allocated to member-states, the carbon price is expected to keep rising in the medium-term. The changing carbon price dynamics could stimulate the energy transition in the whole of Southeastern Europe, and clinging to the status-quo means even higher costs in the [future](#). However, as the transition would require more investment, if badly managed, it could result in shortages of supply or seep price rises, which might trigger social unrest and political instability.

The corresponding rise of average wholesale power prices in the region will make renewable energy sources competitive. The lowest hanging fruit would be to expand the penetration of small-scale, decentralized, renewable energy-based power plants. A [report](#) by the Center for the Study of Democracy (CSD), published in July 2018, explored the potential and the obstacles before the decentralization of electricity supply in Bulgaria. To foster the investment in 5 GW of technically feasible PV rooftop installations, the government should simplify and eliminate burdensome procedures regarding grid access and system operation, as well as better integrate the energy efficiency measures and the policy promoting the use of renewable energy sources. The report's key policy findings were presented at a [roundtable](#) in the Bulgarian Parliament on 27th of November 2018.

Estonia

Kadi-Kaisa, Estonian Environmental Law Center

The year 2018 ended with lots of discussions and media coverage over climate and energy topics. In October the discussions about Estonian energy and climate policy were held in the Parliament of Estonia. This was possible due to the successful "PÕXIT" campaigning of one of our partner NGOs. This was followed by several debates and media coverages about the topic. Main questions under focus were: what has already been done and whether or not its enough to reach the global goals. The end of last year was also the beginning of our project that aims

to build up a meaningful discussion about Estonia's energy future. As our NECP until 2030 was mainly put together from two strategic documents on Estonian climate and energy policy, there wasn't much discussion on what to add to the final document – the main info was gathered from the General Principles of Climate Policy until 2050 and the Estonian Energy Development Plan until 2030 (these documents were on approved on national in 2017). The first version of Estonia's NECP was published in September 2018. In October a conference took place at which the document was introduced to different stakeholders. Stakeholders (including NGOs) had the first opportunity to forward comments on the document in December (deadline was 20th of December). Our (us and two other NGOs) first comments mainly stated that the strategic documents were not sufficient enough resources to put together the NECP and that the public participation process was too formal and rushed. In 2019 we are planning to continue building up meaningful discussions and whenever possible commenting on national developments and strategies.

Germany

Senta Schmatzberger, Environmental Action Germany

Germany, one of the former role models for countries trying to start a successful energy transition has fallen behind its own goals as well as in its role as a European leader.

Germany has very ambitious but reachable climate targets for 2020: It vowed to reduce its CO₂ emissions by 40 percent, increase its share of renewables to 18 percent and reduce the final energy consumption by 20 percent. Unfortunately, the current government has already admitted that it will not reach its goals under effort sharing regulation and that it will need to buy CO₂ certificates, most probably from Eastern European countries, from end of 2018 onwards, to avoid going above its carbon budget.

Currently the government has established a mobility commission, a coal commission and is expecting to install a buildings commission by February 2019. All these commissions are supposed to come up with plans on how to reach Germany's climate goals in an efficient manner. The results of the commission are supposed to be the core of a new German climate protection law, expected in the first half of the year 2019.

The German government managed to hand in its integrated national energy and climate plan (NECP) at the beginning of January. Unfortunately, this is only a collection of the already known energy and climate laws, which have led to the failure we are currently facing. Therefore DUH is working on providing substantive input for the coming climate protection act. We organize meetings with government officials as well as events with stakeholders who provide expertise on which goals the government would actually need to set if it were to adhere not only to the EU goals, but also to the goal of the Paris Agreement to limit global warming to below 2 degrees.

So far, there is no public consultation on the NECP in place but government officials have promised to open on in early 2019.

Hungary

Dr. Béla Munkácsy, Csaba Csontos and Tamás Soha, Environmental Planning and Education Network

In conferences and negotiations with theoretical focus, there are Hungarian success stories but unfortunately, in the practice of sustainable energy, Hungary is not a frontrunner.

