Assessment of climate change policies as part of the European Semester

Monthly Progress Update for the 28 Member States

3 March 2015

A report submitted by ICF Consulting Services
in association with

Ecologic Institute, Berlin and eclareon GmbH

to DG Climate Action
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1 Austria

1.1.1 Environmental Taxation

Austrian Green party argues against exempting commercial aviation from the mineral oil tax

In a press statement of 6 January 2015, the Austrian Green party has demanded an increased tax on flights. The party's transport spokesman, Georg Willi, specifically addressed the approach to mineral fuel taxes, stating that there is no justification for exempting commercial aviation from the mineral fuel tax.

Like in the rest of the EU, commercial aviation is exempted from mineral fuel taxes in Austria. The Austrian petroleum tax is levied on petrol and diesel. Currently this amounts to approximately 35 to 44 cents per litre (depending on the type of fuel).

A unilateral introduction of such a tax for commercial aviation would lead to a considerable price increase, potentially affecting the competitiveness of Austria’s aviation sector.

Read more (in German): http://www.austrianaviation.net/news-regional/news-detail/datum/2015/01/07/gruene-moechten-mineraloelsteuer-fuer-linienfluege.html

Read more (in German): http://www.gruene.at/ots/gruene-fuer-ueberfaellige-fairness-bei-treibstoffbesteuerung

1.1.2 Energy Efficiency

Austrian Energy company cooperates with electrical retailer to comply with Energy Efficiency Act

As of February 2015, the largest independent provider of green electricity in Austria (“Ökostrom AG”) is the first energy company to cooperate with an industry association to implement the Energy Efficiency Act, which entered into force in 2015. Until 30 June 2015, customers who buy energy-efficient fridges, washing machines or dishwashers get a 10 to 20 EUR discount. Electrical retailers can cede the energy efficiency measures to the energy company Ökostrom AG in return for a credit voucher.

The initiative “Energy is valuable” has been launched to promote the purchase of energy-efficient electrical appliances.


Read more (in German): http://derstandard.at/2000011779582/Pilotversuch-mit-Energieeffizienz

Climate and Energy Fund’s programme for 2015 announced

As announced on 24 February 2015, the Austrian Climate and Energy Fund’s programme for 2015 focuses on three specific areas: energy efficiency measures, the development of renewable energy and the development of sustainable, innovative and affordable mobility systems and energy technologies. The overall budget of the 2015 programme amounts to 126 million EUR.

Austrian Minister for Transport, Innovation and Technology Alois Stoeger emphasised that Austria’s industrial competitiveness will largely depend on whether energy remains safe and affordable for industry, business and consumers. He added that research and development are driving forces behind an energy policy that meets climate policy and social requirements.
1.1.3 Renewable Energy

Promotion campaigns for renewables launched

In February 2015, 25 million EUR have been made available in Austria for the promotion of photovoltaics, small solar panels and wood heating as part of the Climate and Energy Fund 2015 programme. In cooperation with the Ministry of the Environment, the Climate and Energy Fund launched promotion campaigns for photovoltaic systems for private and business consumers, a campaign for the exchange of fossil heating systems against climate-neutral heating systems (wood chips/pellets) and a campaign promoting action small solar thermal systems for private individuals.

Further measures to promote the expansion of renewables are planned (e.g. photovoltaic systems for agricultural and forestry businesses).

Andrä Rupprechter, Minister of the Environment, highlighted that securing the energy supply from renewable energy sources is an important step for Austria's sustainable energy future. He emphasised that the promotion campaign for renewables is a key component for strengthening Austria’s leading role in the energy transition.

Wind power capacity: Austria is among the top 6 EU Member States

As announced early February 2015, Austria is among the top 6 EU Member States with a wind power capacity of 411 MW. In 2014, Austria invested approximately 680 million EUR in the expansion of wind energy. In total, Europe invested about 16 billion EUR in 2014.

1.1.4 Transport

Number of electric cars registered in Austria doubled in 2014

As announced in February 2015, the number of electric cars registered in Austria has doubled in 2014. In total, 1,281 new electric cars were registered in 2014 in Austria. However, the total market share of electric cars in Austria and the rest of Europe remains low (at about 0.6%). As of February 2015, there were approximately 3380 electric cars in Austria.
**Climate-friendly youth mobility campaign launched**

In January 2015, the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW) announced that the "klimaaktiv mobil" programme launched a new promotion campaign for climate-friendly youth mobility, which started in February 2015. This campaign provides financial support to youth initiatives, associations, municipalities and businesses. Financial support is provided for climate-friendly youth mobility projects such as shuttle services to youth events, youth taxis, cycling infrastructure, bicycle hire services, electric bikes and electric mobility projects.

Read more (in German): [http://www.bmlfuw.gv.at/presse/umwelt/150120.html](http://www.bmlfuw.gv.at/presse/umwelt/150120.html)
2 Belgium

2.1.1 Energy Efficiency

The Walloon government reforms the "energy and housing" premiums

On 12 February 2015, the Walloon government adopted a reform of the premium system for "energy and housing" which will enter into force on 1 April 2015. This follows a three month moratorium of the previous system which was composed of 60 different premiums with different procedures and eligibility criteria. The old system will be replaced by two schemes: the energy premium and the renovation premium. The energy premium will focus on energy audits; roof, walls and floor insulation; and installation of energy efficient heating systems. The renovation premium will only be applicable for houses of more than 20 years and will focus on the renovation of roofs, the dewatering and stabilisation of walls and floors, and the renovation of electrical systems and window frames. The reform also includes a series of measures to shift these premiums towards families with low incomes. An eligibility cap has thus been established and a multiplier will be applied to favour the families with the lowest incomes.

While different stakeholders welcomed this simplification, they also criticised the government for reducing the total envelope allocated to these premiums by 25 million EUR, now equivalent to 40 million EUR. The Walloon government intends to balance this decrease of funds with a bigger envelope for the new zero or reduced interest rate loan for energy efficiency investment which will be presented in the coming weeks.


The Flemish energy loans are operational since 5 January 2015

The Flemish government has established a new loan system for families willing to invest in energy efficiency measures within their houses. A total of 15 million EUR has been allocated to this scheme for 2015 with the objective to provide up to 3,500 loans. The beneficiaries can borrow up to 10,000 EUR which they have to reimburse over a 5 years period at an interest rate of 2% or 0% depending on their social status. The work covered by these loans include among others: wall, roof and floor insulation; the replacement of windows; the installation of PV solar panels or the realisation of an energy audit. During the first month, 110 loans were allocated under this new scheme for an average value of 6,950 EUR.


2.1.2 Transport

The Walloon government adopted the draft decree establishing a distance based toll system for HDV

On 12 February 2015, the Walloon government adopted the draft decree establishing a distance-based toll system for heavy duty vehicles (HDV) (vehicles above 3.5 tonnes). This system will enter into force in the three Belgian regions at the beginning of 2016 and will go along with the removal of

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1 See the full list here (in Dutch): [http://www.energiesparen.be/energielening/welke%20werken](http://www.energiesparen.be/energielening/welke%20werken)
the current federal system of Eurovignette. The key objective of this new toll system is on the one hand to increase the contribution of HDV to the maintenance and improvement of the Walloon road network and on the other hand, it aims at establishing a balanced treatment between the Belgian and non-Belgian HDV circulating on the Belgian roads. The tariff of this new kilometre charge will be based on:

- the number of kilometres covered;
- the weight of the HDV based on three categories: between 3.5 and 12 tonnes, between 12 and 32 tonnes and more than 32 tonnes;
- the environmental performances of the vehicles.

The next steps on this file include the organisation of an internal dialogue within the Walloon government, the organisation of stakeholder consultations with the sectors targeted by this new measure, the instauration of a dialogue with the two other Belgian regions installing a similar measure and the completion of a socio-economic study analysing the impact of this new measure on the Walloon economy and employment.

3 Bulgaria

3.1.1 Specific energy challenges

Minister of Energy: Bulgarian energy market in urgent need of liberalisation

According to Bulgaria’s Minister of Energy Temenuzhka Petkova, the country’s energy sector is “in a state of financial collapse and in need of urgent and adequate measures”. In an interview on 22 February 2015, Petkova argued that the liberalisation of the energy market was essential to solving these problems. As a first step, the Bulgarian Parliament has approved legislative amendments to the Energy Act on 20 February 2015, which will allow the Assembly to elect the members of the Commission for Energy and Water Regulation (KEVR). Furthermore, new rules for the purchase of energy through the National Energy Company (NEK) will be introduced. These changes are aimed at reducing the NEK's debts to power producers which currently amount to 1.2 billion BGN (approx. 610 million EUR). On 28 January 2015, the chair of KEVR, Svetla Todorova, announced that an increase of electricity prices during 2015 will be unavoidable.

Read more (in English):
http://www.novinite.com/articles/166721/Bulgaria%E2%80%99s+Energy+Sector+is+In+State+of+Financial+Collapse+-+Minister

Read more (in English):
http://www.novinite.com/articles/166673/Parliament+Committee+Passes+Changes+to+Bulgaria%27s+Energy+Act+at+Second+Reading

Read more (in English):
http://www.novinite.com/articles/166204/Bulgaria%27s+Energy+Watchdog+Foresees+Power+Price+Hike+in+2015

Ten-Year Network Development Plan: No further nuclear capacities until 2024

The draft plan for the development of the electricity grid in 2015-2024 published on 6 February 2015 by the state-owned Electricity System Operator (ESO) does not foresee the launch of further nuclear energy capacities in Bulgaria in the next 10 years. The forecast envisages that unit 7 of the Kozloduy nuclear power plant will be operational after 2025 due to lengthy administrative procedures. In the meantime, the capacity of Kozloduy’s units 5 and 6 shall be increased by 100 MW. Furthermore, three hydro power projects are expected to be built until 2024 with a total installed capacity amounting to 166 MW. In the next ten years, the draft plan also foresees an increase of Bulgaria’s photovoltaic capacity from 1,038 MW to 1,568 MW in 2024.

Read more (in English): http://www.novinite.com/articles/166383/Bulgaria+Will+Not+Launch+New+N-Plant+Units+until+2024+%E2%80%93+Forecast

3.1.2 Energy Efficiency

Ministry launches National Programme for Energy Effectiveness

On 2 February 2015, the National Programme for Energy Effectiveness (Национална програма за енергийна ефективност) was launched by the Bulgarian Ministry of Regional Development. The programme has a budget of 1 million BGN (approx. 510,000 EUR) provided by the Bulgarian Development Bank. Eligible for subsidies are all multiple-family buildings with at least 36 separate apartments. The programme focuses on insulation measures as well as the installation of efficient
heating sources and solar panels.

Read more (in English):
http://www.novinite.com/articles/166286/Bulgarian+Energy+Effectiveness+Programme+Worth+BGN+1+B+Starts+Monday

Read more (in Bulgarian): http://mrrb.government.bg/?controller=category&catid=117

Implementation of energy efficiency projects financed from EU ETS revenues

On 28 January 2015, Bulgaria’s Minister of the Environment, Ivelina Vasileva, announced that revenues from the National Trust Eco Fund in the amount of 13 million BGN (approx. 6.6 million EUR) will be added to the state budget in 2015. Through the sale of unused greenhouse gas emission allowances from the EU ETS for a total of 27 million BGN (approx. 13.8 EUR), 77 energy efficiency projects (mostly renovations of public buildings) have been implemented. According to Vasileva, these projects have led to total annual energy savings of about 4 million BGN (approx. 2 million EUR).

Read more (in English):
http://www.novinite.com/articles/166234/Energy+Efficiency+Projects+Have+Boosted+Bulgarian+Economy+-+Minister

3.1.3 Renewable Energy

Bulgarian Government plans to abolish feed-in tariff for renewable energy sources

According to the Head of the Parliamentary Energy Committee, Delyan Dobrev, the ruling party GERB is planning to abolish the feed-in tariff for all renewable energy sources with the exception of biomass containing at least 65% animal waste. Dobrev argued that no further incentives for renewable energy were needed since Bulgaria has already reached its national renewable energy target for 2020. The abolishment of the feed-in tariffs which until now have been paid by the National Energy Company (NEK) also aims at improving NEK’s severe financial situation. However, in contrast to previous measures, the proposal does not foresee any changes to existing contracts.

