Monthly Progress Update

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

04 March 2014
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Austria

Energy Efficiency

*Positive balance of thermal insulation scheme*

According to the Minister for Economy and Energy and the Minister for the Environment, the thermal insulation scheme has succeeded in 2013. Altogether 24,028 projects were funded by the scheme so that in consequence investments of € 847 million were released. Additionally, 12,715 jobs could be conserved and created by the scheme and 3.6 million tonnes of CO$_2$ emissions were saved.

Through the thermal insulation scheme grants are offered for the modernization of existing buildings. The maximum funding volume per project in 2013 was € 9,300. The average amount of subsidy increased in 2013 by 42 % compared to 2012. Recently the Ministers stated that the scheme will be re-launched in March for the rest of 2014. The budget will be € 100 million.

Read more (in German): http://www.lebensministerium.at/presse/umwelt/140213.html

Transport

*New funding offensive for the creation of climate and energy model regions launched*

In February 2014, the Federal Ministry of Agriculture, Forestry, Environment and Water Management has launched a new funding offensive called "Klimafreundlich regionale Mobilität für Klima- und Energie-Modellregionen". Eligible for funding are mobility and transport related measures aiming at a reduction of CO$_2$ emissions in climate- and energy-model regions. The calculation of the funding volume depends on the measures which are already given by the measures catalogue for model regions. Factors for the calculations are investment costs, operation costs for 3 years and costs for planning and construction. The funding offensive is part of klima:mobil programme and managed by Kommunalkredit Public Consulting.

Read more (in German): http://www.public-consulting.at/kpc/de/home/umweltfrderung/fr_betriebe/verkehr_und_mobilit/klimafreundlich_regionale_mobilit/
Belgium

Horizontal Measures

*Adaptation plan to climate change on federal level*

On 17 February 2014, the Federal Service on Climate Change announced a draft for a Federal Plan for climate change adaptation. The objective is to prepare economic sectors to the current and rising issues related to climate change. The focus is on minimizing the negative effects of climate change and maximizing the opportunities for economic sectors. A public consultation on the draft will take place between 17 February and 14 April 2014 for the draft. The draft of the federal plan fits in the sustainable growth policy vision of the Federal Government which was approved in May 2013. The duration for the federal plan is planned for six years and sets in total 31 transversal and sectoral actions (including energy, transport, economy etc).


*Adoption of the transfer of energy and housing competences from the Walloon provinces to the Region*

On 19 February 2014, the Walloon parliament passed a decree organizing the transfer of energy and housing competences from the Walloon provinces to the Walloon Region. With this decision, the previously scattered competences for energy and housing matters will be pooled under the sole authority of the regional government. This transfer aims at ensuring greater efficiency and uniformity in the management of the Walloon policies. Until now, the division of competences incurred unnecessary costs and complicated the access of households and companies to support schemes. In some cases, residents of a province could not even benefit from the same amount of support as those living in a neighboring province. As an example, the Hainaut province had stopped allocating financial support several months ago, whereas other provinces still did. In order to implement the transfer of competences, € 4 million will be deducted from the provinces fund and handed over to the Walloon region. The entry into force of the transfer of competences is pending the publication of the decree in the official journal.

Bulgaria

Energy Generation

**Final stage of electricity generation and transmission unbundling completed**

According to the Bulgarian Energy Holding (BEH), the unbundling of the National Electric Company (NEK) and the Electricity System Operator (ESO) was completed on 4 February 2014. The ownership of the grid has now been entirely transferred to ESO, which is in charge of grid maintenance and investment. On the other hand, NEK is responsible for the production and commercial activity. The unbundling of the two companies was a requirement of the EU’s Third Energy Package. After Bulgaria had failed to fulfill this requirement, the European Commission had launched an official investigation against the country.


Renewable Energy

**New grid access fee for solar and wind power plants introduced**

On 18 February 2014, the State Commission for Energy and Water Regulation (DKEVR) declared to introduce a new grid access fee for renewable energy producers. This fee amounts to BGN 2.45 (approx. € 1.25) per MW for the access of wind and solar power plants to the transmission grid, which shall be paid to the transmission grid operator ESO. On 18 September 2012, DKEVR already introduced a “temporary” grid access fee which was subsequently rejected by Bulgaria’s Supreme Administrative Court. DKEVR now decided to backdate the new fee to the date when the previous fee came into force, thus retroactively applying the fee to all renewable energy plants which have been connected to the grid since that date. This measure shall enable the highly indebted company ESO to subtract the fee out of its financial liabilities. The new grid access fee was harshly criticised by both renewable energy associations and distribution grid operators. The official decision by DKEVR is to be published on 14 March 2014.