As for the implementation:

- in the latest EU debates on car emissions, the official (governmental) Hungarian standpoint was that a less ambitious target would be crucial for the Hungarian car industry (represented by the Suzuki, Opel, Audi, Mercedes, and newcomer BMW).
- there has been an existing e-mobility programme since 2014, without any significant results - except the subsidies for new electric cars. There are no subsidies for any other electric vehicle (bike, motorcycle).
- there is no explicit “coal phase out” policy in Hungary, however - because of the EU policy - lignite seems to be replaced in the future by waste in the second biggest Hungarian power station, which is not a real step ahead.
- regarding the new solar electricity developments (110 projects ~400 MW), only government-adjacent companies have the possibility to receive the financial support. Moreover, ecologically important green areas are significantly affected by these projects.
- there has been a ban for new wind turbines since 2015.
- The expansion of the existing nuclear power plant near Paks is still an ongoing project in Hungary. Despite continuous delays (multiannual), growing investment costs and the increasing resistance of the citizens, the government supports the project.
- the reduction in excise duty for E85 fuel was abolished in 2017.
- 9% of business tax can be recovered, and 70% of this amount can be used for energy efficiency investments.
- there are no obligatory *national level* building standard, but it is compulsory to employ energetic engineers of the bigger producer companies and local authorities (National Energetics Network). There are and there will be more and more significant problems in the human resource field in the building sector, which can be a limitation to reaching future targets.
- there are emission targets in the field of air pollution, but there is not a similar measure for nuclear waste.
- there is an ongoing scandal with bank loans (e.g. Swiss franc-denominated mortgages), which can be a huge obstacle for new energy efficiency related loans in the future.

Latvia

Lilija Apine, Green Liberty Latvia

Latvia has a population of 1,8 million. In 2016 the renewable energy comprised 37,2% of the total energy mix. The rest of the energy is mostly derived from imported fossil gas from Russia. The renewable energy proportion over the last decade has been slowly rising (2,55% over a five year period from 2013 to 2017) and the proportion of gas for energy production slowly decreasing (5% in 10 a year period).

Although currently the proportion of RES in Latvia is relatively high in comparison to other EU countries, mostly it is due to past heritage (large hydroelectric power plants on the river

Daugava), not due to implementation of purposeful and systematic policy. Other renewable energy sources are biomass and to a much lesser extent wind, biogas and solar energy.

It is expected that by the year 2020 the proportion of RES in the total energy mix will reach 40%, which is a binding target for Latvia under EU legislation. In the recently prepared National Energy and Climate Plan version that was submitted to the European Commission the minimum possible target of 45% of RES in the total energy mix by 2030 was set.

However, if Latvia is to achieve the EUs GHG reduction target for the year 2050¹, such a policy greatly lacks ambition, since it will be much harder to achieve radical increase in very little time later on. The cause for such a lack of ambition is unwillingness to create any burden for the economy and the damaged reputation of renewables due to the erroneous and very unpopular feed-in tariff system called mandatory procurement. This feed-in tariff is on hold until January 1st of 2020 due to corruption concerns and a lack of transparency in the way it has been carried out since 2007.



Copyright: Hydroelectric power station in Latvia, Plavinas. Image by Zigurds Zakis via Flickr (CC BY-NC-SA 2.0)

The mandatory procurement was introduced in 2005 as a mechanism to promote renewable electricity production to help Latvia reach its goal of minus 40% by 2020. It meant that every electricity end-consumer was obliged to buy a fixed portion of electricity produced from renewable sources for a higher price, which made electricity more expensive. However, the good idea to boost renewable electricity production turned out as a fraudulent scheme to the benefit of very few enterprises. Favorable terms also guaranteed high profits for non-green producers. The scheme subsidized large thermoelectric power stations, producing electricity from natural gas (which used to receive the largest portion of the support), thus supporting fossil fuels along with renewables.

Latvia greatly lags behind in emission reduction from the transportation sector. In 2016 the proportion of renewable energy in the transportation sector was only 2,8%, which means that Latvia will not reach the target of 10% by 2020.

Currently Latvia has been attempting to establish a new government since elections in the fall of 2018. It is another factor, which brings uncertainty to whether renewable energy will be supported or promoted in the future. This uncertainty is damaging to the development of new RES projects. If we look at current RES growth dynamics, Latvia is behind other EU countries. The current policy is to rely on the existing auspicious situation and set only minimum possible RES and energy efficiency targets.