Read more (in English):
http://www.novinite.com/articles/166372/Bulgaria%27s+GERB+Seeks+to+Scrap+Special+Prices+for+New+Renewable+Energy+Sources

3.1.4 Energy Networks

Sofia hosts high-level EU meeting on gas grid interconnections

On 9 February 2015, the first meeting of the high-level group on the construction of gas grid interconnections in Central and South Eastern Europe took place in Sofia. Participants included the European Commission Vice President for Energy Union, Maroš Šefčovič, and the EU Climate and Energy Commissioner Miguel Arias Cañete. The objective of the high-level group is to establish a regional priority infrastructure roadmap and improve the security of gas supplies. Speaking at the opening of the meeting, Bulgaria’s Prime Minister Boyko Borisov declared that thanks to its location and its well-designed gas transmission grid, Bulgaria has the potential to become a gas hub for south-eastern Europe. According to Borisov, the construction of a gas distribution centre in Bulgaria would cost around 2.2 billion EUR.
Read more (in English):
http://www.novinite.com/articles/166415/PM+Borisov%3A+Bulgaria+Has+Potential+to+Become+Gas+Distribution+Center

Read more (in English):
http://www.novinite.com/articles/166420/CSEE+Moves+to+Diversify+Gas+Supplies

Read more (in English):
http://www.novinite.com/articles/166425/Proposed+Gas+Hub+in+Bulgaria+to+Cost+EUR+2.2+B%2C+PM+Borisov+Says
4 Cyprus

4.1.1 Horizontal measures

Public consultation on the “National Strategy for Low GHG Emissions Development” initiates

The Ministry of Agriculture, Rural Development and Environment announced on 03 February 2015 the initiation of the public consultation on its “National Strategy for Low GHG Emissions Development”. The public consultation ends on 06 March 2015, while an open public hearing will be organized on 04 March 2015.

Read more (in Greek): http://www.moa.gov.cy/moa/environment/environment.nsf/All/44778C90A9348483C2257DE100319C4E

4.1.2 Energy Efficiency

Support scheme for energy efficiency to be published shortly

The Minister for Energy, Commerce, Industry and Tourism, Mr. Georgios Lakkotrypis, announced on 9 Feb 2015 during a joint press conference with the President of the Cooperative Central Bank, Mr. Nikolaos Hatzigiannis, the immediate publication of a support scheme that aiming to increase the competitiveness of the Cyprus economy. More specifically, one of the support schemes focuses on energy upgrading of residential buildings. This support scheme complements the existing support scheme for the energy upgrading of enterprises and is expected to be announced in the middle of March 2015.

Read more (in Greek): http://www.sigmalive.com/simerini/business/205357/fresko-xrima-stin-agora

4.1.3 Renewable Energy

Cyprus Regulatory Authority on Energy published its 2013 annual report

On 16 Feb 2015, The Cyprus Regulatory Authority on Energy (CERA) has presented to the President of the Republic of Cyprus, Mr. Nikolaos Anastasiadis its annual report for 2013. The report underlines that there was an increase of 12.5% in the electricity production of wind parks (228,000MW in 2013 in comparison with 184,000MWh in 2012). In relation to the distribution system, PV parks have generated 900 MWh in 2013. Apart from that, 147.2 of wind parks have been licensed by CERA in 2013, while 19.82 MW of PV have also been approved by the authority.

5 Czech Republic

5.1.1 Energy Efficiency

Parliament approves amendment to Energy Management Act

On 12 February 2015, the Czech Parliament approved an amendment to the Act on Energy Management (Zákon č. 406/2000 Sb., o hospodaření energií), as proposed by the Ministry of Industry and Trade. Among others, the amendment sets new rules for the Energy Performance Certificate (EPC). It abolishes the obligation to submit these certificates for houses built or ultimately refurbished before 1947. To reduce the administrative burden, these buildings are now automatically grouped under the lowest energy efficiency category G. Furthermore, real estate agents are now obliged to disclose the buildings' energy class in their advertisements. If the agents do not receive an EPC from the building owners, these buildings will be classified under category G. The amendment also simplifies the conditions for the New Green Savings programme (Nová zelená úsporám). Applicants now only require an energy performance assessment from an energy specialist, not from an energy auditor. This measure shall simplify the application process for house owners. To come into effect from 1 July 2015, the amendment still has to be approved by the Senate and the President.


Minister signs off last projects under OP Environment for 2007-2013

On 18 February 2015, Minister of Environment Richard Brabec has signed-off the last 100 projects under the 2007-2013 programming period of the Operational Programme Environment (Operační program Životní prostředí). The projects with a total budget of 711 million CZK (approx. 25.8 million EUR) include measures to improve the air quality and reduce emissions and must be implemented until the end of 2015.


Ministry announces new call under OP Environment

Through the State Environmental Fund of the Czech Republic, the Ministry of Environment has announced a new call (no. LXIV) for applications under the 2014-2020 programming period of the Operational Programme Environment. From 2 February to 19 March 2015, project applications are accepted among others in following areas of support: “Construction and renovation of heat sources using renewable energy sources” (3.1) and “Implementation of energy savings and utilisation of waste heat” (3.2). For support areas 3.1 and 3.2, a total budget of 500 million CZK (approx. 18.2 million EUR) has been allocated.

5.1.2 Renewable Energy

*Ministry: Small RES installations shall no longer be obliged to obtain a licence*

The Czech Ministry of Industry and Trade has proposed an amendment to the country's Energy Act. According to the proposal, operators of small renewable energy installations up to a maximum capacity of 10 kW will no longer be obliged to obtain a licence. Yet, they will be able to sell their excess power at market price to the grid. Through reducing the bureaucratic requirements, the Ministry wants to contribute to the development of small PV installations and envisages around 1,000 new installations per year. Since 2014, renewable energy sources are no longer supported through the feed-in tariff. RES operators would therefore sell their electricity at market price, which is currently around 32 EUR per MWh.

6 Croatia

6.1.1 Energy Efficiency

Environmental Fund publishes Yearly Tender Programme for 2015

At the end of January 2015, the Environmental Protection and Energy Efficiency Fund (FZOEU) published a list of 36 public tenders worth 600 million HRK (approx. 77.7 million EUR) for the year 2015. Both regional authorities and private entities can obtain subsidies in form of co-financing of 40% to 80% for projects in various fields. The public calls aim e.g. at the support of energy efficiency measures such as the purchase of energy efficient household devices, domestic lighting and house heating supply and above all the energy-focused refurbishment of buildings. In contrast to last year’s programme, this year also commercial buildings will be included, benefitting hotel owners of the vital Croatian tourism industry. The tenders also promote a wider spread of e-mobility through co-financing the purchase of electric and hybrid cars or electric bikes. Finally, the programme also foresees the encouragement of the use of renewable energy sources and the development of efficient waste recycling in local governments.

The respective dates of publication, the periods of duration, the amounts of funding and short descriptions on the tenders and general requirements can be found in the programme.


Government approves loan for ZagEE

On 7 January 2015, the government has given its approval for a loan from the Croatian Bank for Reconstruction and Development (HBOR) in the amount of HRK 18 million HRK (2.3 million Euro) for the financing of the project ZagEE – Zagreb Energy Efficient City. This programme pursues the goal of reducing the energy consumption in the city of Zagreb by 49-72% through the modernisation of urban lighting systems and the energetic renovation of public facilities such as buildings of the city administration, school buildings, kindergartens, retirement homes and health centers.

The expected energy savings amount to 33,526 MWh per year and greenhouse gas emissions will be reduced by 8,390 tonnes of CO2 per year. The project works should be completed by 2016.


Read more (in Croatian): [http://zagee.hr/](http://zagee.hr/)


6.1.2 Renewable Energy

The Croatian Energy Market Operator (HROTE) stopped support of solar and wind energy

In January 2015, the Croatian Energy Market Operator (HROTE) announced that for the time being there will be no further contracts issued for the purchase of electricity from solar and wind power at an incentive price. The caps of 52 MW for photovoltaics and 400 MW for wind energy until the year 2020,
which are foreseen in the Croatian National Action Plan for RES to 2020, have been already reached in 2014. All pending and future applications of solar power producers will therefore be dismissed by a decision by HROTE according to Art. 12(5) of the Tariff System.

Read more (in Croatian): http://www.hrote.hr/default.aspx?id=281
Read more (in English): http://ec.europa.eu/energy/en/topics/renewable-energy/national-action-plans

Ministry of Economy publishes tenders on EE and RES

On 9 February 2015, the Ministry of Economy published two tenders for the promotion of energy efficiency and renewable energies sources. The first public call is worth 2 million HRK (260,000 Euro) and is intended for non-governmental organisations, while the second is intended for local governments and is worth 7 million HRK (907,000 Euro).

The subsidies are e.g. available for projects investing in the development and acquisition of new energy saving technologies or renewable energy installations and the introduction of energy monitoring systems. An applicant can obtain a support of up to 200,000 HRK (26,000 Euro) and the tender remains open until the funds are exhausted.

7 Denmark

7.1.1 Horizontal measures

Agreement on the disbursement of 151.9 million DKK for climate-related measures

The Danish government together with the Socialist’s People Party and the Red-Green Alliance came to an agreement on the disbursement of a climate fund with overall value of 151.9 million DKK (approx. 20.36 million EUR) for climate-related measures. The pool for climate action is part of the state budget for 2015 and will be dedicated to afforestation, agriculture and transport. It is expected that the measures result in an overall reduction of greenhouse gas emissions of 300,000 tonnes until 2020.

The following climate-related initiatives will be supported under the fund:

- Rehabilitation of e.g. Store Åmose, a big wetland area in Denmark, which emits large amounts of greenhouse gases into the atmosphere - 45 million DKK (approx. 6.03 million EUR)
- Afforestation of up to 110 hectares of urban forestry - 13 million DKK (approx. 1.73 million EUR)
- Agriculture sector: creation of a free climate consulting for farmers and acidification of manure in stables – 58.4 million DKK (approx. 7.83 million EUR)
- Transport sector: subsidies for electric buses, enhanced climate standards for public procurement of vehicles, green transport and green mobility, energy-efficient transport of transport companies and municipalities - 27 million DKK (approx. 3.62 million EUR)
- Action against climate-damaging F-gases - 6.5 million DKK (approx. 0.87 million EUR)


7.1.2 Renewable Energy

Increased support for photovoltaic installations and wind turbines came into force

On 11 February 2015 increased support for photovoltaic installations and wind turbines came into force. The temporarily increased support was adopted by Law no. 900 on 4 July 2013 and has been awaiting European Commission approval, which now has been granted.

The increased support for solar installations applies to installation owners who purchased the installation between 20 November 2012 and 11 June 2013 and to installations’ owner, who will purchase the installation in the future and apply for the support from the fund for private households.

The increased support for small wind turbines applies to owners of small wind turbines, which were connected to the grid on 20 November 2012 or later and for future owners of small wind turbines.

Read more (Danish): [http://www.ens.dk/info/nyheder/nyhedsarkiv/forhoejet-stoette-solcellerhusstandsvidmoeller-traadtkraft](http://www.ens.dk/info/nyheder/nyhedsarkiv/forhoejet-stoette-solceller-husstandsvidmoeller-traadtkraft)
Estonia

Environmental Taxation

Estonian Supreme Court is deciding on the proportionality of the renewable energy fee

In February 2015, the Civil Chamber of the Estonian Supreme Court started cassation proceedings related to renewable energy fees. The Court, while issuing a decree accepting the appeal in cassation, indicated that the current feed in tariff scheme requires charging renewable energy fee as part of a consumer’s electricity bill and this fee is not dependent of the electricity exchange prices. The case started in 2012 and it is argued that consumers might have been obliged to pay unreasonably high renewable energy fees. The outcome of the dispute is still unclear; nonetheless, depending on the final decision, renewable energy producers might be obliged to pay back part of the amount received through the renewable energy fees. The final decision is expected to be issued in 2015.

Read more (in Estonian): http://www.tuuleenergia.ee/2015/02/riigikohus-selgitab-kas-tarbijad-on-maksnud-liiga-suurt-taastuva-energia-tasu/

Estonia is implementing the new non-ETS allowance trading scheme

On 17 February 2015, the Parliament approved a new allowance trading scheme, which will operate alongside the European Union Emissions Trading Scheme (EU ETS). The new scheme is building on the European Effort Sharing Decision No 406/2009/EC and will cover sectors that are left out of the EU ETS (e.g. transport, agriculture, waste management, and so on). A new unit called Annual Emissions Allocation (AEA) will be created for trading purposes and is equal to 1 tonne of CO\textsubscript{2}e. Emissions units assigned to Estonia, will increase yearly up to 2020. The government’s obligation is to guarantee that emission limits will not be exceeded. Ministry of the Environment has prognosed that Estonia will have a surplus of the emission quotas, which will be sold and the received money will be reinvested into sectors, which will decrease greenhouse gas emissions.

Read more (in Estonian): http://www.envir.ee/et/uudised/eesti-hakkab-kasvuhoonegaasidega-kauplema-uee-skeemi-alusel-

Renewable Energy Association critizes on-going amendments to the feed-in tariff scheme

On 11 February 2015, the Estonian Renewable Energy Association published an article criticizing the amendments to the feed-in tariff scheme currently being discussed in the country. According to the Estonian Renewable Energy Association’s director, Mr. Rene Tammist nobody will benefit from changes to the feed-in tariff scheme. Mr. Rene Tammist points out that because of the current feed-in tariff, 405.3 MW of new renewable power is available. Mining of oil shale has decreased and CO\textsubscript{2} emissions have decreased by 1.5 million tonnes per year. According to the Estonian Renewable Energy Association, the new support scheme will put renewable energy producers in a more difficult situation, considering that legal proceedings challenging the current renewable energy fee are ongoing and there is no legal certainty for existing projects.

