Monthly Progress Update

Issue 06/2013

01 September – 31 September

Part of the project “Assessment of climate change policies in the context of the EU Semester”

01 October 2013
# Table of Content

## Austria
- Renewable Energy ........................................................................... 5
- Transport ......................................................................................... 5

## Belgium
- Renewable Energy ............................................................................ 6
- Energy Efficiency ............................................................................... 6

## Bulgaria
- Energy Generation ............................................................................. 7
- Transport .......................................................................................... 7

## Croatia
- Renewable Energy ............................................................................ 8
- Transport .......................................................................................... 8
- Energy Efficiency ............................................................................... 8

## Cyprus
- Renewable Energy ............................................................................ 10
- Transport .......................................................................................... 10

## Czech Republic
- Renewable energy ............................................................................. 12

## Denmark
- Renewable Energy ............................................................................ 13
- Transport .......................................................................................... 13

## Estonia
- Horizontal Measures .......................................................................... 14
- Renewable Energy ............................................................................. 15
- Waste ................................................................................................ 15
- Agriculture ......................................................................................... 15
Energy Efficiency ................................................................. 43

Sweden ................................................................................. 44
  Horizontal Measures ......................................................... 44
  Renewable Energy ............................................................... 44
  Transport ............................................................................. 45
  Adaptation ........................................................................... 45

United Kingdom ................................................................. 46
  Horizontal Measures ......................................................... 46
  Renewable Energy ............................................................... 46
  Energy Efficiency ............................................................... 47
  Transport ............................................................................. 48
  Waste .................................................................................. 49
  Land use, land use change and forestry .................................. 49
Austria

Renewable Energy

Klima:aktiv training courses for installers start in autumn

The Klima:aktiv initiative is offering training courses for installers and planners of solar thermal installations, photovoltaics, heat pumps and comfort ventilation systems. The training covers the proper integration and dimensioning of new installations and is supplemented by information on current trends and technological developments in the industry. Participants must pass a written and oral exam at the end of the course. Thus far, more than 3,500 Austrian engineers have participated in the klima:aktiv courses, which are offered constantly since 2004.

Read more (in German): http://www.klimaaktiv.at/bildung/bildung_ener_gebtech/erneuerbare_kurse.html

Transport

Recently published report states GHG emission reduction through the use of electric vehicles

On 5 September 2013, the Environment Agency Austria published a report on the ecological influence of electric vehicles. The paper posits that the potential reduction of GHG emissions resulting from the use of an electric vehicle compared to a conventional vehicle could be 80%. Cars using biogas instead of fossil fuels also bring about lower GHG emissions. In Austria, about 20,000 alternative fuelled vehicles are currently registered. However, the development has increased during the past years.

Read more (in German): http://www.umweltbundesamt.at/fileadmin/site/publikationen/REP0440.pdf
Belgium

Renewable Energy

Adoption of the Qualiwatt support scheme for photovoltaic installations in the Walloon Region

On 12 September 2013, the Walloon government adopted on second reading the support scheme Qualiwatt for photovoltaic installations up to 10 kWp. Qualiwatt is a guaranteed premium allocated by the distribution system operators (DSOs), based on the amount of power produced. The date of the entry into force of the Qualiwatt system is however not known yet. This support system shall allow the producers a timely repayment of their installation as well as attractive but not speculative rates of return. The period of return on investment was set at 8 years for all producers, with the eligibility to premiums set to five years. The Qualiwatt support mechanism also aims to ensure a continued activity of the photovoltaic sector in the Walloon region. The eligibility of installers to the Qualiwatt support scheme is subject to the obtaining of a quality label recognized by the region to provide their customers with adequate skills.

Read more (in French): http://www.nollet.info/actualite/energie-adoption-en-deuxieme-lecture-de-la-tarification-progressive-solidaire-et-familiale

Energy Efficiency

Agreement of the brussels-Capital region on the Air and Climate Energy Plan

During a meeting which took place on 20 and 21 September 2013 in Liège, the government of Brussels-Capital agreed on the Air and Climate Energy Plan (plan Air Climat Energie - PACE). The plan aims at establishing a series of energy efficiency standards for buildings and promote the energy refurbishment of public buildings. Among others, it foresees to introduce a labelling system for passive buildings, as well as a fund for the renovation of public buildings. The Air and Climate Energy Plan was expected to be ratified by the regional government during the Council of Ministers on 26 September 2013 but no further information was available by the time of writing.

Read more (in French): http://www.rtl.be/info/belgique/politique/1034151/le-gouvernement-bruxellois-veut-planter-100.000-arbres-sur-le-territoire-de-la-region
Bulgaria

Energy Generation

**Lawyers ask Bulgarian Ministry to take urgent steps in Belene arbitration case**

In a letter dated 2 September 2013, the New York based law firm White & Case urged the Bulgarian Ministry of Economy and Energy to take action regarding the arbitration case over the cancellation of the Belene Nuclear Power Plant project (see MPU Issue 3/2013). White & Case was hired by the previous government to defend Bulgaria in the arbitration case against the Russian company Atomstroyexport. According to the news agency Novinite, the lawyers warned that “if Bulgaria fails to fast-track the process, it risks being sentenced to pay a penalty of BGN 1 billion”. In a parliamentary media briefing of 19 September, Bulgarian Prime Minister Plamen Oresharski conceded to be aware of certain problems, but that he is sure that Bulgaria would not lose the case. However, if Bulgaria were sentenced to pay the penalty, this would notably hamper further investments in the energy sector.


**Operator of Kozloduy Nuclear Power Plant opens new hydropower plant**

On 16 September 2013, the Kozloduy Hydropower Plant has been connected to the Bulgarian power grid. The plant’s two turbines have a combined capacity of 5 MW and will be run using hot water from the Kozloduy Nuclear Power Plant. According to the operating company Kozlodux NPP EAD, the hydropower plant will “make an extra contribution to zero-carbon electricity generation in Bulgaria”.


Transport

**Bulgaria asks European Commission to keep reduced excise rate on natural gas as motor fuel**

On 17 September 2013, Bulgaria sent a notification to the European Commission (EC) concerning its application of a reduced excise tax rate for natural gas used as motor fuel. According to the EU Energy Taxation Directive, which provides a framework for the taxation of energy products and electricity, EU member states whose share of natural gas in total energy consumption was not greater than 15% by 2000 had the right to an exemption from excise duty for natural gas. According to the Bulgarian Ministry of Finance, the country was still entitled to apply a reduced excise duty rate, even though Bulgaria has already been benefiting from this exemption for 10 years. If the EC refuses to approve this measure before the end of the year, the Ministry has already prepared amendments to the Excise Duties and Tax Warehouses Act, which would increase the excise tax rate on natural gas used as motor fuel from BGN 0.85 to BGN 5.10 per GJ to reach the EU minimum rate of € 2.60 per GJ.

Croatia

Renewable Energy

Action Plan on RES aims to freeze support for solar and wind

In July 2013, the Government proposed a National Action Plan for RES, which could significantly restrict the development of this sector. The proposal foresees by 2020 a limit of 20.1% in the share of renewable sources and final energy consumption. It also provides that in the years from 2015 to 2020, the installed capacities in solar and wind power will be “frozen”. Hence, they would remain at their current levels (PV systems 52 MW; wind power 400 MW). A relatively small amount of growth is planned in hydro power (373 MW), geothermal (10 MW) and biomass energy (125 MW).

In September 2013, an association for renewable energy and the Croatian Chamber of Commerce have sent a letter to the Minister of Economy (Ivan Vrdoljak) warning him that investors, who have already started projects and began the process of obtaining permits, could charge compensations, if they are not able to complete their projects. "This proposal would be disastrous for us. I hope that it will never come into the world and that the government will not adopt it", said Mirko Tunjić, owner of a RES construction company.

Read more (in Croatian): http://www.poslovni.hr/hrvatska/vlada-zamrzava-ulaganja-u-vjetroenergetiku-i-solar-251580

Transport

Government supports the use of “clean cars”

On 6 September 2013, the government adopted a draft proposal on the promotion of clean and energy efficient vehicles in road transport. The act provides that in public procurement the purchaser of public transport vehicles shall also take into account the effects of energy and environmental impacts during the life of the vehicle. These impacts must at least include the energy consumption, CO2 emissions and emissions of air pollutants such as Nitrogen Oxides (NOx) and non-methane hydrocarbons (NMHC).

The public procurement system could hereby serve as a mechanism to strengthen public awareness of the importance of using energy efficient and environmentally friendly transport, as well as the development of the missing infrastructure for electric vehicles (i.e., charging stations).


Energy Efficiency

Period for the completion of facades limited to five to ten years

On 12 September 2013, the Minister of Construction Anka Mrak Taritaš announced that the law on construction, spatial planning and building inspection will be changed such that the
owner of a newly constructed building would have a term of 5 to 10 years to complete the facade.