¹ <https://ec.europa.eu/clima/policies/strategies/2050>

Lithuania

Sigitas Rimkevicius, Lithuanian Energy Institute

Lithuania is a small country accommodated by 2.9 million inhabitants. Its GDP (at current prices) was €38,849.4 million and Gross Inland Energy Consumption (GIEC) – 307 PJ in 2016. The economy of the country significantly depends on the consumption of oil products (38.9% of GIEC in 2016) and natural gas (25.1% of GIEC in 2016), although a good progress is made towards use of renewable energy and other indigenous sources (23.8% of GIEC in 2016). After the closure of Ignalina NPP and building of the NordBalt cable, the country became a net electricity importer with the share of 9.7% in GIEC in 2016. Presently, the country fully relies on import of the basic fuel sources such as natural gas, oil products and coal, therefore the share of net fuel and energy imports was 77% of GIEC in 2016. In 2016, the total installed capacity of Lithuanian power plants was 3589 MW. In 2016, they produced 4,265.7 GWh of electricity. There were 27 MW of small hydro PP, 80 MW of solar PPs, 122 MW of biofuel PPs, and 509 MW of wind PPs installed in 2016. They produced 33% of domestically produced electricity in 2016. The electricity production sector is becoming geographically dispersed as small-scale biofuel PPs are installed locally.

Total final energy consumption in 2016 amounted to 5.11 Mtoe. During the last year, final energy consumption increased by 5.1% due to energy demand increase in transport sector.

The country makes efforts to improve energy efficiency. As a package of various energy efficiency measures applied in all sectors of Lithuanian economy is implemented, the energy intensity has a tendency to decrease. During the last 16 years the primary energy intensity decreased by 46% to 212.95 kgoe/thous. EUR and the final energy intensity by 27.8% till 148.47 kgoe/thous. EUR in 2016.



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The country addresses climate change through respective energy sector related regulations and active policy measures too. As a result, total greenhouse gases emissions from the energy sector decreased almost threefold since 1990 and amounted to 11 Mt CO₂ eqv. in 2016.

In 2018, Lithuania accepted a new Energy Independence Strategy. In the framework of the strategy, the country obliged itself to increase the share of energy produced from Renewable Energy Sources (RES) by 80% in 2050, while 100% RES target was set for the electricity and heat sectors. In addition, in 2050, 100% of final electricity should be locally produced and

electricity produced from RES should be the main kind of final energy. In the area of energy efficiency, the country will continue following the trend of reducing the primary and final energy intensities in a way that in 2050 the respective intensities will be 2.4 times lower than in 2017.

Poland

Patrycja Płonka, Association of Municipalities Polish Network “Energie Cités” (PNEC)

Energy sector – state of the art and RES policy

The Polish energy system is one of the biggest in the EU. Coal remains the main and priority fuel as it ensures the country’s energy security and gives jobs to approximately 113 500 people working in the mining industry. The share of RES in the final energy consumption, however, is steadily increasing, reaching 11,3% in 2016. The current government’s renewable energy policy focuses on supporting small-scale installations that can complement large-scale conventional energy generation units instead of competing with them. The three priority lines are: (1) development of small-scale prosumer installations; (2) establishment of energy clusters and (3) development of municipal co-generation systems. Significant potential is associated with the energy clusters (type of local energy communities), which aim at meeting local energy demand with local energy supply, also from renewable sources. Clusters gather key local stakeholders, including natural and legal persons, local self-governments, scientific units and research institutes. One cluster can cover the area of a maximum of 5 municipalities or 1 district (“poviat”). The clusters were introduced with the aim of developing distributed energy, increasing energy security on the local level, improving energy efficiency, creating optimum conditions for the introduction of innovative technologies and using local energy resources and related potential. On the other hand, larger-scale RES investments are difficult in the current legal situation, especially investments in wind farms, which are practically impossible on shore due to the provisions of the so called “anti-wind turbines act”. The situation may slightly change however in the nearest future due to the fact that Poland will have problems reaching its renewable energy target set for 2020, which is 15% share of RES in the final energy consumption.