Read more (in Estonian): http://www.tuuleenergia.ee/2015/02/rene-tammist-mida-tarbijad-taastuvennergia-tasudelt-voidavad/
8.1.2 Energy Networks

Gas imports from Lithuania are increasing

On 28 January 2015, the state-owned energy company Eesti Energia declared that it will start importing gas from Lithuania’s Klaipeda LNG terminal. According to the contract signed with UAB LitGas, 5.8 million m$^3$ of gas will be imported. Eesti Energia concluded pilot import shipments in December 2014 and as the interconnection networks and regulations are working well, regular import shipments may start soon. Gas imports from Lithuania provide diversification of gas supply sources. According to gas TSO Elering, Estonia imported 71.7 million m$^3$ of natural gas in January 2015 and imports from Lithuania accounted for 8.6% of this total amount. Although gas consumption in January was almost 22% less than in 2014, market participants see opportunities for regional gas trade. In Estonia, three companies are already importing gas from Lithuania, namely Baltic Energy Partners, Reola Gaas and Eesti Energia.


9 Finland

9.1.1 Environmental Taxation

Amendments proposed to renewable energy support scheme regarding electricity produced from woodchips

On 29 January 2015 the Government of Finland presented a draft of the Law on the Subsidy to Electricity produced from Renewable Sources (Laki uusiutuvilla energialähteillä tuotetun sähkön tuotantotuesta). According to the draft law, a subsidy for the electricity produced from bole woodchips will be reduced by 50%, if the wood comes from the forest with the average tree diameter of at least 16 cm. Reduction of the subsidy concerns only the woodchip made from bole, not the branches. The aim of the amendments is to prevent solid and good-value wood from being used for electricity production and rather use it in the paper industry. Thus electricity would be produced from the low-value wood that cannot be used for any other purposes. In addition, the draft law proposes a reduction of the peat tax, as in Finland, subsidy scheme for renewable energy and peat taxation system are interdependent. The aim of the proposal is to reduce peat taxation to 1.9 MWh EUR from the beginning of 2016. Currently the peat tax amounts to 3.40 EUR per MWh.

Read more (in Finnish): http://www.tem.fi/energia/tiedotteet_energia?89519_m=117278

9.1.2 Energy Efficiency

Finland's policy is to promote energy efficiency projects

Motiva Oy, which is a state-owned company with a purpose to provide research, solutions and services in the area of resource-efficiency, sustainable development and energy efficiency, is currently building two one family houses of energy class A in Helsinki and Oulu. Both houses are nearly zero-energy buildings and are using only 35 kWh of energy per square meter. The purpose of the construction of these houses is to demonstrate that it is possible to build energy efficient homes in the harsh climatic conditions of Finland. This promotes energy efficiency in the small household sector. Both projects are one family houses.


9.1.3 Energy Networks

Finland's long-term policy must be aimed at sufficient electricity interconnections with neighboring countries

On 27 January 2015 Pöyry Management Consulting Oy published a report on the “Finnish electricity sufficiency and capacity development by 2030” (Suomen sähköteline riittävyys ja kapasiteettirakenteen kehitys vuoteen 2030). The report analyses Finland’s possibilities of developing sufficient domestic electricity capacity and cooperation strategies with neighbouring countries. Report indicates that Finland’s long-term policies must be aimed to better interconnections with neighboring countries, in order to be electricity sufficient.

According to the report, Finland is dependent on electricity imports during the peak consumption hours. The electricity interconnections with Sweden, Russia and the Baltic States provide lacking
electricity and will continue to do so over the next decade.

The Finland’s Olkiluoto 3 nuclear power plant is currently under construction and is not expected to be operational soon.


### 9.1.4 Transport

**Finland’s LNG projects will enhance low CO2 transport sector**

Finland’s first LNG import terminal project is currently developed by Skangass, a subsidiary of Gasum Oy. The LNG terminal with a capacity of 30,000 cubic meters is constructed in Pori, Tahkuluoto and is expected to be operational by autumn 2016.

The terminal will diversify the country’s energy infrastructure as well as improve competition conditions for Finnish companies. It is aimed for industrial use as well as sea and road transport diversification. The aim is to enhance clean road transport through using gas in long-distance truck transport sector.

Read more (in Finnish): [http://www.co2-raportti.fi/?heading=Suomen-ensimm%C3%A4isen-LNG-tuontiterminaalin-rakennusty%C3%B6-etenev%C3%A4t&page=ilmastouutisia&news_id=4283](http://www.co2-raportti.fi/?heading=Suomen-ensimm%C3%A4isen-LNG-tuontiterminaalin-rakennusty%C3%B6-etenev%C3%A4t&page=ilmastouutisia&news_id=4283)
France

10.1.1 Cross-cutting measures

Government adopts Roadmap of the Environmental Conference

On 4 February 2015, the French government adopted the Roadmap of the Third Environmental Conference. The roadmap is the outcome of the Environmental Conference that took place in November 2014. Since 2007, the French government has been conducting regular environmental conferences to develop national roadmaps on sustainable development policy, bringing together different ministries, parliamentarians, NGOs, and industry. The new roadmap contains 74 measures aiming to turn France into a country of environmental excellence. The measures are grouped in three topic areas: the mobilisation towards the Paris Climate Conference, sustainable transport, and health and environment. Among the flagship measures are the following:

- Cut export credits for coal power plants
- Scrapping scheme for diesel cars: financial support for replacing old diesel cars with electric, hybrid or EURO6 class vehicles, starting from 1 April 2015
- 300 million EUR over the next three years for promoting alternatives to road transport
- Incentivise enterprises to encourage their employees to use bicycles
- Educational and public information initiatives in the run-up to the Paris Climate Conference


Government adopts National Strategy for Ecological Transition

On 4 February 2015, the French government adopted the National Strategy for Ecological Transition towards Sustainable Development (2015-2020). The document is a follow-up to the earlier strategy for 2010-2013 and is the result of a two-year process engaging different ministries, the National Council on Ecological Transition, experts and the broader public. The strategy aims to engage the French public for a more modest, sustainable and equitable development model, addressing the areas of climate change, biodiversity loss, shortage of resources, and increased environmental health risks.

The strategy contains key priorities until 2020 and concrete measures for their implementation. For example, the government commits to ban single-use plastic bags by 1 January 2016 or to review occupational training programmes so as to integrate topics related to the ecological transition.

Read more (in French): [http://www.developpement-durable.gouv.fr/La-strategie-nationale-de.42115.html](http://www.developpement-durable.gouv.fr/La-strategie-nationale-de.42115.html)

Ministry for Ecology publishes Action plan on exemplary administration for ecological transition

On 4 February 2015, the Minister for Ecology Ségolène Royal published an Action plan on exemplary administration for ecological transition, to be implemented by her ministry. The Minister wants to set good example to encourage others to follow. The action plan contains collective and individual measures for the period 2015-2020 targeting energy use, mobility, waste and biodiversity. The concrete actions she proposed include, for example:
- Energy savings: Reduce energy consumption by 20-30% as soon as possible: turning off lights automatically, reducing temperature in the offices during weekends and nights; heavy renovations must include energy refurbishment measures
- Sustainable mobility: Car pooling, use of electric vehicles, use of teleconference services
- Reducing waste: using recycling paper; 2-sided printing; waste separation
- Biodiversity protection: No use of pesticides in green areas; 15% organic food in canteens

Read more (in French): www.developpement-durable.gouv.fr/IMG/Plan%20d'action%20exemplaire%20-%201er%20f%C3%A9vrier%202015.pdf

**Senate discusses draft Energy Transition Act**

In October 2014, the National Assembly adopted the draft Energy Transition Act, which aims at reducing GHG emissions and energy dependence, by promoting the diversification of energy sources, energy efficiency and environmental taxation. On 10 February 2015, the Senate started its consideration of the draft act, with 920 amendments tabled for the first reading. A major amendment concerns the reduction of nuclear energy in the overall energy mix: the senators opposed to reduce the share of nuclear to 50% by 2025, and proposed instead to reduce the share “eventually” (i.e. at an undefined later stage). The senate also raised the cap for nuclear capacity from 63.2 GW to 64.85 GW. For the chapter on energy efficiency, the senate introduced a new objective to reduce energy poverty by 15% by 2020. Some members of the National Assembly have already announced they would oppose the amendments. The disagreements put the accelerated timetable the government had envisaged at risk: the Ministry of Ecology had planned to adopt the act by mid-February 2015. The senate is set to formally vote on the draft Act on 3 March 2015.

Read more (in French): http://www.senat.fr/espace_presse/actualites/201406/engager_la_france_dans_la_transition_eneregti que.html

**Minister of Ecology announces 212 winners of the call for tenders “Territories towards positive energy”**

On 9 February 2015, Minister of Ecology Ségolène Royal announced the winners of the call for tenders “territories towards positive energy”. With this call, the minister aimed to implement and exemplify some of the national objectives of the draft Law on Energy Transition into concrete projects at local level. Out of 528 applicants, 212 entities were chosen to benefit from financial support for six categories: reducing energy consumption in buildings and public spaces; reducing GHG emissions and pollution from transport; circular economy and sustainable waste management; biodiversity preservation and sustainable urbanism; and environmental education. The projects can benefit from 500,000 EUR up to 2 million EUR, depending on the project and effectiveness. The government expects that this initiative will create 100,000 new jobs over the next 3 years.


**10.1.2 Renewable Energy**

Minister announces measures to promote renewable energy
On 12 February 2015, Minister for Ecology Ségolène Royal announced a number of actions to promote renewable energy in France while speaking at a symposium of Unions.

As regards onshore wind, an agreement was reached with the Ministry of Defence, reducing areas of low-altitude flying by 18% and military training grounds by 11%. Wind energy projects of around 6,000 MW had been frozen due to incompatibility with military training grounds or radars by autumn 2014. For wind energy and biogas, the Minister announced that a single permit system would be tested after the draft Energy Transition Act has been adopted. For offshore wind energy, the Minister announced she wanted to enter into “competitive dialogues” with potential candidates for tenders, and the specific tender criteria for wind zones. Frances intends to launch a third offshore wind energy tender later this year.


Read more (in English): [http://renews.biz/84117/france-opens-channel-on-offshore/](http://renews.biz/84117/france-opens-channel-on-offshore/)

**Minister signs decree on the future Capacity Mechanism**

On 23 January 2015, Minister for Ecology Ségolène Royal signed a decree which sets the rules for the future capacity mechanism for electricity supply. The Act establishing the principles of the capacity mechanism had already been adopted in late 2010, but the rules for implementation were only published now, following an intensive stakeholder consultation process. According to the Minister, the capacity mechanism shall ensure security of electricity supply in France, especially during peak periods in winter, and will contribute to the development of renewable energy capacity. The scheme provides incentives to utilities for keeping peak load production capacity available. According to the new rules, suppliers need to acquire sufficient capacity certificates to meet peak demand for all their customers. Operators are obliged to make available their capacity at peak consumption, in return for certificates they can sell to suppliers. Suppliers are also encouraged to assist consumers in reducing their electricity consumption at peak times. The mechanism will start operating in winter 2016/17. The first auction of certificates is likely to take place in November 2015.


**10.1.3 Energy Networks**

*New electricity interconnector between France and Spain*

On 20 February 2015, French Prime Minister Manuel Valls and Spain’s President of Government Mariano Rajoy inaugurated the new electricity interconnection line between France and Spain, “Montesquieu-des-Albères (Pyrénées-Orientales)”. The new cable is entirely buried to keep the Pyrenees Mountains free from pylons. It has a capacity of 1,400 MW and will double French-Spanish interconnection capacity to 2,800 MW. France mostly imports electricity from Spain in winter time to meet the high demand of electric heating, and exports electricity in the rest of the year. An additional advantage is that peak demand in Spain is around two hours later than in France. A second cable with an additional capacity of 2,200 MW is planned in the Pyrenees to start operation after 2020.
10.1.4 Transport

Results of pilot project on bicycle use available

On 27 January 2015, the Agency for the Environment and Energy Management (Agence de l'Environnement et de la Maîtrise de l'Energie, ADEME) published the results of the pilot project “Compensation for kilometres on bicycle” (Indemnité kilométrique vélo) that run from June to November 2014. 18 companies, representing around 8000 employees, offered a compensation of 25 cents to their employees for each kilometre of their journey to or from work covered by bike. The pilot project resulted in a 50% increase of the modal share of bicycles in that journey, and a 100% increase of bicycle users among the employees. The draft Energy Transition Act also provides for a kilometre-based compensation scheme for the use of bicycles on the way to work. The costs for such scheme would be covered by a deduction from social contributions. Also, companies providing a bicycle fleet to their employees would be able to benefit from tax reductions, if the law came through.