Otherwise, the municipal public order office will have the right to charge a monthly fee of 3,000 HRK (approximately € 390). The provisions shall only apply to new buildings; nonetheless, for owners of older buildings without facades, it will be cheaper to build a new facade than to pay for expensive energy certificates, says the minister.

Prime Minister Zoran Milanović emphasized that it is not primarily a question of aesthetics, but an energy problem and added that “someone, who lives five to ten years in a building without facade, is polluting more and consuming more energy and that’s why this deadline seems very generous to me.”

Cyprus

Renewable Energy

Second call for residential net metering installations announced

The Minister of Commerce, Industry and Tourism Yiorgos Lakkotrypis announced on 6 September 2013 the second call for applications under the “Support Scheme for the Promotion of RES and Energy for natural persons that do not exercise economic activity”. More specifically, the call concerned the installation of residential PV, with a capacity of up to 3kW. Applications will be accepted until 18 October 2013 and a total of 116 applications will be given financing (6MW cumulative capacity). During the first call that closed on 8 August 2013, 887 applications were submitted, which will be assessed in the coming months.

Mr. Lakkotrypis underlined the necessity of reducing the cost of electricity and he considers net metering installations as a necessary measure towards that goal. Apart from that, net metering and green growth in general is considered by the Cypriot government as a way to “rejuvenate” the country’s economy, as Cyprus has reached 25 MW of installed PV capacity and aspires to gradually introduce “net metering” to industrial and the public sectors (see MPU Issue 3/2013 for more details on the different “Net-metering” programmes).

Cyprus transposes RES Directive and avoids fine

On 17 September 2013 the Parliament of Cyprus finally voted on Law No. 122 I 2013 on the Promotion of Renewable Energy Sources. The law includes the transposition of the Directive 2009/28/EC (RES Directive) into national law. The long delay in transposing this directive caused the European Commission to impose a fine of €11,404.80/day on the Cypriot government if the RES Directive was not transposed by 26 September 2013.

Transport

Cyprus transposes Directive 2009/30/EC

On 10 September 2013, the Parliament of Cyprus voted to amend Law 148(I) of 2003 concerning the standards of petroleum products and fuels. More specifically, the amendment contains provisions concerning the definition of sustainability criteria for biofuels as well as...
their assessment. Additionally, a national system has been established that will be responsible for monitoring the sustainability criteria. A mandatory quota of biofuel use in transport is also imposed on fuel suppliers so that a 6% reduction of GHGs can be achieved by 2020.

Read more (in Greek): [http://www.mof.gov.cy/mof/gpo/gpo.nsf/All/6BF79C14E0D688CEC2257BEC03B7144/$file/4405%20%2020%20209%202013%20%20%20PARARTIMA%20%20%20MEROS%20%201.pdf](http://www.mof.gov.cy/mof/gpo/gpo.nsf/All/6BF79C14E0D688CEC2257BEC03B7144/$file/4405%20%2020%20209%202013%20%20%20PARARTIMA%20%20%20MEROS%20%201.pdf)

Czech Republic

Renewable energy

Amendment of support mechanism for renewables approved by the Senate and the President

After the Czech Parliament adopted an amendment to the Renewable Energy Act (Zákon o podporovaných zdrojích energie) on 16 August 2013 (see MPU Issue 5/2013), the law was approved by the second chamber of Parliament, the Senate, and was signed by the President Miloš Zeman on 17 September 2013. According to the amendment, only new solar energy plants put into operation before 31 December 2013 will be supported. Wind, hydro or biomass plants put into operation before 31 December 2014 will be eligible for support only if the building permit was issued before the draft law enters into force. Furthermore, the renewable fee for consumers will be lowered and set at a maximum amount of 495 CZK per MWh. The remaining amount will be financed from the state budget. It was also decided to extend the “solar tax” for plants put into operation in 2010, which now has been set at 10% of the revenue from feed-in or premium tariffs.

Denmark

Renewable Energy

*Analysis on accuracy of support measures for energy transition*

On 3 September 2013, the parties behind the Energy Agreement from March 2012, decided to conduct an analysis to determine whether the energy taxes and subsidies for renewable energy in place provide the right incentives to ensure a green transformation of the energy system.

An inter-ministerial committee will investigate if there is a need for adjustments of measures that may make this transition more cost effective.

The analysis will consist of seven sub-analyses that will result in a final report with recommendations on adjustments to the tax and subsidy system. The working group will complete its work by the end of 2014.

Read more (in Danish): [http://www.kebmin.dk/nyheder/regeringen-igangsaetter-afgifts-tilskudsanalyse-energisystemet](http://www.kebmin.dk/nyheder/regeringen-igangsaetter-afgifts-tilskudsanalyse-energisystemet)

Transport

*Ministry of Transport establishes Centre for Transport, Environment and Climate*

On 12 September 2013, the Ministry of Transport announced to establish a Centre for Transport, Environment and Climate, which will work on the development of the ministry's green transport solutions.

The Centre for Transport, Environment and Climate will have a number of responsibilities, including the development of a roadmap of how to achieve the goal of a low carbon society in 2050 in the transport sector. There is no information yet on when the Centre will start work.

Read more (in Danish): [http://www.trm.dk/da/nyheder/2013/transportministeriet+etablerer+center+for+transport+milj%C3%B8+og+klima/](http://www.trm.dk/da/nyheder/2013/transportministeriet+etablerer+center+for+transport+milj%C3%B8+og+klima/)
Estonia

Horizontal Measures

Government approved the plan for the use of ETS funds

On 19 September 2013, the Government approved the plan for the use and reporting arrangements for the funds gained from greenhouse gas emission allowances, estimated at € 280 Million. In 2013, the funds are directed at funding the energy efficient renovations of apartment buildings. The Minister of the Environment, Ms Keit Pentus-Roosimannus stated, “In addition to the ETS system, Estonia has equally gained from the sales of the AAUs under the Kyoto agreement. Altogether we have signed 22 contracts with countries and companies on a total sum reaching € 390 Million, out of which € 230 Million have already been invested in environmental projects.” The money has also been distributed to environmental projects such as green street lighting, the purchase of environmentally public transport and and for the support mechanism aimed at popularizing the purchasing and use of electric cars.

Read more (in Estonia): http://www.envir.ee/1202071

Estonia could become a member of the International Energy Agency by the end of November

On 20 September 2013, the International Energy Agency (IEA) presented an in-depth analysis of the Estonian energy sector and policies. According to the Minister of Economic Affairs and Communications, Mr Juhan Parts, Estonia might become a member of the association already by the end of November 2013. “Estonia must continue diversifying its energy portfolio, which means using our domestic resource oil-shale, expanding the use of biofuels and renewable energy sources, but also using gas and other exported fuels. Becoming a member of the association is an important benchmark to participate in the global energy economy,” explained Mr Parts. The analysis of the Estonian energy sector is very timely, as the Ministry of Economic Affairs and Communications is currently working on renewing the national energy strategy up to year 2030. The IEA analysis underlined that the weaknesses of the Estonian energy sector are its high carbon intensity and dependence of gas exports from Russia. As a positive side, the presentation brought out Estonia’s energy independence, the high level of the oil-shale industry and the rapid development of the renewable energy sector. “Key questions for the new strategy will be guaranteeing sustainability in the production of energy, reducing the carbon-intensity of the energy sector and to lay down more specific rules and vision for the extradition of oil-shale,” said Minister Parts commenting the presentation. The negotiations to become a member of the IEA started in autumn 2011 and have proceeded with an uncanny speed. IEA, an independent agency of the OECD, offers access to the best up to date data on energy issues and analysis. In addition to liquid fuels, the IEA has become active in the analysis of gas markets, but also renewable energy sources, climate change, energy technologies and electricity.

Renewable Energy

_Eesti Energia opened a new windpark on former oil-shale disposal area_

On 6 September 2013, Eesti Energia opened a new windpark near the city of Narva in East-Estonia. The land on which 17 wind turbines with a total production capacity of 39.1MW were built was formally used to store oil shale ashes until 1987. Since the closure of the site, reconstruction and landscaping works have taken place. The former ash field is located 40m above sea level, which creates favorable conditions for wind turbines. The total cost of the new wind park was € 59 Million and the main contractor was the German wind power plant producer Enercon. Eesti Energia now operates four wind parks in Estonia with a total production capacity of 111MW.


Waste

_Formal landfill area turned into a leisure centre_

In the middle of September 2013, a waste station on the biggest island of Estonia (Saaremaa) was converted into a leisure centre. It represents a unique project in Europe where an area used as a waste disposal from 1970 until 2009 has now been converted into hiking tracks and leisure area. In the near future, outdoor gym facilities and a picnic area will be developed. During the reconstruction and landscaping phases of the project, some of the waste was used in co-generation plants. The cost of the project was approximately € 2 Million and was heavily dependent on financing by the European Cohesion Funds through the Environmental Investment Centre, accounting for some 90%.