Read more (in Bulgarian): [http://inews.bg/Бизнес/Въвеждат-цени-за-ВЕИ-производители-със-задна-дата_l.a_c.382_i.367034.html](http://inews.bg/Бизнес/Въвеждат-цени-за-ВЕИ-производители-със-задна-дата_l.a_c.382_i.367034.html)
Croatia

Renewable Energy

Energy provider HEP Opskrba presents “ZelEn”

The energy provider “HEP Opskrba d.o.o.” has presented its product “ZelEn” (abbreviation for “green energy”), which is electricity exclusively derived from RES. The buyers must have an annual consumption of at least 1 GWh and pay a fee of 1,5 HRK/MWh (0,20 €/MWh). In return, they are allowed to attach a “green electricity” certificate to their products and promote the certificate in advertisements. The German company TÜV SÜD Industrie Service GmbH issues the certificates and will monitor the credibility of the “green” origin of the electricity.

Read more: http://www.hep.hr/opskrba/en/customers/genergy.aspx

Changes in the Tariff System for RES-E and Cogeneration

On 13 February 2014, the Government amended the Tariff System for RES-E and Cogeneration (Tarifni sustav za proizvodnju električne energije iz obnovljivih izvora energije i kogeneracije, NN 133/13 i 151/2013).

In order to receive an incentive price (FIT), the producer of electricity from RES must conclude an electricity purchase contract with the Croatian Energy Market Operator (HROTE). After the signing, the producer is obliged to submit a bank guarantee pursuant to Art. 16 to ensure that the planned building of power plants above 300 kW is completed within the foreseen time frame. The deadline for the submission was now extended from six to nine months from the date of signing. According to the Government, the difficult financial and economic circumstances made it harder for the builders to meet the requirements of commercial banks on time. This situation created the necessity of extending the deadline in order to strengthen and ensure the continuity of investments in the energy sector.

Read more (in Croatian): http://www.vlada.hr/hr/naslovnica/sjednice_i_odлуke_vlade_RH/2014/141_sjednica_vlade_republike_hrvatske/141_11/view_online/1#document-preview
Cyprus

Horizontal Measures

_Cyprus shows low level of environmental expenditure_

A total of € 89.3 million (0.50 % of Gross Domestic Product, GDP) was spent by the public sector in Cyprus on activities related to environmental protection in 2012, according to a survey by the Cypriot Statistical Service. In contrast, € 101.6 million (0.57 % of GDP) and € 94.2 million (0.54 % of GDP) were spent on related activities in 2011 and 2010, respectively. The share of GDP of Cyprus devoted to environmental protection activities ranges lower than the EU average (0.66 % in 2011). More specifically, in 2012, total current expenditure amounted to € 67.4 million and investments in capital equipment were € 21.9 million. Additionally, subsidies received from the public sector were more than those granted, thus recording € 12.8 million net sponsorship or funding for environmental protection purposes. The majority of current expenditures and capital investments in 2012 were related to the management of liquid waste (€ 30.1 million or 33.6 % of total costs) and general environmental actions in relation to the protection of natural environment and biodiversity (€ 44.6 million or 50%). The majority of the costs was incurred by the Ministry of Agriculture, Natural Resources and Environment as well as the Ministry of Interior.


Renewable Energy

_Cyprus proposes further support for household PV and development of RES in the agricultural sector._

The Parliamentary Committee on Commerce suggested the continuation of the Support scheme for the utilisation of RES and Energy Conservation 2013 that foresaw the purchase of roof mounted photovoltaics (PV) installations (€900/kWh, with a maximum amount of support: € 2,700). The selection of the successful applicants will be based on social and income criteria and the PV installation will profit from a Net-Metering scheme. In addition, it was further suggested that incentives for the deployment of renewable energy should be given to the agricultural sector so that farmers are not burdened with the high cost of electricity. The President of the Committee, Mr. Lefteris Christoforou underlined that electricity cost is a “burden” for many households, small industries and farmers and this is why further support is needed. Mr. Christoforou urged that the new budget of the Special Fund for RES and Energy Efficiency should be revised accordingly so as to ensure that such measures can be implemented along with the simplification of administrative procedures for those measures.

Czech Republic

Energy efficiency

Czech Republic could lose almost CZK 6 billion of EU funds

According to the new Minister of the Environment, Richard Brabec, the Czech Republic is highly likely to lose almost CZK 6 billion (approx. € 220 million) of funds which were envisaged to be allocated in the Operational Programme Environment in 2013. On 13 February 2014, Brabec stated: “During negotiations with the European Commission we will seek to save another CZK 3 billion (approx. € 110 million) of funds, but we already know that the loss of CZK 5.5 billion (approx. € 200 million) is unfortunately irreversible.” According to Brabec, the 2013 retired Necas government is to be blamed for this situation, since it issued very few calls for applications and further delayed the process through high administrative barriers. Therefore, the Ministry plans to simplify the entire administrative and application process in order to reduce the threat that the Czech Republic will lose further EU funds.