Read more (in French): http://www.presse.ademe.fr/2015/01/experimentation-indemnite-kilometrique-velo-les-premiers-resultats.html

Read more (in French): http://www.developpement-durable.gouv.fr/Segolene-Royal-et-Alain-Vidalies,42018.html
11 Germany

11.1.1 Energy Efficiency

**Income tax deductions for investments in energy-efficient refurbishments cancelled**

On 26 February 2015, a letter of the parliamentary group leader of the Social Democratic Party Thomas Oppermann became public, according to which the government could not agree on the introduction of tax deductions for energy-efficient refurbishments in the residential building sector.

As part of the National Action Plan on Energy Efficiency adopted in December 2014, the German government wanted to introduce a deduction of income tax for investments in energy-efficient refurbishments of residential buildings for the next 10 years. The overall budget for this programme was planned to amount to 1 billion EUR per year, offering deductions of 10% to 25% of refurbishment costs, depending on the energy performance standard after refurbishment.

Main resistance against the introduction of this programme is coming from Horst Seehofer, premier of Bavaria (Christian Social Union). Horst Seehofer has repeatedly impeded the German energy transition, e.g. by refusing plans for the grid network expansions through Bavaria.

The discussion over tax deductions to support energy-efficient refurbishments has been going on for 3 years, lately leading to a retaining of investment activity, as investors were waiting for a decision on this topic.

The improvement of energy efficiency in the building sector is at the heart of the German National Action Plan on Energy Efficiency, adopted in December 2014. The tax deductions were one of its most important instruments.


**KfW support programme for energy-efficient refurbishments of residential buildings improved**

From January 2015 on, the support programme for energy-efficient residential building refurbishments “Energieeffizient Sanieren” of the German development bank KfW (Kreditanstalt für Wiederaufbau) will offer improved conditions. The programme offers low interest loans and grants on loan repayments. Grants on loan repayments will be increased by 5%, resulting in 7.5% to 22.5% of repayment grant depending on the energy efficiency standard of the refurbished building. Furthermore, all supported refurbishments will receive 50% (maximum of 4,000 EUR) of the costs of an independent expert for technical planning and quality control in construction.

Read more (in German): [https://www.kfw.de/KfW-Konzern/Newsroom/Aktuelles/Pressemitteilungen/Pressemitteilungen-Details_254272.html](https://www.kfw.de/KfW-Konzern/Newsroom/Aktuelles/Pressemitteilungen/Pressemitteilungen-Details_254272.html)

**Higher grants for small CHP installations from 1 January 2015 available**

From 1 January 2015 onwards, improved conditions for investment support grants for small CHP installations (below 20 kW installed electric capacity) are in place. Especially for low capacity installations, conditions were improved significantly. Installations that are exceptionally energy efficient can qualify for an additional bonus. A list of eligible installation types is available at the Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle).

Read more (in German): [http://www.bafa.de/bafa/de/presse/pressemitteilungen/2015/01_mini_kwk.html](http://www.bafa.de/bafa/de/presse/pressemitteilungen/2015/01_mini_kwk.html)
New support programme for energy efficiency networks in communities

From January 2015 on, the Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle) accepts applications for support to the creation and operation of community energy efficiency networks. In the frame of this support system communities are encouraged to team up to identify energy efficiency potentials and to learn from each other, supported by a network team.

This measure is part of the National Action Plan on Energy Efficiency, adopted in December 2014.

Read more (in German): [http://www.bafa.de/bafa/de/presse/pressemitteilungen/2015/03_eenk.html](http://www.bafa.de/bafa/de/presse/pressemitteilungen/2015/03_eenk.html)
Read more (in German): [http://www.bmwi.de/DE/Presse/pressemitteilungen,did=677300.html](http://www.bmwi.de/DE/Presse/pressemitteilungen,did=677300.html)

11.1.2 Renewable Energy

Germany starts tender for free-mounted photovoltaic installations

On 25 February the Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway (Bundesnetzagentur) published the first tender for renewable electricity in Germany. The tender has a volume of 150 megawatt (MW) installed capacity and is technology-specific, only accepting bids for free-mounted photovoltaics (PV). Investors can bid until 15 April 2015, the highest bid is set at 11.29 cent/kWh. Bids are expected to refer to a certain amount of support per kWh electricity, as well as a certain installation size in kW capacity. The lowest offers will receive funding until the volume of the tender has been reached.

This tendering scheme will act as a pilot to test the mechanism and adjust if necessary. Until 2017 tendering is supposed to become the main support scheme for renewable electricity in Germany. Many actors in the industry expressed their fears that the diversity of players in the renewable energy sector in Germany will suffer, especially disadvantaging small players. The changing financing conditions under tendering add administrative burdens and risks on the side of renewable electricity producers, which could also result in rising interest rates for project finance.

Read more (in German): [http://www.bmwi.de/DE/Themen/energie,did=692236.html](http://www.bmwi.de/DE/Themen/energie,did=692236.html)

11.1.3 Energy Networks

Green light for NordLink submarine cable between Germany and Norway

On 10 February 2015 the transmission network operators TenneT and Statnett, as well as the German development bank KfW signed a cooperation agreement to start the NordLink project. The cable, which will run 516 kilometres under the sea, is expected to directly connect the German and Norwegian energy markets, and thereby improving security of supply and create more stable prices.

Via NordLink German excess electricity from wind power can be saved using water power in Norway, flowing back in case of high demand or low production.

NordLink will be implemented by a consortium that consists of the Norwegian transmission network operator Statnett and the German DC Nordseekabel GmbH & Co. KG, both owning 50%. DC Nordseekabel is owned by TenneT and KfW with 50% each.

Read more (in German): [http://www.bmwi.de/DE/Themen/energie,did=689608.html](http://www.bmwi.de/DE/Themen/energie,did=689608.html)
Minister Gabriel launches competition for "Smart Energy Supply of the Future" showcases

On 3 February 2015 the Federal Ministry for Economic Affairs and Energy (Bundesministerium für Wirtschaft und Energie) announced a new funding programme entitled "Smart Energy - Digital Agenda for the Energy Transition" (German abbreviation: SINTEG). The programme is to support the development and piloting of grid operating systems that remain stable even when fluctuating amounts of electricity generated from wind and solar energy are fed in high amounts. These systems are to be put into action in a number of pilot regions.

The smart grids in the SINTEG pilot regions are to provide system integrity for the feed-in of electricity generated from up to 100% renewable energy. They will demonstrate greater interplay between electricity generation, consumption, and storage, and the grid. A showcase might, for instance, use smart grids to improve demand-side flexibility, and to connect load centres where there is high population and industrial density, with regions in which there are temporary surpluses of renewable energy.

The programme creates a competition to spawn the innovative ideas, providing a total of up to 80 million EUR in funding for at least two large showcase regions in order to pool knowledge, experience, and relevant activities in the area of grid operating systems. The use of innovative smart energy systems is expected to encourage the development of new products and services and to make it easier for consumers to actively participate in the energy market.

The SINTEG programme forms part of a package of measures entitled ‘Innovative Digitalization of German Industry’ and is a component serving to help implement the Federal Government’s Digital Agenda.

Read more (in German): [http://www.bmwi.de/DE/Presse/pressemitteilungen,did=688488.html](http://www.bmwi.de/DE/Presse/pressemitteilungen,did=688488.html)

11.1.4 Transport

New exemption for electric vans to be driven with passenger car license

Since January 2015 the Ministry of Transport introduced an exemption allowing electric vans up to 4.25 t weight (battery excluded) to be driven with a passenger car license. It is supposed to create an additional incentive to purchase electric vans.

Read more (in German): [http://www.bmvi.de/SharedDocs/DE/Pressemitteilungen/2014/149-dobrindt-eu-kommission-ausnahme-verordnung.html?linkToOverview=DE%2FPresse%2FPressemitteilungen%2FPressemitteilungen_node.html%3Fgtp%3D36166_list%25253D2%23id151432](http://www.bmvi.de/SharedDocs/DE/Pressemitteilungen/2014/149-dobrindt-eu-kommission-ausnahme-verordnung.html?linkToOverview=DE%2FPresse%2FPressemitteilungen%2FPressemitteilungen_node.html%3Fgtp%3D36166_list%25253D2%23id151432)
12 Greece

12.1.1 Cross cutting issues

Ministry of Energy, Environment and Climate Change (MEEC) renamed after the parliamentary elections

The electoral victory of the radical left party, Syriza at the elections on 25 Jan 2015 and the formation of a coalition government with the Party of “Independent Greeks” (Anexartitoi Ellines) has brought about changes in the existing ministerial structure. One of the first decisions of the newly elected government was the merging of the existing Ministries. Consequently, the Ministry of Energy, Environment and Climate Change was renamed as Ministry of Reconstruction of Production, Environment and Energy. The new Ministry is integrating the responsibilities of the Ministry of Energy, Environment and Climate Change, the Ministry of Agricultural Development as well as the General Industry Secretariat of the Ministry of Development.

Read more (in Greek): [http://www.dsanet.gr/Epikairothta/Nomothesia/pd%2024_2015.htm](http://www.dsanet.gr/Epikairothta/Nomothesia/pd%2024_2015.htm)

Priorities of the new Ministry of Reconstruction of Production, Environment and Energy

The Minister of Reconstruction of Production, Environment and Energy, Mr. Panagiotis Lafazanis, has presented on 10 Feb 2015 in the Greek Parliament the priorities of the new Ministry as far as the energy sector is concerned. More specifically, Mr. Lafazanis announced that the privatization process of the Public Power Corporation (PPC S.A.) currently the dominant electricity supplier in Greece, will be halted. The same applies to the prospective privatization of Greek Transmission System Operator (ADMIE). Apart from that Mr. Lafazanis expressed the need to support small Renewable Energy (RES) producers and their sustainability and announced the promotion of the RES branch of the PPC S.A. so as to play a crucial role in the development of RES in Greece. The Deputy Minister of Reconstruction of Production, Environment and Energy, Mr. Ioannis Tsironis, during the same session has also stressed the need for composing “a National Strategy for Climate Change Adaptation”, the definition of GHG emission reduction targets for 2030, the promotion of RES production cooperatives, the redesigning of the Special Levy on GHG (ETMEAR) imposed on all electricity bills and finally energy upgrading of buildings with particular focus on vulnerable social groups.


12.1.2 Energy Efficiency

39 Municipalities excluded from the “Energy Upgrading of Public Administration Buildings “Exsoikonomo” Program

On 8 Jan 2015, the Ministry of Environment, Energy and Climate Change has decided the exclusion of particular projects integrated in the “Exsoikonomo” Program. “Exsoikonomo” Program was a project aimed at the energy upgrading of public administration buildings in different municipalities in Greece. All in all, energy upgrading projects in 39 municipalities were excluded from the program and consequently could not be financed due to the fact that they could not prove any development in comparison to the initial planning phase. The cumulative budget of those projects was estimated at
29.3 million EUR.
Read more (in Greek): https://diavgeia.gov.gr/doc/60%CE%A1%CE%970-%CE%A1%CE%9A%CE%9B

12.1.3 Renewable Energy

**Greek Electricity Market Operator (LAGIE) redeems RES producers for September 2014**

LAGIE announced on 18 Feb 2015 that it continues to redeem RES producers for Sep 2014. It should be noted that LAGIE is the responsible authority for paying off the Feed-In Tariffs (FiT) to Renewable Energy (RES) producers. More specifically, LAGIE has redeemed almost 55% of the total installed capacity for Sep 2014, i.e. 7,090 plants.


**The Greek Wind Energy Sector shows signs of development according to HWEA**

On 28 Jan 2015, the Hellenic Wind Energy Association (HWEA) published its annual report on Greek Wind Energy Statistics. According to the report, the wind energy sector in Greece has witnessed in 2014 a small decrease. The net installed capacity amounted in 2014 to 113.9MW, slightly lower than 2013. Apart from that, for 246.5MW a purchase agreement contract has already been signed. All in all, installed capacity for 2014 amounts to 360.4MW and 1979.8 MW in aggregate This constitutes, according to HWEA, a clear sign of development and it clearly facilitates the prospects for further development of that sector.


13 Hungary

13.1.1 Environmental Taxation

**PV-installations charged with the environmental levy**

As of 1 January 2015, photovoltaic installations are subject to the environmental levy in Hungary. The levy amounts to 114 HUF/kg (approx. 0.37 EUR on 25 February 2015) and represents the levy category of “significantly polluting products and substances”. This means, PV installations are considered being more polluting than, for example, accumulators, which are charged only 57 HUF/kg (approx. 0.19 EUR on 25 February 2015). Consequently, the levy will increase the costs of PV-modules by approximately 2000-2500 HUF (approx. 6.55-8.18 EUR on 25 February 2015). According to the Hungarian Photovoltaic Association, the already very long payback periods for PV-installations are further increased by this policy. The Hungarian opposition party LMP pointed out that charging PV installations with the environmental levy sets the wrong incentive. In Hungary, various categories of polluting products, such as plastic bags or accumulators, are subject to the environmental levy. The amount of levy depends on the products polluting level.