Agriculture

_Ministerial working group discussed ways to make organic farming and production more efficient_

The working group formed under the Ministry of Agriculture to develop the Organic Farming Development Plan 2014-2020 concluded that efficiency, throughout the production chain, from farming until marketing, as well as cooperation and sufficient control over the organic farming activities are key elements in the new programme. “The expansion of organic farm land needs to be followed by rise in organic production and processing, which would ensure that organic products reach the consumers. In this context, it is crucial to support the common projects of small producers who are often too small individually to survive in the market context”, explained Toomas Kevvai, vice-chancellor of the Ministry of Agriculture. The development plan is to be presented by the beginning of 2014.

Finland

Horizontal Measures

Ministry of the Environment presents 2014 budget

The Ministry of the Environment announced that it will have a budget of € 267 Million, an increase of € 5.5 Million compared to the previous year. The spending of the budget in 2014 will focus on the mitigation of climate change, protection of biodiversity and the promotion of energy efficient reconstruction and renovation. The protection of the ecosystem and promoting sustainable use of natural resources are omnipresent in all the sectors and activities covered by the Ministry. Special attention is given to the environmental protection and water management in the Baltic Sea.

Read more (in Finnish): http://www.ym.fi/fi-FI/Ajankohtaista/Ymparistoministerion_hallinnonalan_vuode(25935)

Energy Efficiency

Ministry of the Environment published a study on the resource efficiency’s potential

On 23 September 2013 the Ministry of the Environment published a study on Finnish resource efficiency and its potential impacts on the economy until 2030. The study aimed to identify the efficiency and use of different resources, taking into consideration total raw material consumption, oil imports, greenhouse gas emissions generated by the production, the value added and production’s effects on employment in Finland. The most resources are consumed by construction, metal, forest and oil-refining industries. The most emissions also stem from the energy industry, forestry and construction. The import of resources is expected to stay on the same level with 2008 levels, mainly due to gains in energy efficiency and increased use of renewable energy sources. The export of resources is expected to grow up to 60%. Depending on the industry, the gains from using resources more efficiently were estimated up to 10-20%. “Finnish businesses need to better understand the importance of using resources efficiently, this is highly important both from the environmental and competitiveness point of view,” commented Merja Saarinlehto, an official from the Ministry of the Environment.

Read more (in Finnish): http://www.environment.fi/fi-FI/Kulutus_ja_tuotanto/Materiaalitehokkuus_ei_viela_nay_vahvast(26215)

Taxation

New tax on power plants

On 16 September 2013, the Government submitted a draft budget to the Parliament for 2014, which also contained revenues stemming from the planned power plant tax law. The new Windfall Tax (Voimalaitosvero), would be applicable to wind, nuclear and hydro power
plants starting in 2014 and is expected to generate an annual revenue of approximately € 50 Million. The tax is to be applied on plants constructed prior to 2004 and those benefitting from the ETS system due to rise in prices on the Nordic electricity market. Small plants are exempt from the levy. However, the exact scope and allocation of taxes is yet to be specified by the Ministry of Finance. The base tax for the power plant is defined as a “building” tax, commonly used in real estate taxation. The tax proposal has received strong criticism from the opposition parties and Finnish energy industry (Energiateollisuus), who sees it as undermining the domestic operators’ position on the open energy market and harming the overall investment climate.

Read more (in Finnish):  
http:// energia.fi/ajankohtaista/lehdistotiedotteet/kotimaista-paastotonta-energiantuotantoa-rankaisevasta-voimalaitosy

Draft budget available at:  

Renewable Energy

Discussion day on the economic potential of offshore windpower

On 24 September 2013, the Ministry of Employment and the Economy organized a discussion day concentrating on the business aspects of offshore wind power construction. The Ministry is currently preparing a support scheme for the pilot project, which will allow the construction of the first Finnish offshore wind power plant. The focus of the presentations was on how the public and private sector could cooperate better in order to realize the potential of offshore power. The discussion day took place in Helsinki and brought together policy makers and industry representatives, but was also open to the wider public. This debate is one part of the wider analysis launched earlier in August by the Ministry of Employment and the Economy that set out to analyze the benefits of offshore wind power in terms of the Finnish economy and the development of the cleantech industry.

See the invitation to the event (in Finnish):  

Construction of wind power plants made easier due to changes in the Land Use and Building Act

At the end of August 2013, the Government proposed an amendment to the Land Use and Building Act that aims at facilitating the construction of wind power plants in already planned industrial and harbor areas. The environmental impact of wind power plants is estimated to be lower in these areas. However, the new construction must not cause significant harm to the environment, endanger the protection of wildlife or conflict with the existing land use plan.

Read more (in Finnish):  
http://www.ym.fi/fi-FI/Ym-paristo/Ilmasto_ja ilma/Tuulivoiman_rakentamista_edistetan lain(24947)
France

Horizontal Measures

Main announcements of the Environmental Conference 2014

On 20 and 21 September the Environmental Conference 2013 took place, which was attended by 13 ministers and 500 participants (politicians, trade unions, employers' organizations, associations and parliamentarians). This year's conference particularly addressed the topics of circular economy, water policy, marine biodiversity, environmental education and sustainable development and finally the energy and ecological transition.

The most important announcements of the Conference affect national energy policy. During his opening speech, the president Hollande stated that the first priority of energy transition is the improvement of energy efficiency. In this regard, he announced the objective of a 30% reduction of national fossil energy consumption by 2030. This objective is expected to allow the saving of € 20 to 50 billion by 2030. Moreover, Francois Hollande called for the halving of energy consumption by 2050. In order to reach these objectives, additional measures were announced within the Energy Refurbishment Plan, which was already introduced by the President Hollande on 21 March 2013 (see MPU Issue 2/2013). These measures include the reduction of the VAT on thermal insulation works to 5% (instead of 10% as previously planned) from 2014.

The second priority of energy transition is the diversification of France’s energy mix. To this end, renewable energies shall represent at least a quarter of the country’s energy consumption by 2020, implying the necessity of “stable” and “clear” regulatory and fiscal frameworks. Moreover, marine energy as well as agricultural biomass shall be promoted.

Last but not least, president Hollande spoke in favour of a final adoption of the framework law on energy transition (“loi de programmation sur la transition énergétique”) by the end of 2014. On 11 September 2013, the Minister of Energy Philippe Martin had announced the postponement until spring 2014 of the submission to Parliament of the planning law on energy transition, originally scheduled for the autumn of 2013.

The Environmental Conference will lead to the definition of a roadmap for ecological transition and to corresponding implementation guidelines for the relevant ministries (lettres de cadrage pour la transition écologique).

Taxation

Carbon tax to be introduced within the Draft Finance Act 2014

On 8 September 2013, the government unveiled several measures of the Draft Finance Act 2014, including the introduction of a carbon tax called “energy and climate contribution”. The application of the carbon tax as proposed by the government goes beyond the recommendations formulated in the opinion of the Committee. While the latter namely suggests the introduction of a carbon tax only within the domestic consumption tax (Taxe intérieure de consommation - TIC), the government plans on introducing a carbon tax also within the general tax on polluting activities (taxe générale sur les activités polluantes - TGAP) and within the corporate vehicle tax (taxe sur les véhicules de sociétés - TVS). Compensation measures, such as the "energy check" for modest households, are also foreseen. Although the rules of implementation of the carbon tax remain to be defined, it is expected to amount to € 7 per tonne of CO$_2$ in 2014, € 14.5 in 2015 and € 22 in 2016. The Draft Finance Act 2014 will be presented in late September to the Council of Ministers. According to a French newspaper, it is expected to yield € 340 million in 2014, € 2.5 billion in 2015 and € 4 billion in 2016.


Postponement of the environmental tax on road transport

On 5 September 2013, the ministries of Budget and Transport announced the postponement of the entry into force of the environmental tax on road transport to January 2014. According to the two ministers, audits conducted by the state after the test phase run this summer showed persistent shortcomings in the collection system which must be corrected before the commissioning of the device. This ecological tax applies to all French and foreign vehicles over 3.5 tonnes carrying goods and circulating on the free national network, representing 15,000 km of roads. The objective of such a tax is to finance the maintenance of road infrastructure and to encourage shippers to favor more environmentally friendly means of transport, such as railways, canals or sea routes.

The environmental tax on road transport is expected to yield € 1.2 billion per year, which shall be divided between the state (€ 780 million), local authorities (€ 160 million) and Ecomouv’, the company contracted by the state for the management and collection of the tax (€ 230 million).

Read more (in French): http://www.developpement-durable.gouv.fr/Report-de-l-entrée-en-vigueur-de-l.html
Agriculture

**Partnership between the Ministry of Agriculture and GDF Suez**

On 18 September 2013, the Minister of Agriculture, Stéphane Le Foll, and the CEO of the French multinational utility company GDF Suez signed a partnership to promote energy transition actions in the agricultural sector. The targeted priorities of this partnership are the biogas and the wood biomass sector as well as the food industry.