Sources:

- 1. Draft of the National Energy and Climate Plan for 2021-2030 (v. 3.1. from 4th of January 2019) published by Polish Ministry for Energy*
- 2. Event report from the seminar “Air quality and climate change – how cities and municipalities can move forward” – Day 2: renewable energy use in municipalities, developed by the Association of Municipalities Polish Network “Energie Cités”*

National energy and climate plan for 2021-2030

The Polish Ministry for Energy has just published the draft of the National energy and Climate Plan for 2021-2030, which is open for public consultation until 18th of February 2019. The plan describes the current approach towards energy and climate policy and implemented measures concerning the five dimensions of the Energy Union, which are security, solidarity

and trust, a fully integrated internal energy market, energy efficiency, decarbonisation and research, innovation and competitiveness. The plan also sets national objectives, policies and activities in these areas. The 155-page document assumes that coal will remain the main energy source in Poland, however its share shall decrease from 77% to 60% in 2030 and further until 2040. This combined with replacing old and exploited energy generation units with new and high efficiency ones, launching a nuclear energy programme and increasing the share of RES in the final energy consumption to 21%, shall contribute to the reduction of CO₂ emissions. Regarding nuclear energy, it is foreseen that the first unit (with the capacity of 1-1,5 GW) shall be put into operation in 2033 and until 2043 five more will be constructed. Significant emphasis has been also put on the development of e-mobility and alternative transportation fuels.

Source: Draft of the National Energy and Climate Plan for 2021-2030 (v. 3.1. from 4th of January 2019) published by Polish Ministry for Energy

COP 24 in Katowice



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In December 2018 Poland hosted the 24th Conference of the Parties of the UN Framework Convention on Climate Change. The event took place in Katowice, capital of the Silesia Region and aimed at working out and adopting a package of decisions ensuring full implementation of the Paris Agreement. The Polish COP presidency focused on three key items:

1. Technology – development of climate-friendly modern solutions, such as electro mobility;
2. Man – ensuring solidarity and just transition of industrial regions;
3. Nature – achieving climate neutrality by absorbing CO₂ by forests and land or by water management.

Although the talks were not easy and showed differences between different countries, they managed to settle most of the elements of the “rulebook” for putting the Paris Agreement into practice, including the decisions how they will measure, verify and report the results of their emission-reduction efforts.

Source: <https://cop24.gov.pl>

“Clean air” programme

Poland faces the problem of very poor air quality, which is especially visible and bothersome in wintertime, when a lot of households are being heated with poor quality fuel, and even waste, often burned in old and inefficient boilers. Therefore the government decided to support replacement of such boilers and switching to less emissive fuels. It launched a “clean air” programme managed by the National Fund for Environmental Protection and Water Management. The programme will be implemented until 2029 and has a budget of 103 billion PLN (€24bn), out of which 63.3 billion PLN (€14.7bn) will be spent in a form of grants and 39.7 billion PLN (€9.2bn) in a form of repayable loans. The money will be spent on thermal retrofitting of private households and replacement of their heating sources. The programme is addressed at individual persons owning or co-owning a single-family house. In case of a grant, the co-financing can reach 40-49% of the investment costs. The level of co-financing depends on the family’s income – the largest co-financing is foreseen for those with the lowest income.

In case of already existing single-family buildings, the programme foresees co-financing for the replacement of old-generation heat sources fired with coal with district heating sub-stations (connection to district heating network), modern boilers fired with solid fuel (coal or biomass), electric heaters, condensation gas-fired boilers or heat pumps. Additionally, the undertaking can include thermal insulation of the building and installation of renewable energy sources, such as solar thermal collections and micro PV installations.

In case of new residential buildings, the co-financing includes purchase and installation of district heating sub-stations, boilers fueled with good-quality solid fuels, electric heating systems, condensation gas-fired boilers or heat pumps.