13.1.2 Energy Efficiency

**New subsidy programme for energetic refurbishment of apartment buildings to be launched**

On 7 January 2015, the Ministry of National Development announced its intention to start the new subsidy programme “Warm Homes Programme” supporting the energetic refurbishment of apartment buildings and published the respective subsidy guidelines. Renovation measures in those apartment buildings are eligible which have been built after 1946 and encompass between 5 and 60 apartments. The programme’s overall budget amounts to 10 billion HUF (approx. 32.75 million EUR on 25 February 2015). Eligible parties may apply for the subsidy as of 30 April 2015.


Read more (Hungarian): [http://www.kormany.hu/download/2/b1/40000/P%C3%A1ly%C3%A1zati%20Felhivas_T%C3%A1rsash%C3%A1z_150223.pdf](http://www.kormany.hu/download/2/b1/40000/P%C3%A1ly%C3%A1zati%20Felhivas_T%C3%A1rsash%C3%A1z_150223.pdf)

Read more (Hungarian): [http://www.kormany.hu/download/3/b1/40000/P%C3%A1ly%C3%A1zati%20Felhivas_T%C3%A1rsash%C3%A1z_150223.pdf](http://www.kormany.hu/download/3/b1/40000/P%C3%A1ly%C3%A1zati%20Felhivas_T%C3%A1rsash%C3%A1z_150223.pdf)

13.1.3 Transport

**Modernisation of Hungarian railway system to be continued in 2015**

The modernisation of the Hungarian railway system is going to be continued this year. 115 billion HUF (approx. 379.87 million EUR on 26 February 2015) are available for various railway modernisation projects. These are, for example, the refurbishment of the 32 km long railway connection between...
Gyoma and Békéscsaba shortening the travelling time by 6-10 minutes. Another project is the new construction of the railway station building in Murony and the construction of 100 park and ride and 76 bike and ride places next to the railway station. The EU financed projects are expected to be finalised by mid-2016. 85% of the investment is covered by the European Cohesion Fund.

14 Ireland

14.1.1 Energy Efficiency

118 million EUR invested in energy upgrades in buildings maintained 2,400 jobs in 2014

Sustainable Energy Authority of Ireland (SEAI) published its end of the year statement on 9 February 2015 detailing its achievements in 2014. Among these are that 24,600 homes and 900 public and commercial buildings saw energy upgrades worth of 118 million EUR in 2014 under Ireland’s primary energy efficiency upgrade programme for buildings, the Better Energy Programme. The Department of Communications, Energy and Natural Resources estimates that 2,400 jobs were maintained through this.

Related to this, one quarter of Irish homes now has a Building Energy Rating (BER). According to SEAI, 2014 marks a record year with 120,000 published BERs and evidence of BERs beginning to influence property sale and rental prices.


€13.2m funds pledged for energy upgrades in building related community scheme

Related to the same programme, 13.2 million EUR funding were announced for the Better Energy Communities Scheme on 22 January 2015. The 2015 programme of the scheme also encourages works in small and medium sized businesses.


14.1.2 Agriculture

Public consultation on the potential for greenhouse gas mitigation within the Agriculture and Forestry Sector

On 27 January 2015 the Department of Agriculture, Food and the Marine has launched a public consultation on the potential for greenhouse gas mitigation within the Agriculture and Forestry Sector. Submissions received will be considered by the Department for inclusion into the national mitigation plan under the Climate Action and Low Carbon Development Bill 2015. All submissions need to be received in writing by 23 March 2015. The document under consideration is a “discussion document” outlining background of the international and EU climate change policy context, challenges for the agriculture, forestry and renewable energy sectors, the marginal abatement cost curve for Irish Agriculture and challenges to 2050.

The discussion paper can be found here (in English): [http://www.agriculture.gov.ie/media/migration/ruralenvironment/climatechange/ghgmitigation/AgriSectorMitigationPlanPublicConsult120215.pdf](http://www.agriculture.gov.ie/media/migration/ruralenvironment/climatechange/ghgmitigation/AgriSectorMitigationPlanPublicConsult120215.pdf)
15 Italy

15.1.1 Specific energy challenges

Negotiations to import oil sands petroleum from Canada

On 21 January 2015, the Italian minister for Economic Development met with the Canadian Minister of Commerce to start negotiations on importing oil sands petroleum from Canada. The goal, if it will be implemented, is to increase the energy security of the country by implementing an energy source diversification strategy.


Italian Energy Authority proposes a reform of electricity tariffs for residential users

The Italian Energy Authority (Autorita' per l'Energia Elettrica e il Gas) proposed a reform of the electricity tariffs to be implemented from January 2016 to the end of 2018. The objective of the reform is to eliminate the progressive structure of electricity tariffs, which were introduced during the oil crisis of the late 1970s. The progressive structure implies that tariffs increase with consumption. This, however, means that poorer households pay more proportionally since there is a correlation between low-income households and higher energy use. The network system costs are thus not properly covered by current residential energy prices and so a final goal is to ensure tariffs are set closer to the system costs and that households pay for energy depending on how much they consume on a gradual basis (which incentivizes more efficient energy use). The reform will in part implement the Decree 102/2014 on the transposition of the EU Energy Efficiency Directive 2012/27.


15.1.2 Environmental Taxation

Robin Tax on energy sector declared unconstitutional

The Italian Constitutional Court approved on 9 February 2015 a sentence declaring the constitutional illegitimacy of art. 81, pr. 16, 17, 18 of Decree 112/2008, which in 2008 established a Robin Tax on the energy sector, a levy on some of Italy's leading energy firms. The Decree will have no retroactive effects implying that no reimbursements will be allocated for the companies affected by the law. The move will cut state revenues by 1 billion EUR and boost earnings at utilities such as Snam, Terna and Enel.

Read more (in Italian): http://www.qualenergia.it/sites/default/files/articolo-doc/sentenza_robin_tax.pdf

Read more (in English): http://www.reuters.com/article/2015/02/11/snam-stocks-idUSL5N0VL1QI20150211

15.1.3 Energy Networks

Multi-Regional Coupling started to connect Italian electricity market with the rest of EU

The Italian electricity market is now coupled with the electricity markets of 18 other EU countries. From 24 February 2015, the Italian network is connected directly with France, Austria and Slovenia and operates in a Multi-Regional Coupling (MRC) arrangement. Market coupling is a mechanism to integrate electricity markets, aimed at optimizing the transport capacity and improving operational efficiency of the network areas included in the mechanism. The mechanism reduces risks for
operators associated with the estimation of the overall network capacity and improves operational efficiency within and between network areas by allocating grid capacity (including cross/trans-border interconnectors) in a more efficient way.

According to GSE and Terna, for the first time the interconnector capacity between Italy and France, Austria and Slovenia has been assigned through the Price Coupling of Regions (PCR) system for the day-ahead markets, integrating the Italian borders into the MRC area. This system allows a simultaneous estimation of electricity prices and trans-border flows throughout the area. GSE and Terna expect this to improve coordination between energy markets and increase the efficiency in the use of grids and associated infrastructure.


### 15.1.4 Transport

Published directive for connecting bio-methane to natural gas grid to be used in the transport sector

The Energy Authority (Autorita’ per l’Energia Elettrica e il Gas) published the decree n. 46/2015/R/gas on “Connecting the bio-methane plants to [the] natural gas grid and determining bio-methane quantities to be incentivised”. This decree approves the directives for connecting the bio-methane plants to natural gas grids and for certifying the bio-methane quantities to be incentivised under the Decree of 5 December 2013. It is particularly important for the transport sector as, according to CIB (Italian Biogas Association), Italy could produce around 670 million cubic metres of bio-methane by 2020. By 2030 the sector could meet the fuel consumption of around 1 million vehicles.

Latvia

16.1.1 Cross-cutting issues

First steps to European Energy Union

On 6 February 2015, the European Energy Union Conference was held in Riga. Named “Riga Process”, the concept of the Energy Union was presented and discussed by Energy Ministers of the EU Member States, representatives from the EU institutions and international organisations, scientists and other energy policy-makers. According to Arias Cañete, European Commissioner of energy and climate, most important dimensions of the “energy union” are energy efficiency (particularly energy efficiency in industry), energy security, and renewable energy sources.


Read more (in English): http://www.baltic-course.com/eng/energy/?doc=102670

16.1.2 Transport

Baltic States will apply for funding to implement Rail Baltica interconnection project

On 19 February 2015 Latvian Minister of Transport Anrijs Matiss and Lithuanian Minister of Transport and Communications Rimantas Sinkevicius signed a joint application, aiming to receive funding under the Connecting Europe Facility (CEF) for Baltic Rail interconnection project. The Baltic Rail interconnection is planned to connect Helsinki, Tallinn, Riga, Kaunas, Vilnius and Warsaw with an extension to Berlin. According to the ministries, the first part of the project is expected to be implemented until 2024. Baltic States should cover 15% (620 million EUR) of the costs and it is foreseen that European Commission will assign up to 85% of the overall budget of the Baltic Rail project.

Read more (in English): http://www.baltic-course.com/eng/transport/?doc=102691

Read more (in Latvian): http://www.sam.gov.lv/satmin/content/?cat=8&art_id=4819
17 Lithuania

17.1.1 Energy Efficiency

Statistics on the modernisation of multifamily buildings

On 12 February 2015, the Lithuanian Ministry of Environment announced that since the introduction of the new financial model for the energetic modernisation of multifamily buildings in January 2013 (see MPU Issue 1/2013) construction work contracts for more than 1,000 buildings have already been signed; out of these, the renovation of over 200 houses is already completed. For more than 400 multi-family houses the contract purchasing process is currently running. According to the country’s Housing Energy Saving Agency, nearly 2,500 energy efficiency improving projects have been approved by the agency to date under the new financial model.

In December 2014, the Government amended the rules regulating state support for the modernisation of multi-family buildings in order to extend the application of the financing model to additional 25% financial support from the Special Climate Change Programme. According to the amendments 40% state support (15% granted under the Law on State Support for the Acquisition or Rent of Housing and for the Renovation of Multi-family Buildings of the Republic of Lithuania plus 25% from the Special Climate Change Programme) will be granted to a project if the construction work agreement is signed by 31 March 2015 and the project is implemented until July 2016. In addition, to receive 25% state support the renovation has to result in an improvement of the energy efficiency class of the building, reaching class D.

In addition, the amendments of December 2014 establish that from January 2015, the additional financial support from for the Special Climate Change Programme will be reduced. For projects to be implemented by the end of 2017 the support from this Programme will amount to 20% and from 2018 projects planned to be implemented by the end of 2020 will be granted 15% additional state support.

Read more (in Lithuanian): http://www.am.lt/VI/index.php#a/15570

Read more (in Lithuanian): http://www.am.lt/VI/index.php#a/15384

The number of energy efficient buildings in Lithuania is increasing

On 19 January 2015, the Ministry of Environment announced that the number of energy efficient buildings in Lithuania is increasing. In 2013, there was only one energy efficiency class A+ and one energy efficiency class A building registered in Lithuania. In 2014, the number of the energy efficiency class A buildings increased to 16 and the number of energy efficiency class A+ increased to 6. In addition, 2,378 buildings have been issued energy performance certificates (EPCs) for class B in 2014 which is 668 more than in 2013 (1,710 EPCs).

From 2014 onwards, all newly constructed houses in Lithuania have to meet at least the requirements of energy efficiency class B. Energy efficiency requirements are applicable also to modernized buildings. As of 1 January 2014, they need to have at least energy efficiency class C. From 2016, newly constructed buildings will be required to have at least energy efficiency class A (see MPU Issue 16/2014).

Currently, the average annual energy consumption of the most energy efficient multifamily buildings in Lithuania amounts to 49 kWh/m², from these 19 kWh/m² for heating. The average annual energy consumption of multifamily houses not being renovated is almost 7.5 times higher and amounts to 318 kWh/m² (275 kWh/m² for heating).

Read more (in Lithuanian): http://www.am.lt/VI/index.php#a/15451
A fund for the renovation of state owned buildings and the modernization of street lightning is expected

On 23 February 2015, the Ministry of Finance, the Ministry of Energy and the Public Investment Development Agency (Viešųjų investicijų plėtros agentūra – VIPA) signed an agreement on the establishment of a fund to provide soft loans for the renovation of state owned buildings as well as for the modernization of street lightning. The fund will consist of 79.65 million EUR, of which 65.16 million EUR are envisaged for the renovation of public buildings and the remaining 14.49 million EUR for the modernisation of street lightning.

In Lithuania, 64% of publicly owned buildings were constructed between 1961 and 1990. The average amount of energy consumed for their heating is 2,300 GWh a year. The Public Building Energy Efficiency Programme (Viešųjų pastatų energinio efektyvumo didinimo programa), which was approved by the Government in November 2014, envisages to renovate public building areas amounting to at least 700,000 m² by 2020 (470,000 m² of central government owned buildings and 230,000 m² of municipal public buildings) and in turn to achieve that these buildings meet the requirements of energy efficiency class C. According to the State Enterprise Centre of Registers, 45% of all buildings in Lithuania are owned by the state or municipalities.