GDF Suez shall bring its expertise and know-how to support the development of collective farm biogas projects in the framework of the implementation of the plan "Energy Autonomy Methane Nitrogen" launched on 29 March 2013. Regarding wood biomass, GDF Suez has committed to support the development of the sector, whereas the Ministry of Agriculture Department shall increase the amount of forest areas engaged in a process of sustainable economic management.


Germany

Renewable Energy

*Renewable Energy Sources play a vital role in municipal economic development*

A study presented by Greenpeace on 2 September 2013 revealed that the use of biomass, wind and solar energy contributed to an added value of €17 billion in 2012. Especially municipalities in structurally weak regions profit from the stronger use of renewable energy. 68% of the added value can be attributed to wind and solar only.


*Continuously high public support for renewable energy*

Despite recent discussion on rising costs and energy security, results of a survey commissioned by the German Agency for Renewable Energy and published on 18 September 2013 show that 93% of respondents are in favor of supporting the installation and development of renewable energy in Germany. A majority of 56% is willing to cover the rising costs via their energy bill given that exemptions for energy intensive companies e.g. in the field of grid charges and the EEG surcharge are phased out.


*Special Report published on competition in the German energy market*

On 5 September 2013, the Monopolies Commission published a special report on the current situation on the German energy market with special focus on the Energiewende. As main conclusion the commission pronounced concerns about competition deficits both due to the inefficient transposition of the energy transformation and a neglect of competition principles in the overall energy policy. Moreover, a competitive and technologically neutral quota model (with reference to the Swedish model) is proposed for the promotion of renewable energy as well as a premium scheme on network fees. The Monopolies Commission is an independent body consulting the federal government on issues related to competition and regulation of the electricity and gas market, telecommunication and railway services.

Read more (in German): [http://www.monopolkommission.de/sg_65/s65_volltext.pdf](http://www.monopolkommission.de/sg_65/s65_volltext.pdf)

Read more (in German): [http://www.monopolkommission.de/sg_65/presse_s65_eng.pdf](http://www.monopolkommission.de/sg_65/presse_s65_eng.pdf)

*CDU/CSU failed to win the absolute majority in parliament: coalition partner still to be found*

The results of the parliamentary elections in Germany on 22 September 2013 left the CDU/CSU as the main winner gaining 41.5% of the votes followed by SPD (25.7%), Die Linke (8.6%) and the Green Party (8.4%). Chancellor Merkel's former coalition partner FDP (liberal party) failed to reenter the parliament for the first time since 1949. Based on current
statements and positions only two coalition governments are under consideration; either CDU/CSU with the social democrats (SPD) in a grand coalition or a coalition with the Greens. As reported earlier, CDU/CSU set a focus on planning reliability, the Social Democrats (SPD) on the role of the energy transition as an international model, the Greens on the target of 100% renewables. All parties envisage a fundamental reform of the Renewable Energy Sources Act as one of the first project of the new government. The SPD, for example, promotes a stepwise reduction of feed-in tariffs. The Greens, SPD and the Left plan to eliminate or reduce the subsidies for industry, while the CDU wants to keep the reliefs. So far, no retroactive changes to the granted feed-in tariffs are planned. Concrete implications for German energy policy and the energy transition can yet not be identified. The election programmes can be accessed under the following links (in German):

Read more (in German):
http://www.bundeswahlleiter.de/de/bundestagswahlen/BTW_BUND_13/presse/w13032_Vorlaeufiges_amtliches_Ergebnis.html
Greece

Renewable Energy

A draft bill that includes amendments on the RES Law (Law No. 3468/2006) was finally submitted to the Greek Parliament on 19 September 2013. The bill includes provisions concerning the licensing procedure for new RES plants and contains particular provisions for hydroelectric plants above 15MW. There are also provisions relating to the legislative framework on the operation of and royalties from mining activities. More specifically, the draft bill includes provisions on the following subjects:

- Licensing procedure for RES plants: new criteria for providing an extension of the installation license;
- Hydropower stations above 15 MW: new provisions including the licensing procedure for the installation of such plants in forest areas;
- Small wind power plants: key parameters for the establishment of a special programme for the support of small wind power plants;
- Connection offer to congested grids: the criteria under which the TSO can provide a connection offer to PV and wind plants installed in areas with congested grid are set;
- Annual adjustment: the annual adjustment of the FiT for all RES plants (25% of the CPI of the previous year) excluding PV, is annulled;
- Construction of connection works on high productivity lands: provisions regulating this subject matter are included;
- Installation of wind plants outside town/urban planning zones: simplification of the procedure;
- “Ability to disconnect - curtailment”: This is mainly a provision that is directed to energy intensive industries such a cement and steel industries. Those industries can conclude a contract with DESMIE (Greek TSO) where it is foreseen that whenever electricity demand is high, DESMIE is entitled to cut off the electricity to those industries for reasons concerning the stability and safety of the electricity grid. However, the industries will be compensated, with a reduction of their energy cost up to 18%;
- Mining law: royalties from the exploitation of mines are included as well the distribution of the royalties to the local administration and to the public sector.

Read more (in Greek): [http://www.ypeka.gr/LinkClick.aspx?fileticket=rJ%2bYWbBPxrE%3d&tabid=367&language=el-GK](http://www.ypeka.gr/LinkClick.aspx?fileticket=rJ%2bYWbBPxrE%3d&tabid=367&language=el-GK)

Only 15 applications for new RES plants in 2013

In 2013, only 15 applications for new RES plants have been submitted, according to the latest data from the Regulative Authority on Energy (RAE) released at the beginning of September. This is a radical reduction, taking into consideration the fact that, in 2012 and 2011, 101 and 500 applications were submitted, respectively. This is mainly due to the
economic recession and to the lack of financing for big RES plants. Consequently, big wind parks or hydroelectric that necessitate a large amount of initial capital cannot be supported under such circumstances. Those 15 applications concern mainly CHP plants, biomass and small hydroelectric plants (submission of applications for PV plants has been halted since 2012). This signifies negative prospects for the development of RES in Greece, as Greek and foreign investors are not willing to carry out RES investments due to uncertainty within the RES sector and the lack of financing opportunities.


**Energy Efficiency**

*City Hall of Piraeus included in the “Exsoikonomo II” Programme*

On 16 September 2013, Minister of Environment, Energy and Climate Change, Mr. Ioannis Maniatis, signed the inclusion of the City Hall of the Municipality of Piraeus in the “Exsoikonomo II” Programme. “Exsoikonomo II” is a programme co-funded by European Structural Funds and aims at supporting local authorities in their effort to upgrade the energy performance of their buildings and infrastructure. The total budget is estimated at € 1.5 Mio and it aims at upgrading the building from the energy category C to the energy category B. Energy efficiency measures such as insulation and replacement of air conditioning systems will be carried out. Work is expected to begin within the next few months and it is estimated that the energy upgrading of the City Hall will be completed by the end of 2015. Read more (in Greek): [http://www.ypeka.gr/Default.aspx?tabid=389&sni=2610&language=el-GR](http://www.ypeka.gr/Default.aspx?tabid=389&sni=2610&language=el-GR)

*Inclusion of three new projects to the “Bioclimatic Renewal of Urban Spaces” Programme*

The Deputy Minister of Environment, Energy and Climate Change, Mr. Stavros Kalafatis, approved on 2 September 2013 the inclusion of three new projects to the “Bioclimatic Renewal of Urban Spaces”. The projects will be located in Thessaloniki (Centre and “Pavlos Melas” Municipality) and in Thiva. The projects support certain architectural measures and climatic tools that can be used directly for the bioclimatic/energy upgrading of open spaces such as squares. Total budget is estimated at € 8 Mio for both projects in Thessaloniki (bioclimatic upgrading of Chrimatistirio Square and bioclimatic upgrading of Neoktista in Stavroupoli, Thessaloniki) and approximately € 2 Mio for the project in Thiva (covering an area of 20,000m³ near the centre of the town).

Hungary

Taxation

**Final consumer prices for energy announced to decrease further in November**

On 18 September 2013, Pál Völner, Minister of State for Infrastructure, announced that a further reduction of final consumer prices for energy will enter into force on 1 November 2013. Electricity, gas and district heating prices will be reduced by 11.1% in total. Energy prices had already been reduced in January and July 2013. For more information on earlier reductions of energy prices see MPU Issue 3/2013.


Renewable Energy

**Share of renewable energy production developed positively**

On 12 September 2013, Ferenc Hizó, Deputy Minister of State for Green Economy emphasized that the share of renewable energy sources in Hungary is steadily increasing thanks to the governments’ policies such as the feed-in tariff or the various subsidy programmes under the New Szecheny Plan promoting the use of renewable energy sources. Already, some 10% of Hungary’s energy consumption is met by renewable energy sources. The use or renewable energy sources for heat production increased by 10% from 2011 to 2012. Over the last three years, the government spent HUF 150 bn to support renewable energy sources by feed-in tariffs and numerous subsidy programmes.