Source: <http://nfosiaw.gov.pl/czyste-powietrze/o-programie-czyste-powietrze/>

Municipal Climate Adaptation Plans

Climate change is a fact and European municipalities face the necessity to adapt to these changes. More and more vulnerable to extreme weather conditions, such as hurricanes, droughts or very intensive rains causing danger for humans and their property, they have to implement solutions increasing their resilience towards these phenomena. Such solutions should be a part of wider climate adaptation strategies, including thorough analysis of the local situation, potential threats, probability of their occurrence and possible impact on the local situation. Within the project managed by the Polish Ministry for Environment, Climate Adaptation Plans (MCAPs) are being developed for the 44 Polish cities above 100 000 inhabitants. They shall help them to adapt to the already observed and foreseen results of climate change and are being prepared in cooperation with local authorities, citizens and experts. They take into consideration local conditions and problems, as each city faces its own threats. Implementation of MCAPs shall increase local communities’ resilience towards climate change and shall encourage also smaller municipalities to follow. The project is the practical implementation of the indications of the Polish National Strategy for Adaptation to Climate Change by 2020 with the perspective by 2030” (SPA 2020). One of the Ministry’s intentions within the project is to educate and raise local awareness on climate change and climate adaptation. It is financed by the EU (within the Cohesion Fund) and the state budget. Total value of the project comes to 29 950 000 PLN (€7mln).

Source: <http://44mpa.pl/miejskie-plany-adaptacji>

Romania

Mihai Toader-Pasti (toaderpasti.com) energiaTa.org and Teodora Vasâlca-Cimpoi, NewsEnergy.ro

Romania today is facing various challenges on multiple domains, energy being one of them. As the country struggles with corruption problems, a backlash from the private sector for the last fiscal changes, everything appears to fail and the EU presidency got the country's representatives as unprepared as this winter.

Political, legal and economic instability became the national status quo during the last years, resulting in lack of investment of any kind, whether we are referring to starting new projects, upgrading existing infrastructure or even performing the necessary preventive maintenance activity. Together with the lack of expertise and leadership at decision levels and too many and abrupt legislation changes without a real understanding of the industry culminated with the biggest crisis in the last 30 years for Romania's Energy Industry.

Therefore, there is little good news, some bad and a lot of very bad news. The industry leaders and experts, energy associations and federations were too passive during all these years, while they should have been more vocal and engaged, but fear or the love of status quo kept them and still keep them out of the game. This is not going to end well for anybody.

Good news:

- Romania took, for the first time in its history, the Presidency of the Council of the European Union.
- As of first of January prosumers are a reality in Romania as all its laws and regulations are in place for that, but utility companies are still struggling to adapt.
- The bureaucracy was also reduced for prosumers in terms of fiscal requirements, the adjustments made on the monthly bill.
- Prosumers are able to sell the energy with a price of approximately ⅓-¼ of the final price paid in the electricity bill.
- 100 million euros (European money) for Romanian household prosumers (approx 24.000 beneficiaries x 4.200 euros/system) are available in 2019.

Bad news:

- Romania had the highest annual inflation rate in the EU last year.
- We still don't have a final energy strategy. The last one was deleted before being adopted and a new one was put under public discussion facing big critiques from the experts in the industry.
- Our target for 2030 is 27% RES, which is below the 32% target of the EU and decarbonisation is not one of the priorities of the Government.
- Lack of available installed capacity in the system: data shows that we have 24,000 MW, from which only 14,000 MW are operational. Still, some of the as installed capacities which are counted as available, were unavailable for different reasons (needed repairs, investments, resources). As a result, from the beginning of the year we were net electricity importers to cover the internal consumption, which was below 10,000 MW.

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- A one week miners' strike at the largest coal energy producer forced the company which provides more than 20% of internal production to close some of its units. The risk of further shutdowns is still high, because of insufficient lignite stocks.
 - In November, the government decided to postpone the implementation of a more favourable legislation for vulnerable consumers until 2021.