In addition, the street lighting infrastructure in Lithuania is very much outdated. The majority of lamps used in the public lighting system are sodium lamps (83%), followed by mercury-vapor lamps (13%) and metal halide lamps (4%).


17.1.2 Energy Networks
The first of the eight transformers for LitPol Link interconnection has been delivered

On 2 February 2015, the first of the eight transformers for LitPol Link interconnection between Lithuania and Poland has been delivered by ship from the Swedish port of Norrköping to Alytus region, where a high-voltage direct current (HVDC) back-to-back converter station for LitPol Link is being constructed. The transformer will be installed in the converter station, which is the main element of LitPol Link interconnection, currently under construction near the Alytus transformer substation.

According to the Head of the Strategic Infrastructure Department and Member of the Board of the Lithuanian electricity transmission system operator Litgrid, Mr. Karolis Sankovski, "This converter station is unique because its two converters will be located in Lithuania, meaning that the conversion of alternating current into direct current and back into alternating current will be carried out solely by the converter station in Lithuania."

The remaining transformers will be delivered by mid-April 2015. The LitPol Link power interconnection with capacity of 50MW is expected to be operational at the end of 2015.

The Lithuanian DSO LESTO plans to invest 1.7 billion EUR into network modernisation and renovation by 2025

As announced by the Ministry of Energy on 3 February 2015, the Lithuanian distribution system operator (DSO) LESTO plans to invest 1.7 billion EUR into network modernisation and renovation by 2025.

The majority of the planned investments (511 million EUR) will be used to increase the resilience of the distribution network to climate change impacts. Thus overhead lines will be replaced by the underground cables or air insulated lines. Over the next 11 years their share should increase from 25% to 40%.

Further 426 million EUR will be used to implement measures under the programme "Safe and reliable network." Such measures include replacement of unsafe transformers, cables and switchgear lines with the modern ones.

In addition, 132 million EUR are planned for the voltage quality improvement and 34 million EUR are envisaged for smart grid projects. By the end of 2025 LESTO plans to implement 7 smart grid projects, including network automation, smart metering pilot projects, as well as to implement a unified dispatch centre and a distribution network management system.

The remaining investment will be used for the connection of new customers as well as other measures.

18 Luxembourg

18.1.1 Energy Networks

The integrated Belgo-Luxembourg gas markets will start on 1 October 2015

As described in the January Country Report, a cooperation agreement was signed between the Belgian and Luxembourg grid operators and the regulatory authorities of both countries in May 2014 with the objective to merge the two national gas markets by the end of 2015. This would represent an important milestone for the creation of an EU single gas market. Against this background the Luxembourg Regulatory Institute (ILR - Institut luxembourgeois de régulation) launched a consultation on 2 February 2015 in order to gather views on the new rules which will govern the future BELUX gas market. This consultation will close on 6 March 2015 and the regulatory authorities will then have an additional 6 months to finalise the integration process before the launch of the new single gas market on 1 October 2015.

Read more (in French): http://www.gouvernement.lu/4414143/03-marche-gazier?context=519177

18.1.2 Transport

The Luxembourg government supports the development of bicycle lanes

On 24 February 2015, the Luxembourg Parliament passed a new law related to the development of the Luxembourg bicycle lane network. Based on this new law 800 km of bicycle lane will be built in the coming years in addition to the existing 600 km. With this new infrastructure the objective of the government is to encourage the population to use bicycles for their daily commuting. The initiative supports a larger ambition, which is to achieve a 25% modal share for soft mobility solutions (i.e. cycling and walking) by 2020. This national network will be complemented by local bicycle lanes which can benefit of a 30% subsidy under the new legal framework. The multiannual budget for this initiative amounts to 32 million EUR over 5 years.

Read more (in French): http://www.gouvernement.lu/4481082/25-reseau-cyclable
19 Malta

19.1.1 Renewable Energy

*Sikka l-Badja wind farm project rejected*

On 19 February Malta Environment and Planning Authority (MEPA) turned down the previous Maltese government’s application for the development of a 95 megawatt (MW) wind farm at an offshore location known as Is-Sikka l-Bajda. MEPA said it agreed with its planning directorate’s earlier assessment that the detrimental environmental effects of the offshore wind farm, in particular on the avifauna and marine ecology, would outweigh its benefits through the generation of renewable electricity. The proposal included the installation of 19 wind turbines, over an area of 11 km², which forms part of the Natura 2000 network and is a marine protected area.


19.1.2 Energy Networks

*Enemalta issues call for commercial operation of Malta-Sicily fibre optic cable*

On 26 January Enemalta, the only Maltese energy supplier, issued a call for interested parties to submit proposals for the commercial operation of the fibre optic cable which forms part of the Malta-Sicily Interconnector.

Besides the electricity copper power cables, the submarine cable between the two islands also includes two fibre optic clusters. Enemalta will use part of this capacity to transmit the data required in the operation of the Interconnector’s monitoring, protection and control systems. The remaining fibres are being made available to interested parties for commercial operation in partnership with Enemalta.

Proposals are to be submitted to Enemalta by 27 February 2015.


19.1.3 Transport

*Government extends the current Grant Scheme on the Purchase of Electric Vehicles to include registered NGOs and Private Companies*

Transport Malta announced on 17 February 2015 that it is extending the current scheme in the form of a grant to incentivise the purchase of battery electric vehicles and battery electric quadricycles, in conjunction with the Ministry for Transport and Infrastructure. Besides being applicable to private persons it has now been extended to registered NGOs and the business community.

A grant of 4,000 EUR will be given to persons registering an electric car and 1,500 EUR to those registering an electric quadricycle. The grant shall increase from 4,000 to 5,000 EUR in cases of persons registering a battery electric vehicle while at the same time opting to de-register another internal combustion engine propelled vehicle which is at least 10 years old from the year of its manufacturing. The scheme is also open to both new and second hand battery electric vehicles which should not exceed 12,000 km on the odometer and would not be more than 24 months old.

Applications will be handled on a first come first served basis.

New scheme launched for the registration of vehicles for weekend use only

On 29 January 2015 Transport Malta announced that it will accept applications to register high emission vehicles and motorcycles to be used during weekends and public/national holidays only.

The objective of this optional scheme is to introduce a concept where high emission vehicles and motorcycles are kept off the roads during the week hence reducing pollution. It is therefore mainly targeted at vehicle enthusiasts who would like to register a high emissions vehicle, to be used exclusively on weekends and public holidays.

The registration tax payable under this Scheme will amount to 40% of the full registration tax, thus including a saving of 60%. The Annual Circulation Licence Fee will be paid in full. Such vehicles will be registered and licensed through the normal system, but the registration plates will be of a red colour and hence differentiate from the average fleet.

The scheme is open for motorcycles and vehicles used for the carriage of persons, which may carry no more than 8 passengers in addition to the driver (category M1). This optional measure will apply only to M1 vehicles with CO2 emission levels equal to or greater than 221g/km with an emission level equivalent to the latest Euro standard (Euro 5/6) or latest -1 Euro standard (Euro 4) and also to motorcycles with an engine capacity equal or greater than 801cc.

Vehicles registered under this scheme must be garaged and may not be used and/or parked on the public roads between Monday and Friday (both days included). To deter abuses, the scheme also includes penalties for vehicle owners caught driving such vehicles between Monday and Friday (both days included). These fines could amount to paying double the registration tax with a minimum of 2,500 EUR together with the registration tax due.


Extension of Gas Conversion Scheme to Convert Vehicles to Autogas/LPG

On 13 January 2015 Transport Malta announced, in conjunction with the Ministry for Transport and Infrastructure, the extension of the scheme to incentivise vehicle owners to convert their vehicle’s fuel system to Autogas/LPG.

This is another measure aimed at reducing the amount of emissions generated from road traffic. Subject to various conditions, the grant amounts to 200 EUR which will be given upon the conversion to Autogas/LPG of a Category M1 vehicle (a passenger vehicle with a seating capacity of up to eight passengers and the driver) or a Category N1 vehicle (a vehicle designed and constructed for the carriage of goods and having a maximum mass not exceeding 3.5 tonnes).

The scheme comes into effect as from the 1st January 2015 and closes on the 31st December 2015 or earlier if the maximum of 250 claims has been reached. Applications are processed on a first come first serve basis. Persons who have converted their vehicle to Autogas in 2014 may still apply for the scheme.


20 Netherlands

20.1.1 Energy Efficiency

9 pilots of the new system of Energy Performance Assessment start in February

The system of Energy Performance Assessment (Energie Prestatie Keuring system - EPK) has been set up by the Dutch government to support businesses not covered by multiannual energy-efficiency agreements in their efforts to implement energy efficiency measures. As part of an EPK, private energy advisors provide a scan of the energy efficiency performance of a business in order to guide entrepreneurs towards the most appropriate measures. The system has already been tested under different formats in 2014. Nine new pilots have been launched in February 2015 to determine whether and how EPK stimulates, raises awareness and ensures that energy efficiency measures are implemented effectively and fit within the normal business operations. In addition, the pilot must demonstrate that the EPK is a handy tool to demonstrate compliance with the legal requirements for energy efficiency. The 9 pilots will be completed by July 2015.

Read more (in Dutch):
- [http://www.rvo.nl/actueel/nieuws/9-epk-pilotprojecten-gestart?ns_service=mail&ns_robot=partner-mailplus&ns_mail_uid=ryWhbEmipWxPcw&ns_mail_job=31234199&ns_mchannel=nieuwsbrief&ns_source=do&ns_linkname=seminar-slim-transformere](http://www.rvo.nl/actueel/nieuws/9-epk-pilotprojecten-gestart?ns_service=mail&ns_robot=partner-mailplus&ns_mail_uid=ryWhbEmipWxPcw&ns_mail_job=31234199&ns_mchannel=nieuwsbrief&ns_source=do&ns_linkname=seminar-slim-transformere)

20.1.2 Renewable Energy

3.5 billion EUR will be available to support renewable energy projects in 2015

The Ministry of Economic Affairs will make 3.5 billion EUR available for the support to renewable energy projects through SDE+ (Stimulerende Duurzame Energieproductie - Stimulate Sustainable Energy) in 2015. SDE+ is a feed-in-tariff which was introduced in Netherlands in 2011 and presented in details in the January Country Report. The 2015 SDE+ regulation was published on 6 February 2015. Compared to the 2014 regulation, key changes include:

- The production data of all categories of renewable energy are displayed in kWh;
- The feed-in-tariff for the categories onshore wind, wind on flood defence infrastructure and onshore wind 1-to-1 replacement depends on the wind speed in the area where the wind turbines are placed. The map “Winds per municipality in the Netherlands” categorises all municipalities in four different wind speed categories.
- The possibility of banking is enlarged as production that exceeds the maximum eligible production can be carried over to the next year.

The implementation of SDE+ will be divided in 9 phases with the first one starting on 31 March 2015. The objective is that the 2015 changes to SDE+ will positively contribute to the achievement of the renewable energy production objectives of reaching 14% by 2020 and 16% by 2023.

Read more (in Dutch):

103 million EUR are available for innovative energy projects through different subsidies

The Ministry of Economic Affairs made 103 million EUR available for innovative energy projects through different subsidies in 2015. The objective of the government is to support projects building on public-private partnerships involving public authorities, research centres and businesses. The support can go to research, development and demonstration projects. The details of the different calls have been published on 16 February 2015 and proposals can be submitted from 1 April 2015. Key differences with the 2014 procedure include:

- More simple procedures for businesses;
• There is a new regulation for the renewable energy projects which contribute to achieving the 2023 renewable energy production objectives of 16% more cost-effectively;
• There is also a new regulation for Innovative Renewable Energy and Energy Efficient Built Environment, which encompasses among other the regulation “Demonstration for Energy Innovation”;

Read more (in Dutch):
21 Poland

21.1.1 Renewable Energy

*Polish Parliament passed the Law on Renewable Energy Sources*

On 20 February 2015 the Polish Parliament passed a Law on Renewable Energy Sources (RES-Act), which aims to promote the development of renewable energy sources in Poland. In a following step the document will have to be signed by the President.

The RES-Act introduces a new support scheme for renewable energy sources based on an auction scheme. The winner of an auction will be the tenderer offering the lowest price for his electricity and will be awarded with a guaranteed price per kWh (feed-in tariff) for the period of 15 years. The auctions will be held in two categories (up to 1 MW and above 1 MW, regardless of the technology).

The Act will also promote the so-called prosumer energy generation. Holders of domestic micro-installations of capacity up to 10 kW will receive a guaranteed price for the surplus of electricity fed into the grid, which will be higher than the market price.