Transport

**Subsidy programme for acquiring CNG buses extended until the end of October 2013**

The subsidy programme “Supporting Purchasing CNG buses for Public Transport” (Közösségi közlekedésben üzemeltetett gázüzemű (CNG) autóbuszok beszerzését elősegítő) has been extended until 30 October 2013. The programme promotes purchasing new buses with CNG-engine for public transportation. Public transportation companies owned by state or local administrations are eligible parties under this programme. The programme had been launched on 4 April 2013. For more information on this programme see MPU Issue 1/ 2013.

Ireland

Renewable Energy

Ireland’s first Community-Owned Wind Farm in Templederry, Co. Tipperary opens. Revision of wind planning guidelines in the first quarter of 2014

The first community-owned wind farm was opened in Templederry with a capacity to produce approximately 15GWh per year, enough energy to power some 3,500 homes.

In response to the opening of the Templederry wind farm, the Minister for Communications Energy and Natural Resources, Mr. Pat Rabbitte TD announced the planned review of Ireland’s Wind Energy Planning Guidelines. The revisions aim to propel the country towards its renewable energy targets and maximizing the benefits and minimizing the damages of energy transition on local communities. The reviewed guidelines will be ready for public consultation on the 1st quarter of 2014 and will be finalised by the 2nd quarter of 2014.

Read more (in English):
http://www.dcenr.gov.ie/Press+Releases/2013/Minister+Rabbitte+opens+Ireland%E2%80%99s+first+Community-Owned+Wind+Farm.htm

Energy Efficiency

Better Energy Programme upgrades 250,000 homes

Mr Pat Rabbitte TD, Minister for Communications Energy and Natural Resources, on 9 September 2013, announced that to date 250,000 homes have been successfully upgraded through the “Better Energy” Programme”. An additional 100,000 homes have also been successfully upgraded through the “Better Energy-Warmer Homes” Scheme. The programme is also responsible for creating approximately 3,800 full time jobs through the last years and lead to a cumulative investment that can be estimated at € 600 million. Additionally, the Minister assured that the “Better Energy Programme” will continue in 2014 as a principle of its energy efficiency strategy.

Read more (in English):

SEAI publishes report on Residential Energy in Ireland

The Sustainable Energy Authority (SEAI) for Ireland published a report on Residential Energy in Ireland (2013) on 10 September 2013. The report finds that households in Ireland have become more energy efficient. After the transport sector, the residential sector consumes most of the primary energy (27% in 2011) and produced in aggregate 10.5 million tonnes of CO2 in 2011. During the years 2006-2011 overall residential energy consumption fell by 4.4% and CO2 emissions by 11%, despite the fact that the number of permanently occupied dwellings increased by 13%. Apart from that, household energy use/m² (166 KWh/m²/year) was almost 9% below the EU-average. During the period 1995-2011, average
energy efficiency per household was improved by 34%, culminating during the period 2006-2011 to an annual average rate of 4.9%. Finally, almost 12% of the building stock in Ireland achieved energy efficiency measures during the period 2006-2011, leading to energy saving of over 900GWh in 2011.

Energy Generation

New scheme for capacity markets

On 5 September 2013, the Regulator approved Regulation 375/2013/R/eel regarding the draft design of a capacity market (Verifica finale di conformità dello schema di disciplina del nuovo mercato della capacità consultato da Terna). The draft design was planned by Terna (TSO) under criteria and conditions requested by the Regulator. According to the regulation, Terna is to provide in each area network for auctions of supply contracts. The amount of capacity is determined by Terna four years in advance. Operators then receive an annual premium per MW of committed capacity but pay the difference between the reference price and the contract price to Terna. The system will complement the Italian electricity market and play a relevant role in the longer term, when the share of non-programmable sources will have increased and new types of markets will be needed to handle the new patterns of generation. The capacity market is not expected to start operating before 2017.

Read more (in Italian): http://www.autorita.energia.it/it/docs/13/375-13.htm

Energy Efficiency / Taxation

Stabilisation of the tax deduction for energy efficiency works in buildings

On 26 September 2013, the joint parliamentary Commission for Commissions Environment and Finance approved Resolution 7-00090 which prolongs the 65% tax deduction on energy efficiency works in buildings (Risoluzione 7-00090 Realacci e Capezzone: Misure in materia di agevolazioni tributarie per la riqualificazione energetica e il consolidamento antismimico degli edifici). The tax incentive had originally been introduced by Legislative Decree 63/2013 as a temporary measure. However, following a debate in the past months, this measure has been extended until 2020. The resolution found wide support across all political parties. One of the political parties announced that the prolonged ecobonus “can increase the direct and indirect domestic production by € 240 billion, create over 1.6 million jobs, and increase the average GDP by 0.6 %”. 

Read more (in Italian): http://www.qualenergia.it/articoli/20130926-la-camera-firma-per-la-stabilizzazione-ecobonus-parola-al-governo
Read more (in Italian): http://banchedati.camera.it/sindacatoispettivo_17/showXhtml.asp?highlight=0&idAtto=6491&stile=8
Lithuania

Energy Generation

More stringent environmental requirements for fracking

On 16 September 2013, the Ministry of Environment announced drafting of secondary legislation with more stringent environmental requirements for fracking. Thus, in the case of fracking, complex monitoring of air, soil, groundwater and surface water will be mandatory. The water quality will have to be examined within 5 km of the drilling location and seismic activity shall be monitored. The resulting mining waste will have to be managed in accordance with the EU Mining Waste Management Directive, which is transposed into the Lithuanian national law.

In addition, when exploring and extracting unconventional hydrocarbons, an environmental impact assessment (EIA) is obligatory according to the revised Law on Environmental Impact Assessment.

Read more (in Lithuanian): http://www.am.lt/VI/index.php#a/13577

Renewable Energy

Invitation to submit applications for grants financing modernization of biofuels production from logging waste

On 4 September 2013, the Lithuanian Environmental Investment Fund (LEIF) (LAAIF – Lietuvos Aplinkos Apsaugos Investicinis Fondas) invited applications for grants from the Special Programme for Climate Change (Klimato kaitos specialioji programa) financing modernization of biofuels production from logging waste by reimbursing the cost of equipment for biofuel production. Those eligible are legal entities already operating or planning to operate in this field. Winning projects will be allocated LTL 5.38 million (approx. € 1.6 million). The maximum amount of the subsidy per project may not exceed LTL 690.000 (approx. € 198.900) or 30% of all eligible costs. However, the subsidy is limited by an environmental performance criteria, i.e. the subsidy may not exceed LTL 0.5 (approx. € 0.14) per one reduced kilogram of CO2 equivalent. The applications may be submitted until the overall budget is exhausted.


Energy Efficiency

Renovation of multifamily buildings is gaining momentum

On 4 September 2013, the Ministry of Environment announced that the renovation of multifamily houses is gaining momentum. In 2013, 90 multifamily buildings have already signed contracts for renovation work. The total contract value amounts to LTL 60.2 million (approx. € 17.4 million).
Waste

Legislative package for waste management improvement drafted by the Ministry of Environment

On 10 September 2013, the Ministry of Environment announced drafting a legislative package aimed at implementing the waste management requirements of the European Union. To improve waste management in Lithuania, the following legal acts have been prepared:

- Draft law amending the Pollution Tax Law that envisions the introduction of a landfill tax;
- Draft law amending the Packaging and Packaging Waste Management Law, which introduces a mandatory deposit for beverage containers;

Furthermore, to ensure proper accounting of waste and individuals and businesses producing waste, the following legal acts were adopted:

- Registration procedure for municipal waste holders;
- List of real estate objects, for which owners are obliged to pay a specified fee or conclude municipal waste management service contract.

To encourage waste holders to sort waste, the Ministry is currently drafting amendments to the Law on Waste Management. The legal modifications would enable representatives of the Government to order an independent audit, examine charges and fees for local municipal waste management, or other fees for the collection of municipal waste and waste management in order to verify whether such charges and fees are reasonable. In addition, a methodology was adopted on setting rates of fees or other charges for the collection of municipal waste from the waste holders and waste management.

Read more (in Lithuanian): http://www.am.lt/VI/index.php#a/13539
Latvia

Waste

New financial support for improving waste management approved

In the framework of the subsidy programme “Infrastructure and Services” („Infrastruktūra un pakalpojumi”) of 17 September 2013, a new round of support to investments will be available for the development of the shared waste management system. The Ministry of Environmental Protection and Regional Development foresees financial support for improving hazardous and non-hazardous waste processing and reuse. The new round of project selection is scheduled to be launched by 1 October 2013. The overall available budget for the programme amounts to € 25 million. According to the amendments, support will be also available to public water service providers and medical institutions.