Very bad news:

- Romania's Government changed the fiscal laws 800 times during 2018, the last one on 28th of December, surprising the energy sector with a tax of 2% on turnover without previous consultation with business stakeholders.
- This will generate and increase monthly electricity bills for consumers by at least 5%, as the tax applies to every sector - from generation, to transport, distribution and sales.
- The latest emergency ordinance also radically changed the rules on the gas and electricity market, as it forces the biggest state owned electricity companies to sell up to 65% of their production with regulated prices. Also, the Government put a price cap of 68 RON (€14,5) per MWh on the internal gas production, until February 2022.
- The measure comes after many other legal changes for gas producers, adopted last autumn by the Parliament, which introduced higher fiscal obligations and forced the companies to sell 50% from their production on the centralized gas market. As a result, the investors of the Black Sea offshore fields postponed the final investment decisions for an undefined time.
- The new surprising fiscal legislation drastically reduced the value of the shares of the main listed energy companies, which were among the biggest losers. OMV Petrom, Electrica, Transgaz, Romgaz and Transelectrica recorded depreciations of about 9% to almost 20%.
- Romania lost over 3 billion Euros in a single day - called „the red Wednesday" - which brought the second highest daily decline of the Romanian stock exchange history.
- Last week we had the most expensive energy on the spot market in Europe.

Slovakia

Juraj Melichar, CEE Bankwatch Slovakia

There is a sad joke in Slovakia that the country could become a museum for renewable energy sources (RES). Not because the Slovak physicist Aurel Stodola invented in 1928 the world's oldest heat pump that still powers Geneva's city hall but because of its antiquated energy policy that lacks systematic support for renewables at the local and national levels.

In a 2018 review of the Slovakia's energy policy, the International energy agency (IEA) confirmed the tragic situation. System operators stopped in 2013 accepting requests for connecting renewables above 10 kilowatts to the distribution grid because of concerns over grid stability and security of supply. This regulatory measure [still applies](#).



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In addition, Slovakia plans to meet its national renewables target mostly with unsustainable biomass, placing pressure on the stability of the country's ecosystems.

In spite of these challenges, promising signals suggest that maybe Slovakia will right its policy framework for renewables, and EU funds will play an integral role. The Ministry of Environment and the Slovak Innovation and Energy Agency (SIEA) have begun distributing EU funds for photovoltaic, photothermic, heat pumps and sustainable biomass boilers up to 10 kilowatts in a programme called '[Green to the households](#)'.

This has enabled family and residential houses not only to connect solar panels directly to the grid but also receive subsidies for their installation. Priority is given to installations with the highest use of produced electricity through the accumulation of electricity to support the stability of the electricity grid. Surplus electricity is supplied free of charge into the distribution network. Wind installations were not supported due to current legislative restrictions. So, no household could get support for a small wind turbine.

While Slovakia has had difficulties in using EU funds for sustainable development, the 'Green to the households' programme is a shining example for its rapid deployment. For example, SIEA distributed €1.78 million through 786 vouchers in just eight minutes in one round in August 2018.

The total budget for these activities is €115 million plus national funding. The first pilot project with a budget of €45 million lasts from 2015 until the end of 2018, and the successful project is planned to continue in the next years.

Hope for larger solar installations

In October 2018, the Slovak parliament amended the law on renewable energy sources and combined heat and power. The renewables sector succeeded in the first area with a so-called 'local power generation,' which will enable installations of up to 500 kW to be connected to the grid for their own electricity consumption. This solution suits mostly small and medium enterprises. Feed-in-tariffs will be changed to auctions and feed-in-premiums. Slovakia still lacks data about the technical potential of renewables, transparency and proper participation in decision and policy making, not mentioning other struggles in the CHP sector.

More efforts needed

The IEA [continues in its 2018 review](#): “These EU-level targets appear to lack ambition and may not serve the country to trigger progress towards the 2050 long-term decarbonisation goals. The IEA encourages the Slovak Republic to set more ambitious national targets and continue to reap multiple benefits from reducing energy-related CO2 emissions.”

The agency recommends that Slovakia:

- Assess the technical and economic potential of individual domestic sources of renewable energy, taking into account environmental sustainability, and design promotion policies on that basis; ensure that the biomass used is from sustainable sources.
- Require the DSOs to analyse how to prepare the electricity system to integrate higher shares of solar and wind power, for example by looking for international best practices.

EU funds, as a significant source of public investments, can contribute to the necessary energy transformation for the protection of climate and biodiversity and support of the local economy.

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