Read more (Polish): [http://www.mg.gov.pl/node/22986](http://www.mg.gov.pl/node/22986)

21.1.2 Transport

*Amendment to the Act on Biocomponents and Liquid Biofuels came into force*

On 12 February the amendment to the Act on Biocomponents and Liquid Biofuels (ustawa o biokomponentach i biopaliwach ciekłych) came into force. The amendment adjusts Polish law to the requirements of the EU Directive on the Promotion of Renewable Energy Sources – Directive 2009/28/EC.

The amendment includes, inter alia, changes in some definition of certifications to guarantee the fulfilment of the sustainability criteria required by the European Commission.

Read more (Polish): [http://www.mg.gov.pl/node/22702](http://www.mg.gov.pl/node/22702)
22 Portugal

22.1.1 Renewable Energy

*New regulatory framework for electricity produced for self-consumption in force since January 2015*

In January 2015, the new regulatory framework for electricity produced from small units (i.e. with a capacity of up to 250 kW) or for self-consumption came into force (see Country Report Portugal). Before starting operation, small units (UPP) are subject to prior registration and the issuance of an operating certificate. On the other hand, self-consumption units (UPAC) not connected to the grid and with installed capacity greater than 200W, but lower or equal to 1,5kW merely require a prior notification. On 23 January 2015, Order 14/2015 was published and detailed the procedure for prior registration and notification of the aforementioned units.

Read more (in Portuguese): [https://dre.pt/application/file/66321064](https://dre.pt/application/file/66321064)

22.1.2 Energy Networks

*Ongoing discussions on the interconnection capacity between the Iberian Peninsula and the EU*

In January 2015, a Common Strategy Paper was signed between the Transmission System Operators from Portugal, Spain and France. The development of the interconnection capacity between the Iberian Peninsula and the EU internal electricity market is considered crucial to achieve the 10% interconnection target set by the European Council in 2014 (see Country Report Portugal). Discussions are still ongoing and according to the Portuguese Ministry of the Environment, a new meeting between the countries to discuss the matter is expected to be scheduled for February/March 2015. It is worth highlighting that on 20 February 2015 Spain and France inaugurated a new interconnection line between the two countries with a power capacity of 2 GW.

Read more (in Portuguese): [http://www.destakes.com/redir/543b9e9027f459ef7c307f8843a896bb](http://www.destakes.com/redir/543b9e9027f459ef7c307f8843a896bb)


Read more (in English): [http://www.pv-magazine.com/index.php?id=9&tx_ttnews%5Btt_news%5D=18314&cHash=6acfa5349f9f30eea59b9b9b83b26b72#axzz3SesWRkMY](http://www.pv-magazine.com/index.php?id=9&tx_ttnews%5Btt_news%5D=18314&cHash=6acfa5349f9f30eea59b9b9b83b26b72#axzz3SesWRkMY)


22.1.3 Transport

*Summary of the public consultation on the Green Growth Commitment released*

The summary of the public session to discuss the measures for the transport sector addressed in the Green Growth Commitment (GGC) has been released. The Green Growth Commitment set targets to be reached by 2020 and 2030 in different sectors, including transport, and was open for public consultation until 15 January 2015 (see Country Report Portugal). For the transport sector, a few challenges were highlighted during the public consultation round and can be summarized as follows:
• Information: a lack of updated information in the transport sector still exists as the census are conducted every 10 years;

• Governance: there is a need of integrated communication and management among governmental institutions;

• E-mobility: it is necessary to overcome key challenges, such as high price and charging infrastructure;

• Public transport: an increase in the use of public transport and an improvement of the quality of the service are also needed;

• Soft modes of transport: it is necessary to include measures addressing bicycles (e.g. bike lanes) and other soft modes of transport in the Green Growth Commitment.


23 Romania

23.1.1 Specific energy challenges

Romania’s energy dependency decreased by 4% in 2013

According to a news article from 10 February 2015, figures presented by Eurostat reveal that Romania’s energy generation decreased in 2013 by 4.7% to 26.1 Mtoe compared to the previous years. Since Romania’s decrease of energy consumption was even higher amounting to 8.7% (reaching 32.3 Mtoe) in 2013, the country could reduce its dependency from energy imports from 22.7% of the energy consumption in 2012 to 18.6% in 2013. As a result, Romania ranks third in the list of least energy dependent countries in the European Union.


Chevron stops its shale gas exploration activities in Romania

The U.S. Company Chevron announced on 21 January 2015 its intentions to stop the company’s shale gas exploration activities in Romania. After finalising geophysical studies on the shale gas potential in Vaslui County, the company concluded that potential exploitation projects in Romania cannot compete with other investment opportunities in Chevron’s global portfolio. Chevron will hand over the research results to the National Agency for Mineral Resources (Agenţia Natională pentru Resurse Minerale) keeping the exploration results confidential. In addition to the unfavourable economic potential, the company had faced fierce opposition from the local communities in Vaslui County.


23.1.2 Renewable Energy

Romania’s PV capacity continues to grow though at reduced pace

According to figures about the Romanian RES market published on 16 February 2015, in 2014, Romania’s installed capacity of PV installations increased by 363 MW. Even though this is less than half the 834 MW capacity installed in 2013, the Romanian PV market still shows to be among the relevant European photovoltaic markets. Furthermore, Romania’s installed capacity of wind power increased by 346 MW. According to the Romanian TSO Transelectrica, the PV installations add up to 1222 MW. Wind power reaches an overall installed capacity of 2953 MW. According to Romania’s Photovoltaic Industry Association (RPIA), the slowdown of Romania’s PV projects is mainly due to the reduction of the support level for PV installations as of January 2014. Romania’s quota system has been amended by reducing the number of Green Certificates allocated for each megawatt generated from six certificates to only three certificates. Aside from PV installations, small hydropower and wind power plants have also been subject to a reduction of Green Certificates.

23.1.3 Energy Networks

*Pre-feasibility study for transmarine electricity line between Romania and Turkey planned*

The Romanian TSO Transelectrica and the Italian company Prysmian PowerLink are going to build an expert group analysing the technical, commercial, financial and legal implications of financing and constructing the transmarine electricity line between Romania and Turkey through the Black Sea. To this end, Transelectrica and Prysmian PowerLink signed a memorandum of understanding in order to prepare a pre-feasibility study for the project on 3 February 2015. According to Prime Minister Victor Ponta, Romania is already facing a significant overcapacity of electricity. This electricity line could export the surplus electricity from the south-eastern part of Romania where the country’s nuclear power plant is located as well as from the majority of Romania’s wind power plants.

24  Slovakia

24.1.1  Renewable Energy

*Slovak RES producers stage protests after losing their eligibility for the feed-in tariff*

According to the latest amendment to the Act on Renewable Energy Sources (Zákon o podpore OZE) which came into effect on 1 January 2015, RES operators which have failed to submit their annual production forecast to the energy regulatory authority ÚRSO as well as the respective distribution system operator by 15 August 2014, are no longer eligible for the feed-in tariff in 2015. This provision has affected a total of 1,186 producers of renewable energy and CHP, an estimated 50% of all RES and CHP producers in Slovakia. In reaction to this situation, the Slovak PV Industry Association (SAPI) now stages regular protests in front of the Slovak Parliament. According to SAPI, the sanctions imposed by ÚRSO are liquidating the entire sector and jeopardising more than 3,000 jobs. The industry representatives argue that the RES and CHP producers had already fulfilled their obligation to inform ÚRSO and the DSOs. Legal experts share this opinion and have called the sanctions unlawful.


24.1.2  Energy Networks

*Commission of Slovak-Hungarian gas interconnector delayed*

The Slovak-Hungarian gas connection which was planned to be commissioned on 1 January 2015, has still not been taken into operation. While the Slovak part of the interconnector is technically fully prepared to start operation, the launch of the new interconnector is delayed due to technical problems on the Hungarian side.

25 Slovenia

25.1.1 Horizontal Measures

*Energy Concept of Slovenia in public debate*

A public hearing was held on the Energy Concept of Slovenia in the hall of the National Assembly on 21 January 2015. The presentation was attended by around 100 participants including key stakeholders and decision makers in the field of energy in Slovenia.

The Energy Concept of Slovenia (EKS) is a strategic development document, which was introduced with the new Energy Act (EZ-1). It provides projections for the economic, environmental and social development of the country in the energy sector for the next 20 years and an indicative assessment for the next 40 years. The guiding principle in the design of the Concept will be sustainability to ensure environmental sustainability, competitiveness and security of energy supply. All efforts and measures in the Concept document are based on the premise that by 2055 Slovenia has to reduce its GHG emissions by 80%.

The Minister of Infrastructure Peter Gašperšič stressed the important role of energy efficiency and in this respect pointed out that the new financial perspective 2014-2020 will be directed to promote energy efficiency improvement measures in companies. Additionally, energy suppliers will be legally obliged to achieve energy savings through energy efficiency measures in industry and will be key beneficiaries of energy efficiency incentives. This will in the long run result in energy savings and significantly contribute to the competitiveness of the industry. With the efficient use of energy and production from indigenous sustainable energy sources the Ministry believes that Slovenia can significantly reduce fuel imports and stimulate its domestic economy.


25.1.2 Environmental Taxation

*CO2 environmental burden fee increased*

The Slovenian Government during its session on 24 December 2014\(^2\) has raised the price per unit of burdening the environment with CO2 emissions from existing 0.01440 EUR to 0.01728 EUR per unit, which represents a 20% increase. The above mentioned unit price (the actual unit is an abstract figure) is used in order to determine a series of environmental levies (such as air pollution taxes, use of lubricating oils and fluids levy, pollution of the environment due to packaging waste tax etc.).


\(^2\) This news item was not included in the Monthly Progress Update for December and is therefore mentioned here.
25.1.3 Energy Efficiency

New Energy Savings Regulation adopted

The Government adopted the new Regulation on the Provision of Energy Savings on its session on 24 December 2014. The Decree determines the period and the amount of final energy savings, the method for calculating energy savings, the distribution of energy savings per annum and the types of energy services and measures to achieve energy savings.

From 2015 onwards distributors will no longer achieve energy savings with the help of funds collected by the Energy Efficiency Fee but will be required to use their own resources, the fee will now be completely devoted for the incentives scheme of the Eco Fund. The measures will be applied gradually.

The Regulation also sets out the energy efficiency contribution fee on energy use. According to projections on energy use the collected amount from the fee will amount to annually between 37 and 40 million EUR.

With the collected fees the Eco Fund will support investments with a yield of around 200 million EUR investments in energy rehabilitation of buildings, which will create 2,000 direct jobs.


25.1.4 Transport

Second rail track a top priority project

During its correspondence session on 23 February 2015 the Government of the Republic of Slovenia took note of the information relating to the submission of applications for EU funded infrastructural projects and the possibility of financing the construction of the second railway track Divača-Koper.

The decision for the construction was adopted by the Government along with the decision that the entire second track (Koper-Divača) will be eventually registered for the possibility of EU co-financing.

The Minister for Infrastructure Peter Gašperšič had introduced the government decision beforehand. The Government also concluded that the construction of the second track in the Mediterranean and the Baltic-Adriatic rail corridor is in accordance with the draft Development strategy for Transport in Slovenia. The minister also announced that the construction of the second track in the period up to 2020 is not feasible with public financial resources since they are being used for other urgent investment projects and in confrontation with the countries austerity efforts.

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3 This news item was not included in the Monthly Progress Update for December and is therefore mentioned here.
The building of the second railway track between Koper and Divača represents one of the major infrastructural projects that have been discussed in the past 25 years. The construction of this track would greatly help with transit cargo entering and exiting Slovenia through the Port of Koper, the largest port in Slovenia. The emissions created through road traffic from the port are one of the focal points in Slovenia's efforts to reduce GHG emissions in the transport sector.

Environmental groups such as Umanotera (The Slovenian Foundation for Sustainable Development) have already expressed negative opinions about the construction of the railway track. They believe that the project would fail, in terms of financing much like the currently being constructed coal power plant (TEŠ 6) which was projected at 800 million EUR and is currently being estimated at 1.6 billion EUR. The cost for the second railway axis Koper-Divača (a 27 km coastal line) is estimated at 1.2 billion EUR.


Spain

26.1.1 Cross-cutting measures

The Spanish Government selected 42 projects to deliver significant reductions in CO₂ emissions

In January 2015, the Spanish Ministry of Agriculture, Food and Environment (MAGRAMA) selected 42 projects among over 100 applicants to the 2014 call for proposals under the Climate Project Programme. These projects have the objective to develop initiatives to reduce emissions across different sectors, including agriculture, transport and the residential sector. The 42 projects are expected to reduce CO₂ emissions by 1 Mt CO₂eq. The Spanish Government will use the national Carbon Fund (Fondo de Carbono) to buy the verified emission reductions delivered by these projects. In February 2015 a new call for proposals was launched with a total budget of EUR 15 million.