Read more (in Latvian): http://varam.gov.lv/lat/aktual/preses_relizes/?doc=17368
Luxemburg

Horizontal Measures

Survey of the Council for Sustainable Development (CSDD) on quality of life

In view of the coming elections, which will take place on 20 October 2013 in Luxembourg, the Luxembourg Council for Sustainable Development (Conseil Supérieur pour un Développement Durable - CSDD) seeks to encourage voters to think about their expectations as regards sustainability. To this end, a survey was carried out with 1010 Luxembourgian inhabitants during the spring of 2013. The results show that about 80% of the participants think the government should do more to tackle climate change. Moreover, 90% of the participants declare being in favour of environmental protection. However, the CSDD points out that only few of the participants would be willing to give more for change, since only about 42% would be willing to pay more taxes.

Read more (in German): http://www.tageblatt.lu/nachrichten/luxemburg/story/24622854
Malta

Renewable Energy

Agreement between Enemalta and China on strategic investment in the energy sector

On 9 September 2013, Enemalta announced that a memorandum of understanding was signed with the Chinese state-owned company Shanghai Electric Power resulting in a €200 million investment in Malta’s energy company as well as the creation of a joint venture for PV solar panel installations in Malta and overseas. Having the Chinese company as a strategic partner will greatly enhance Malta’s manufacturing capabilities making it a hub for PV panels in the Mediterranean region. According to the Memorandum, Shanghai Electric Power will have a minority shareholding in Enemalta, which will still be controlled by the Maltese Government. The joint venture will be set up in the coming six months. The agreement is expected to help Malta reach its 2020 renewable energy targets as the PV solar panels will be both assembled and installed on the islands.


Deep offshore wind financially viable by 2020

According to a recently released study from the University of Malta, the installation of deep offshore wind farms might be viable by 2020. The current installation cost per unit amounts to €ct 24. However, due to expected technological progress, turbine efficiency may increase so that the price per unit decreases to €ct 17 in 2020. The study was funded by the Malta Council of Science and Technology’s National Research and Innovation Programme and was initiated in 2009.

The Netherlands

Horizontal Measures

Energy Agreement published

The centrepiece of the Dutch policy to reduce its dependence on fossil fuels is the Energy Agreement for sustainable growth that has been created by multiple stakeholders and the Sociaal-Economische Raad. The Agreement was published in September 2013 stipulating 10 pillars for actions containing long-term as well as short- to mid-term agreements. The agreed goals are for example an annual saving of 1.5% final energy consumption, totalling 100 PJ of energy savings by 2020, a share of renewable energy of 14% in 2020 and 16% in 2023 and the creation of at least 15,000 jobs.


Renewable Energy

Status update SDE+ on 5 September 2013

The SDE+ is the main support instrument for electricity and heat production from renewable energy, with a budget of € 3 billion for 2013. This feed-in premium scheme encompasses a system of phased admission with increasing base tariffs. According to Agentschap NL, as of 5 September, € 1.8 billion worth of projects have been approved.

Poland

Renewable Energy

Ministry of Economics presents propositions for new RES Law

On 17 September 2013, the Polish Ministry of Economics presented a proposal for a new Renewable Energies Law. The law would introduce a support scheme for renewable energy sources based on tenders. Accordingly, the lowest bidders would receive a guaranteed price for generated electricity for the period of 15 years. The current support scheme – green certificates – is envisaged to remain in place until 2021. Existing plant operators would have to choose between the two support schemes, while new plants would be supported only through the new auction scheme. Co-firing plants using biomass and hydro-power plants with a capacity of over 1 MW would not be eligible under the auction system.

The main goal of the Polish Government regarding RES is to fulfill the EU 2020 RES obligation (of 19% RES in electricity) with the lowest costs possible.

It is expected that the new law will be adopted by the end of 2013 and will come into force with the beginning of 2014.


Agriculture

Changes in the rules for fertiliser

On 23 September 2013, a new regulation on fertilisers entered into force. The “Regulation of the Minister of Agriculture and Rural Development of 20 August 2013 amending Regulation on the specific method of application of fertilizers and conduct training on their use” (Rozporządzenie Ministra Rolnictwa i Rozwoju Wsi z dnia 20 sierpnia 2013 r. zmieniające rozporządzenie w sprawie szczegółowego sposobu stosowania nawozów oraz prowadzenia szkoleń z zakresu ich stosowania) introduced the requirement for fertilizer on agricultural land to be used in the distance of at least 20 m from the water intake points in cases for which no protection zones have been established.


Portugal

Waste

*New Strategic Plan for Municipal Solid Waste (PERSU 2020) under preparation for public consultation in October 2013*

The new Strategic Plan for Municipal Solid Waste (PERSU), which will set goals for 2020, is expected to be released for public consultation in October 2013. On 11 September 2013 during the opening ceremony of the international conference WASTES in Portugal, the Secretary of State for Environment and Spatial Planning, Paulo Lemos, stressed that one of the main goals of the new plan is the reduction of waste sent to landfills. Therefore, an increase in recycling rates and a review of the economic instruments in place are expected. The secretary adds that the tax on waste management is not creating the right incentives for companies to stop depositing waste in landfills and, therefore, needs to be reviewed.

Read more: http://www.ambienteonline.pt/noticias/detalhes.php?id=13898
Romania

Taxation

Value-added tax applied to delivery of electricity and to transaction of Green Certificates

Starting on 1 September 2013, the Romanian value-added tax (VAT) reverse charge procedure is extended to the delivery of electricity and to the transaction of Green Certificates. This is the result of the Government Ordinance no. 16/2013 for the modification of the Fiscal code (Ordonanța pentru modificarea și completarea Legii nr. 571/2003 privind Codul fiscal și reglementarea unor măsuri fiscal-bugetare). According to this procedure, the VAT will not be paid by the renderer of service, but by the recipient. However, this only applies in case that the recipient of the delivered electricity or the Green Certificates is a taxable person situated on Romanian territory. The Romanian VAT amounts to 24%. The VAT reverse charge procedure will be applied from 1 September 2013 to 31 December 2018.

Read more (in Romanian): http://www.financiarul.ro/2013/09/13/tva-la-livrarea-de-energie-electrica-si-transferul-de-certificate-verzi/
Read more (in Romanian): http://discutii.mfinante.ro/static/10/Mfp/infotva/Circulara408436_paine_energie.pdf

Romanian government plans to increase the Romanian road tariffs

On 23 September 2013, the Romanian government published a draft for an Emergency Ordinance modifying and complementing governmental ordinance no. 15/2002 on applying the tariffs for utilising the Romanian road infrastructure (Proiectul de ordonanta de urgenta pentru modificarea si completarea Ordonantei Guvernului nr. 15/2002 privind aplicarea tarifului de utilizare si a tarifului de trecere pe reteaua de drumuri nationale din Romania). The draft was put up for public debate by the department for infrastructure projects and foreign investments (Departamentual pentru proiecte de infrastructura si investitii straine). According the legislative draft the tariffs would be increased for most of the vehicle categories and time periods. For passenger cars, for example, roads tariffs would increase

- from € 3 to 5 for a time period of 10 days,
- from € 7 to 10 for a time period of 30 days, and
- from € 28 to 32 for a time period of 12 months.

For transport vehicles and trucks, road tariffs would increase for time periods of 10 days and 12 months, but they would diminish for the time period of 30 days. According to the statement of reasons, the tariffs for transport vehicles and trucks have been adapted according to the recommendations of Directive 2011/76/EU of the European Parliament and of the Council of 27 September 2011 amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures. Furthermore, road tariffs for passenger cars and for transport vehicles up to 3.5t have been increased, because Romanian road tariffs for these vehicles were the lowest across Europe.

Renewable Energy

Romanian Government plans further reductions of Green Certificates for renewable energy sources

The Ministry of Economy published a draft for a Governmental Decision on approving measures for reducing the number of Green Certificates foreseen in Law no. 220/2008 (Hotarare pentru aprobarea măsurilor de reducere a numărului de certificate verzi prevăzut la art.6 alin.(2) lit.a), c) şi f) din Legea nr.220 / 2008 pentru stabilirea sistemului de promovare a producerii energiei din surse regenerabile de energie, republicată), which has been put up for public consultation. According to the draft, the number of Green Certificates (GC) for electricity from renewable energy sources should be reduced as follows:

- for new hydropower stations with an installed capacity of up to 10 MW: 2.3 GC for 1MWh instead of 3 GC;
- for wind power: 1.5 GC until 2017 and 0.75 GC as of 2018 for 1MWh instead of 2 GC and 1 GC respectively;
- for solar energy: 3 GC for 1MWh instead of 6 GC.