Read more (in Spanish): http://www.magrama.gob.es/es/prensa/noticias/el-ministerio-de-agricultura-alimentaci%C3%B3n-y-medio-ambiente-selecciona-42-proyectos-clima-2014-que-reducir%C3%A1n-cerca-de-un-mill%C3%B3n-de-toneladas-de-c/tcm7-359567-16

Read more (in Spanish): http://www.magrama.gob.es/es/prensa/noticias/isabel-garc%C3%ADa-tejerina-los-proyectos-clima-han-demostrado-ser-un-instrumento-eficaz-para-lograr-la-reducci%C3%B3n-de-emisiones-de-co2-en-nuestro-pa%C3%ADs/tcm7-361233-16

26.1.2 Renewable Energy

Citizens and companies launch new actions against austerity measures relating to renewables

Since 2012, the Spanish Government reduced its support to the renewables energy sector in order to address the tariff deficit affecting the electricity system. The Government’s austerity measures included cuts in incentives for renewables and the abandonment of existing support initiatives. Companies and citizens launched several actions against these measures. In January and February 2015, the following actions were initiated:

- A German company (Steag) filed a complaint to the International Centre for Settlement of Investment Disputes against the Spanish Government’s cuts in investments in solar energy. These cuts were introduced through Royal Decree 14/2010.

- The European Parliament started an investigation regarding tax payment requirements for self-consumption of energy from renewables. The investigation started in response to a petition signed by over 45,000 citizens. The petition was launched in 2013 against the taxes introduced by the Government on self-consumption of solar energy.

- Two associations representing the renewables sector in the Canary Islands (ACER and Aeolican) presented a complaint to DG ENERGY against the Spanish Government’s position on renewables. According to the associations, one of the main issues is the lack of policies which would allow fair competition between the renewables sector and other energy sectors.


Read more (in Spanish): http://economia.elpais.com/economia/2015/01/22/actualidad/1421953107_734963.html

Read more (in Spanish): http://www.lavanguardia.com/natural/20150127/54425162669/europarlamento-investiga-trabas-
Specific contract No340203/2014/690694/SER/CLIMA.A.3
European Semester: Support on Climate related data and information
Monthly Progress Update January and February 2015

espana-autoconsumo-renovables.html

Read more (in English)
27 Sweden

27.1.1 Energy Efficiency

New Building Regulations

On 25 February 2015, the National Board of Housing, Building and Planning (Boverket) adopted new building regulations (Boverkets byggregler), which shall enter into force on 1 March 2015. The regulations will introduce more stringent energy requirements for apartment buildings and other premises. Also, a fourth climatic zone will be introduced. Sweden, according to the building regulation, is divided into 4 climatic zones. The new forth climatic zone covers the southern coastal counties. Buildings in this climatic zone will underlie 10-20% stricter energy requirements than before. Moreover, residential buildings will be divided into two categories (single-family and apartment buildings).


27.1.2 Transport

Higher Vehicle Tax

As of 1 January 2015 the Swedish Transport Agency (Transportstyrelsen), raised vehicle tax (fordonsskatt) for passenger cars, campers, vans and small buses.

For passenger cars from the production year 2006 or later, cars that fulfil the environmental requirements from 2005, recreational vehicles, light trucks and light buses that have become taxable for the first time after 2010, the tax increase depends on the car’s emissions of carbon dioxide. For other vehicles the tax amount depends on the weight of the car.

The tax amount will be increased by 20-22 SEK (2.11-2.32 EUR) per gram of carbon dioxide emissions for petrol and diesel cars and 10-11 SEK (1.05-1.16 EUR) for cars that can run on alternative fuels (ethanol, E85, natural gas or biogas). The upper limit for when the emissions start to be charged has been lowered from 117 to 111 grams of carbon dioxide per kilometre.

A so-called fuel factor for diesel cars has been raised from 2.33 to 2.37. This factor is used to calculate the tax amount, by multiplying the carbon dioxide amount by the factor.

For vehicles taxed by weight the tax will also increase by 11 % for diesel cars and by 14 % for other cars.


Congestion Tax also for Foreign Vehicles

From 1 January 2015, the Law on Congestion Tax (lag om trängselskatt) will also apply to foreign vehicles. From the beginning of the year also foreign cars, trucks and buses will have to pay a congestion charge when passing the pay stations in Stockholm and Gothenburg.

The congestion tax is charged for vehicles that pass a control point in inner cities on Monday to Friday between 06.00 and 18.29. The amounts of congestion charges are 10, 15 or 20 SEK (1.05, 1.58 or 2.11 EUR) in Stockholm and 9, 16 or 22 SEK (0.95, 1.69 or 2.32 EUR) in Gothenburg, depending on the time of passage.

28 United Kingdom

28.1.1 Cross-cutting issues

Release of energy trends and price statistics from October to December 2014

The UK Department of Climate Change and Energy (DECC) released the latest provisional monthly energy statistics on 26 February 2015. Highlights for the period October 2014 to December 2014, compared to the same period in 2013, include:

- Primary energy consumption in the UK on a fuel input basis fell by 4.7%. On a temperature adjusted basis it fell by 3.6%.
- Indigenous energy production fell by 3.4%, with nuclear down 23% due to outages in October and November 2014.
- Lower coal generation due to the closure of plants, however coal share remains above gas.
- Coal provided 34.7% of electricity generation by Major Power Producers, with gas at 29.9% and nuclear at 16.9%.
- Wind generation by Major Power Producers up 4.0% due to increased capacity, whilst overall renewables up 17.7% with growth in biomass.
- Low carbon share of electricity generation by Major Power Producers down 0.3 percentage points due to fall in nuclear generation.


28.1.2 Energy Efficiency

Cash in deadline for vouchers for energy efficiency improvements extended

DECC announced on 9 February 2015 that it would extend vouchers from the first release of the Green Deal Home Improvement Fund (GDHIF) until 31 March 2015. The fund forms part of the Green Deal and allows householders to apply for free cash to pay for energy efficiency improvements of their homes such as solid wall insulation and double glazing. It first opened in June 2014 with a total pot of 120 million GBP (165 million EUR), but closed six weeks later after the cash ran out due to high surge in demand. In October 2014, DECC announced that GDHIF would reopen with an extra 100 million GBP (approx. 140 million EUR) which would be released in batches. For the first release of GDHIF, which was open to applications from 9 June to 24 July, vouchers worth up to a maximum of 7,600 GBP (around 10,500 EUR) were on offer. The extension applies to vouchers that have an expiry date before 31 March and have not yet been redeemed – affecting around 3,900 voucher holders - including vouchers that have already expired. The goal is to allow for more installations to be carried out.

Details of further releases of funding for GDHIF will be announced on a quarterly basis with the next release and announcement expected in late February/early March 2015.

28.1.3 Renewable Energy

First ever auction awards 315 million GBP for renewable energy contracts

In the first competitive auction for renewable energy projects in the UK on 26 February 2015, 315 million GBP (420 million EUR) of new contracts were offered to renewable energy projects.

The contracts offered include two offshore wind farms, which could deliver over 1.1GW of new capacity, 15 onshore wind projects and 5 solar projects. Contracts have been offered to a range of companies, including small developers and independent generators, including projects in England, Scotland and Wales. In total, over 2GW of new capacity could be built, costing 110 million GBP (150 million EUR) per year less than it would have without competition, according to DECC. These so-called Contracts for Difference (CfD) are the UK’s new instruments to try to stimulate investment in renewable energy (among others). This scheme replaces the Renewables Obligation (RO) as the main policy incentive for renewables; the RO will be closed to new applicants in April 2017. CfDs are long-term, legally binding private-law contracts that are meant to encourage investment in low-carbon generation technologies such as renewables, nuclear and carbon capture and storage. The government has introduced them in order to provide greater certainty to generation plant owners about future revenues by protecting them from fluctuations in the wholesale electricity price. The goal is to encourage investment in new electricity generation, as the certainty reduces risk and therefore helps lower the cost of capital. Low-carbon generation with a CfD will sell their electricity into the market in the normal way and remain active participants in the wholesale electricity market.

By making projects compete for contracts, the Government aims to drive down the cost of renewables support. Only the most price competitive projects receive contract offers. So far all technologies apart from energy from waste performed significantly below the maximum prices per megawatt hour (MWh), known as strike prices. The clearing price for solar came in at up to 58% lower than the price would have been without competition, offshore wind at up to 18% lower and onshore wind at up to 17%.

This is the first allocation round for CfDs, and available funding for CfDs for renewables and carbon capture and storage in future years could rise to over 1 billion GBP (1.4 billion EUR) per year by 2020/21. The budget for the next allocation round will be confirmed later in 2015 - 50 million GBP (approx. 70 million EUR) more has already been indicated for established technologies.


Full list of successful projects:

Government releases its latest solar energy deployment statistics

DECC released its monthly deployment of all solar photovoltaic capacity in the United Kingdom up to the end of January 2015 on 26 February 2015. Overall solar PV capacity at the end of 2014 stood at 5,095 MW, an increase of 79 per cent (2,249 MW) on that at the end of 2013. This represented 649,787 installations, which is an increase of 28 per cent (141,316 installations) on that at the end of 2013.

To access the statistics: https://www.gov.uk/government/statistics/solar-photovoltaics-deployment

Government’s response to concluded consultation on amending details of Contract for Difference legislation

On 23 February 2015, DECC released its response to a consultation on the precise nature of the Contracts for Difference policy, a scheme to auction planning permissions for Renewable Energy projects. The consultation, which concluded in November 2014, sought views on further details on parts of the policy (entitled Non Delivery Disincentive (NDD)) that will introduce incentives to prevent early drop out and encourage contract signature and delivery of a CfD. The consultation covered proposed amendments to the Contract for Difference (Allocation) Regulations 2014 and in particular
sought views on exemptions to the NDD Policy. In its response, the Government confirmed that it is going to implement the NDD policy.


**Government issues the standard terms of a Backstop Power Purchase Agreement for Renewable Energy providers**

The Offtaker of Last Resort (OLR) mechanism aims to guarantee eligible renewable CfD generators a route-to-market in a way that, alongside the competitive allocation of CfDs, reduces the cost of investment in renewable electricity generation, boosts competition, and lowers costs to consumers. The OLR scheme will be operational from October 2015. The OLR provides renewable CfD generators with a guaranteed, ‘backstop’ route-to-market for their power: a Backstop Power Purchase Agreement (BPPA). The BPPA is the contract that a licenced supplier and an eligible generator would enter under the OLR mechanism. The aim is that when combined with the CfD top up price, this will help investors and lenders understand the ‘worst case’ price that the generator will receive for its power, giving them more certainty over the route-to-market risks. This is intended to enable lenders to accept more innovative routes-to-market, allowing generators to compete on a level playing field, and bringing more competition and innovation into the electricity generation market.

On 25 February 2015, the Government released the standard terms of the BPPA.

Read more: https://www.gov.uk/government/consultations/implementing-the-offtaker-of-last-resort#history

**28.1.4 Transport**

**Details of government infrastructure support up to 2020 announced with funding for low emission vehicles and charging point infrastructure**

On 26 February 2015 Transport Minister Baroness Kramer announced 32 million GBP (40 million EUR) of infrastructure support up to 2020. Of this overall sum, 11 million GBP (15 million EUR) of funding will be invested to boost low emission vehicle technology innovation. The funding will be provided to 50 organisations, ranging from small businesses to major universities, working together on 15 research and development projects. These projects include:

- the creation of a novel recycled carbon fibre material that will bring lightweight, low cost vehicle chassis structures to the mass market
- development of a zero emission electric bus with hydrogen fuel cell range extender at a fraction of the cost of the current generation of hydrogen buses
- a prototype zero-emission power and cooling system adapted from a cutting-edge liquid nitrogen powered engine that will dramatically reduce the CO\textsubscript{2} emissions from refrigerated trucks and air-conditioned buses.

An additional 15 million GBP (approx. 21 million EUR) will be provided to continue the Electric Vehicle Home Charge Scheme, under which Ultra Low Emission Vehicle drivers will receive a 75% grant of up to 700 GBP (approx. 950 EUR) towards installation of a home charge point from 13 April 2015. Another 8 million GBP (11 million EUR) will be invested to support public charging infrastructure across the UK which, alongside 15 million GBP (approx. 21 million EUR) Highways Agency funding announced in autumn 2014, will deliver charge points on major roads and across towns and cities. Bidding for these schemes will open in May 2015

Final figures for greenhouse gas emissions from transport published for 2013

On 26 February 2015 the Department for Transport published the final figures for total greenhouse gas emissions from transport for the calendar year 2013. In 2013, total greenhouse gas emissions for transport (including international) were 157.7 million tonnes of CO₂ equivalent (MtCO₂e), with domestic transport greenhouse gas emissions being 116.8 MtCO₂e. According to the Department, the data are compiled by DECC and its contractors on a calendar year basis due to the reporting timetable of the United Nations Framework Convention on Climate Change (UNFCCC) and the EU. Results for 2014 will be published in early 2016.

Read more (in English): https://www.gov.uk/government/publications/total-greenhouse-gas-emissions-from-transport#history