This latest attempt to reduce the number of Green Certificates builds on the ANRE publication from March 2013 which found substantial overcompensation for these three technologies (for more information see MPU Issue 1/2013). These modifications will become operational as soon as the Governmental Decision enters into force when it is published in the official Romanian law gazette. The Romanian Association for Wind Energy (RWEA) (Asociatia Romana pentru Energie Eoliana) already criticised the Government for intervening again in the renewable energy sector thereby undermining the development of a reliable investment environment. Law no. 220/2008 on promoting renewable energy sources had already been modified in June 2013 postponing the issuance of a share of Green Certificates in the period between 1 July 2013 and 31 March 2017 (for more information see MPU Issue 3/2013).

Transport

Distribution of budget for “Programme on Stimulating the Modernization of the National Car Fleet 2013” has been modified

On 10 September 2013, the Administration of the Environmental Fund emitted Decree no. 383/10.09.2013 modifying the allocated funds of this financing period. The programme's overall budget remains the same, but the budget for legal persons and public institutions was raised from RON 22.5 million (approx. EUR 5.2 million) to RON 29,272,500 (approx. EUR 6.5 million) and the budget for natural persons was lowered from RON 127.5 million (approx. EUR 29.5 million) to RON 120,727,500 (approx. EUR 27 million). Under this programme,
natural persons owning vehicles older than ten years and legal persons owning vehicles older than five years are eligible for support. Replacement of the old vehicles with new ones will be subsidized with a voucher of RON 6,500 (app. EUR 1,500). For more information on the “Programme on Stimulating the Modernization of the National Car Fleet 2013” see MPU Issue 1/2013 and MPU Issue 2/2013. The extended application period for public institutions and legal persons ended on 30 September 2013. According to the Administration of the Environmental Fund, by the end of August 2013 altogether 820 applications for vouchers had been handed in by natural persons and legal persons.

Read more (in Romanian): http://www.afm.ro/ralba_autovehicule.php
Slovakia

Energy Efficiency

*Bratislava selected for EU energy efficiency project*

Between 2013 and 2018 the capital of Slovakia, Bratislava will receive financial support under the “European cities as leaders” project, for which the Commission has allocated € 16 million. Bratislava was the only city in Eastern Europe selected in the framework of the EU-GUGLE project (“European cities serving as Green Urban Gate towards Leadership in sustainable Energy”). The project aims to increasing energy efficiency in select buildings and reduce energy consumption. In Bratislava, the project envisages the renovation of residential buildings with a total floor area of 40,000 m². The support will only be granted if the buildings reach the energy efficiency criteria that will be applicable to Slovakia in 2016.


Transport

*City of Bratislava and SEVA agree on strategic promotion of e-mobility*

In a joint memorandum between the capital city of Bratislava and the Slovak Association for E-Mobility (SEVA), the two sides have agreed on several points on e-mobility, and electric vehicles. The memorandum was signed on 21 September 2013 and acknowledged significant technological progress in the electric car industry, which is an affordable green alternative to conventional fossil fuel transport. The city of Bratislava and SEVA agreed that a systematic coordination of measures by the government, the local government as well as the private sector was necessary for the wider use of electric vehicles and that it was not only important to develop the necessary infrastructure, but also to create an efficient support mechanism for e-mobility. The city of Bratislava shall propose and implement support measures as soon as possible.

Slovenia

Energy Generation

Slovenia opposes construction of a new natural gas power plant on the Bay of Žavlje

On 19 September 2013, Slovenian Minister for Infrastructure Samo Omerzel stated in a notice to the media that the planned location for a gas power plant in Žavlje will not receive the approval from the Slovenian government, because the proposed placement of the plant is unacceptable not only to Slovenian authorities but also to the local authorities of Friuli–Venezia Giulia in Italy. He also made clear that this is not a political decision but an environmental one. In addition the group Alpe Adria Green (AAG) has proposed two alternative locations for the building of a new natural gas power plant (the existing terminal Izabela or the building of a new platform in the vicinity of the Croatian city of Pulj – located in the international waters). The construction of the gas platform may have disastrous effects on the local ecology as well as increase the usage of fossil fuels.


Transport

Ljubljana to close one of its major roads to cars

At the end of the European Mobility Week (between 16 and 21 September 2013), the capital city of Ljubljana decided to close one of the busiest roads in its centre. It is expected that this measure will reduce vehicle use for personal purposes within the city, which would lead to lower emissions from the transport sector and air quality improvement. The road shall be redesigned to allow traffic for public transportation and to provide more space for cyclists and pedestrians. The city is also implementing new city bus lines in order to promote its park and ride system.


A second rail track between Koper and Divača may not be built

The local media reported on 23 September 2013 that the Minister for Infrastructure Samo Omerzel finds it hard to justify the investment of € 1.2 billion into the second rail track, because the investment would unlikely reap commensurate benefits. He made this statement in light of recent public works projects that had severe cost overruns, such as TES6, the 600 MW lignite power plant, now projected to cost about € 1.4 billion. The minister believes it to be more economical to instead invest € 300 million in the modernization of existing single-track lines. The Port of Koper, which is relying on this investment, strongly opposes this decision and instead proposes that there be at least a new track built between Trieste and Koper. As recent studies have shown, even with the modernisation of the existing track Koper - Divača, it still would not be able to handle all the cargo as of 2018, meaning either...
the Port would lose its competition advantage or the transportation of cargo would have to be redirected onto road transport, bringing with it a rise of GHG emissions.

Read more (in Slovene):
http://www.primorske.si/Primorska/Istra/Luka--raje-tir-do-Trsta-kot-nic.aspx

Renewable Energy

*A new Wind of “change” in the case of wind power plants in Slovenia*

On 18 September 2013, the Slovenian Foundation for Sustainable Development Umanotera carried out a presentation and a guided tour of the so far only big windmill power plant in Slovenia in the village of Dolenja vas pri Senožečah. It was presented within the scope of the project “Slovenia is reducing its CO2 emissions” as an example of good practice. This was quite a controversial decision since it was Umanotera who previously opposed the building of windmills in the region of Volovja rebra. As a spokeswoman of Umanotera said, they will oppose any projects that would be placed into an area of protected nature, as it is “unacceptable”. The further development of wind power plants that could use the good wind conditions in the Slovenian Karst region is hindered by the lack of a state-designed land use plan for that region (or rather an updated plan which would allow the building of power plants) as well as by environmental groups who usually oppose the placement of wind power plants in this region since most of it falls into the Natura 2000 protected area. Additionally the local community would need to agree with the placement of wind power plants in their vicinity.

Read more (in Slovene): http://www.primorske.si/Primorska/Srednja-Primorska/Vetrnice-pihajo-v-vec-smeri.aspx
Spain

Taxation

*Environmental taxes in Catalonia under discussion*

On 10 September 2013, the Government of Catalonia agreed to start the process for introducing a new environmental tax that would be levied on nuclear power generation, aviation emissions and industrial emissions. According to the Government, the new tax should induce more environmentally-friendly behavior and would generate revenues of around €50 million which would be used to finance environmental investments. Similar taxes are already in place in other regions.


Energy Efficiency

*New plan to improve energy efficiency in the tourism sector*

On 31 August 2013, Royal Decree 635/2013 was published in the Official Bulletin, approving the PIMA Sol plan (*Plan de Impulso al Medio Ambiente PIMA Sol*). The aim of this policy is to reduce greenhouse gas emissions from hotels via energy efficiency interventions. This plan will be supported with €200 million by the European Investment Bank and with €5.21 million by the Ministry of Industry, Energy and Tourism. Funds under this plan will be available between 2 September 2013 and 1 December 2014.

Sweden

Horizontal Measures

New fund for green innovations

On 5 September 2013, the Swedish Government announced that it will invest around SEK 700 million (€ 80.6 million) in a new green investment fund for small and medium businesses in the next budget from 2014 until 2020. The fund will also be partially funded through the EU regional fund.

ALMI Business Partner AB (ALMI företagspartner AB) and the Swedish Energy Agency will provide suggestions on how the fund should be designed.

Read more (in Swedish): http://www.regeringen.se/sb/d/4902/a/222899

Renewable Energy

Government proposes lowering taxes on self-generated renewable electricity

On 11 September 2013 it was announced that in the 2014 budget, the Government proposes tax cuts for self-generated renewable electricity. The tax reduction will make it more attractive for property owners to produce their own electricity by installing small-scale renewable electricity plants.

The tax reduction is connected to net-metering scheme. Producers of renewable electricity receive a deduction in their income tax return for up to 20,000 kWh (per taxpayer and location) annually for the electricity fed into the grid, however, only if they buy the same amount of electricity from the grid as they produce in that year.

It is planned that the tax reduction will come into force on 1 July 2014.

Read more (in Swedish): http://www.regeringen.se/sb/d/17742/a/223350

Marine and Water Authority and Energy Agency develop national strategy for hydropower

On 20 September 2013, the Marine and Water Authority and the Swedish Energy Agency decided to develop a joint national strategy for hydropower plants in Sweden where both energy and environmental interests will be taken into account. The goal of the strategy is to envision how water power can best be used with minimal environmental impact.

Hydropower will play a very important role as the Government's aim is that by 2020 half of Sweden's energy consumption should come from renewable sources.

The common national strategy should be developed by a working group with representatives from the Marine and Water Authority and the Swedish Energy Agency. An external reference group consisting of representatives from other agencies, the energy sector and environmental organizations will work together with them. Work on the strategy is expected to be completed next spring, and the proposal will then be forwarded for consultation to various government agencies, interest groups, and environmental organizations.
Kårehamns Wind Farm inaugurated

On 27 September 2013, the Minister of IT and Energy inaugurated the E.ON offshore wind farm next to Kårehamn on Öland. It is the largest offshore wind farm in the Swedish part of the Baltic Sea.

The wind park consists of sixteen wind turbines producing up to 180 GWh of renewable electricity each year. It would reduce Sweden's carbon emissions by 100 000 tonnes per year.

Transport

The Government proposes a green car package

In the budget for 2014, which was announced on 18 September 2013, the Government proposes a green car package. The aim of the initiative is to increase the proportion of clean vehicles and renewable fuels. The Government's vision for Sweden in 2030 is to have a fossil-free fleet.

The green car package consists of three parts:

- Continued tax deduction on green cars through 2016;
- New compulsory biofuel quota system to increase the proportion of low-blended renewable fuels in petrol and diesel;
- Continued tax exemption for high-blended biofuels.

Adaptation

Additional budget for climate adaptation

In the budget for 2014, which was announced on 18 September 2013, the Government has planned the allocation of an additional SEK 8 million (€ 921,840) per year in 2014 and 2015 for climate adaptation measures.
United Kingdom

Horizontal Measures

DECC publishes a report on potential GHG emissions associated with shale gas extraction and use

On 9 September 2013, the Department of Energy and Climate Change (DECC) published a report on potential GHG emissions associated with shale gas extraction and use in the UK. According to the report, emissions intensity (carbon footprint) of shale gas extraction and use would likely amount to 200-253 g CO₂e/kWh\textsubscript{th}. These emissions would be similar to those emitted by gas extracted from conventional sources (199-207 g CO₂e/kWh\textsubscript{th}), however, lower than emissions from Liquefied Natural Gas (LNG), which amount to 233-270 g CO₂e/kWh\textsubscript{th}. Moreover, the report suggests that in case of using shale gas for electricity generation, the emissions intensity would likely amount to 423-535 g CO₂e/kWh\textsubscript{e}. This is much lower than carbon footprint of electricity generation from coal (837-1130 g CO₂e/kWh\textsubscript{e})).

The report also indicates that the short-term implications of using shale gas on global emissions depend on several factors, such as:

- the price of the shale gas relative to the prices of LNG imports to the European market and coal;
- the price elasticities of demand and supply of gas and coal;
- the transport costs of gas and coal; and
- the substitutability of gas and coal in different regional markets.”


Renewable Energy

"Low regrets" targets for renewable suggested by Carbon Connect

A think tank Carbon Connect published a report suggesting the UK government to set "low regrets" targets – minimum level of deployment to 2030 - for renewables such as offshore wind, in order to provide project developers, investors and the renewables supply chain with a long-term certainty. Without such minimum levels in place, manufacturers will be reluctant to construct plants in the UK, Carbon Connect says. Moreover, "low regrets" targets would minimize the risks in case nuclear power and carbon capture and storage (CCS) plants are not constructed on time. However, the UK government rejects EU plans to set targets for the EU Member States for the year 2030, because it does not want to be obliged to support expensive renewable energy technologies.
According to the advisory Committee on Climate Change, in 2030, at least 20 GW peak capacity should come from offshore wind. The government expects that in 2020 between 8 and 16 GW will be installed.

Report on renewable energy in Scotland published

On 12 September 2013, the Auditor General for Scotland published a report on renewable energy which examines actions within the public sector, investments made to raise the amount of renewable energy, as well as achievements to date. According to the report, Scotland is making “steady progress” in achieving its 2020 renewable energy targets (30% of country’s total energy consumption), however, meeting them will be a challenge. Since 2002, £209 million (approx. €248 million) were spent for the development of renewable energy by the public sector and is expected to rise to £264 million (approx. €313.4 million) over next two years. Nevertheless, due to economic factors and changes in the UK’s energy policy, some delays in allocating money by the responsible authorities to the projects have been experienced, which led to a slower progress than expected.

Report on employment in the UK’s wind and marine energy industries published

In September 2013, the Renewable UK published a report called Working for a Green Britain & Northern Ireland 2013–23 on employment in the UK wind and marine energy industries. According to the report, both wind (offshore and onshore) and marine energy see a rapid growth and play an important role in British and Northern Irish employment markets. The report indicates that both direct and indirect (wider supply chain) employment in this sector experienced an increase since 2010. The direct employment increased from 10,579 to 18,465 jobs and indirect employment from 10,555 to 15,908 jobs. The largest increase concerning direct employment could be observed in construction and installation sector, with additionally employed 2,367 people. 60% of employment is based in England, 20% in Scotland, and 20% in Wales and Northern Ireland.

Renewable UK suggests that with the right support in place, more than 70,000 jobs could be created by the end of 2020.

Energy Efficiency

Electricity Demand Reduction pilot project announced

On 15 September 2013, Energy and Climate Change Secretary Edward Davey announced that new financial incentives will be available for businesses and other organisations in Great Britain. Within the framework of the new pilot project - Electricity Demand Reduction (EDR)
pilot, an auction will be organized providing British businesses and other organizations with the possibility of submitting bids offering energy savings they are ready to implement as well as acceptable prices for the implementation of the proposed energy efficiency measures. It is expected that bids will be open for two years, starting from summer 2014. The overall budget of the pilot project shall amount to at least £20 million (approx. €23.7 million).


The Green Open Homes initiative launched

The new national network - The Green Open Homes – aimed at supporting home-owners willing to improve energy efficiency in their homes was launched by the Centre for Sustainable Energy together with Bristol Green Doors and the Department of Energy and Climate Change (DECC) on 10 September 2013. In this context, local groups will be assisted in preparing, running and making public events in the field of energy efficiency by providing them with free resources, advice, and an online hub. In addition, grants ranging from £500 to £20,000 will be awarded and expert support (e.g. on marketing, event co-ordination, managing a budget, etc.) will be offered to groups willing to run a new green open homes event. In order to receive the announced funding events need to take place by the end of May 2014.


Transport

Strategy for ultra low emission vehicles in the UK published

On 4 September 2013, the Office for Low Emission Vehicles, which brings together staff from the Department for Transport (DfT), the Department for Business, Innovation & Skills (BIS) and the Department of Energy and Climate Change (DECC), published a strategy for ultra low emission vehicles (ULEV) establishing the government’s long-term commitment to accelerate transition to this new technology in the UK. In this context, the strategy sets out measures that shall provide certainty to investors and ULEV consumers, as for example continued provision of grants for plug-in vehicles until May 2015 and consumer incentives until and beyond May 2015. Moreover, necessary infrastructure for ULEVs shall be further developed. To this end, the strategy envisages continued financial support (up to £37 Mio) for the installation of charge points in homes and public places. The government also commits itself to secure tax incentives for ULEVs at least until 2020 as well as through R&D funding strengthen UK’s ULEVs supply chain.

Read more (in English): https://www.gov.uk/government/speeches/low-carbon-vehicle-strategy-launch
Waste

New mandatory charge for single use carrier bags in England to be introduced in 2015

On 14 September 2013, the Deputy Prime Minister, Nick Clegg, announced the introduction of a five pence mandatory charge for single use carrier bags in England from autumn 2015 onwards. Similar charges are already applicable in Ireland, Wales and Switzerland and they resulted in 80% reduction of issued carrier bags. Small businesses (with fewer than 250 employees) shall be relieved from the envisaged charge. In addition, businesses meeting new high standards for biodegradable bags will be exempt from the planned charge.


Land use, land use change and forestry

Consultation on biodiversity offsetting system launched

On 5 September 2013, the Department for Environment, Food & Rural Affairs (Defra) published a consultation paper, providing for government’s proposals for a biodiversity offsetting system and seeking views from public on how such a system may best operate.

Biodiversity offsetting ("securing net gain for nature through planning and development"), as one of the means of addressing biodiversity loss and at the same time achieving economic growth, was recommended in the report “Realising Nature’s Value” by the Ecosystems Market Task Force, which was published in March 2013. Conserving and restoring biodiversity is of crucial importance as it helps to address climate change by carbon storage (mitigation) and to reduce negative impacts of the changing climate (adaptation).

Consultation is open until 7 November 2013.

Read more (in English): [https://consult.defra.gov.uk/biodiversity/biodiversity_offsetting](https://consult.defra.gov.uk/biodiversity/biodiversity_offsetting)