New cabinet considers energy efficiency measures as priority

According to a keynote which was discussed and approved by the newly formed cabinet under Bohuslav Sobotka, the insulation of private and public buildings is to be considered one of the priorities of the Czech Government. During the next programming period (2014-2020) a total of CZK 75 billion (approx. € 2.7 billion) can be used from European funds for the energy-saving renovation of public and residential buildings in the Czech Republic. The professional association “Šance pro budovy” pointed out that if the two responsible Ministries for Regional Development and the Environment will be able to coordinate their efforts in one stable programme, the Government could effectively use CZK 12 billion (approx. € 440 million) of subsidies per year, which would lead to an annual growth rate of one percentage point of GDP and create 35,000 new jobs across the country.


Waste

Parliament votes for lower recycling targets

On 14 February 2014, the Czech Parliament voted to lower the recycling targets for packaging waste, which will significantly reduce the current rate of recycling (see table below). The Members of Parliament could choose between three proposals, all of which suggested a reduction of the current recycling rate. Minister Brabc’s proposal, which foresaw only a small reduction, failed to convince the three coalition partners. Apparently, the Members of Parliament bowed to the pressure of the packaging industry, which feared the costs associated with the recycling obligation.
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<th>Paper</th>
<th>Glass</th>
<th>Plastic</th>
<th>Metal</th>
<th>Wood</th>
<th>TOTAL</th>
</tr>
</thead>
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<tr>
<td>Recycling rate in 2012</td>
<td>86 %</td>
<td>81 %</td>
<td>58 %</td>
<td>69 %</td>
<td>26 %</td>
<td>70 %</td>
</tr>
<tr>
<td>New targets for 2016</td>
<td>75 %</td>
<td>75 %</td>
<td>45 %</td>
<td>55 %</td>
<td>15 %</td>
<td>60 %</td>
</tr>
</tbody>
</table>

Denmark

Horizontal Measures

Broad agreement on climate bill and ambitious climate targets

On 6 February 2014, the government signed an agreement with the Conservative People's Party, Socialist People's Party and the Red-Green Alliance on the contents of a climate bill, which will be presented in Parliament on 26 March 2014. The parties have also agreed that they stand behind the government's target of a 40% reduction in greenhouse gases by 2020 in regard to 1990 levels.

The policy objective is that Denmark will become a low-carbon society with minimum greenhouse gas emissions by 2050. The Climate Act shall ensure that this development takes place at a reasonable pace in terms of growth and development. All Danish future governments will be obliged to set national targets to decrease greenhouse gas emissions every five years. Additionally the governments shall submit an annual report to Parliament on how the reaching of the target is proceeding.

In the context of climate law, a Climate Council will be created. It will be composed of independent experts to advise the government on how the goal of a low-carbon society can be reached most effectively.

Read more (in Danish): http://www.kebmin.dk/nyheder/bred-aftale-klimalov-ambitioese-klimamaal
Estonia

Horizontal Measures

*Competence Center for Estonian Biogas will be established*

On 13 February three universities announced the future establishment of Competence Center for Estonian Biogas. Estonia has a big potential for energy production from biogas electricity plants due to a lot of flat ground to grow biomass. A Competence Center for Estonian Biogas will be established by Tallinn University of Technology, the Estonian University of Life Sciences and the University of Tartu, with the purpose to develop and carry out joint research activities. Activities involve cooperation between universities, research and development projects, developing cooperation with foreign partners and international specialists. Special courses for operators of the biogas production facilities will be developed by Järva County Occupational Education Center. According to Peep Pitk, a member of the Estonian Biogas Association, the co-production of electricity and heat or biomethane as a fuel for passenger vehicles is the most effective usage of biomass and has a positive environmental impact. In 2013, more than 15 million m$^3$ of biogas was produced in Estonia and the Estonian Biogas Association estimates that resources exist for the production of 618 million m$^3$ per year.

Read more (in Estonian): http://www.tuuleenergia.ee/2014/02/eestli-ootab-uut-energiapooret/

Energy Generation

*Eesti Energia decided not to build second unit for the Auvere power plant*

On 20 February 2014, Eesti Energia, which is the state-owned energy company, decided not to use the option from the Engineering, Procurement and Construction contract with Alstom to build a second 300MW block to the Auvere power plant. Therefore, Auvere power plant will be consisting of only one 300MW electricity block. Construction works of the Auvere power plant are being carried out since 2011 and should be completed by 2016. The power plant will be fueled with oil shale and biomass.

Read more: https://www.energia.ee/et/uudised/-/news/2014/02/20/otsus-auvere-elektrijaama-teise-300mw-ploki-osas - 2014/1

Renewable Energy

*In 2013, renewable electricity accounted for 12.6% of total energy consumption*

According to Estonia's transmission system operator Elering's data published on 30 January 2014 renewable energy accounted for 12.6% of total energy consumption, making it 16% lower than 2012. Renewable electricity produced in Estonia amounted to 1.15 TWh. More than half of the renewable electricity was produced from biomass, biogas and waste. Renewable electricity from wind power increased 18% (80GWh) in 2013, as several new wind parks were built, and now accounts for 46% of total renewable electricity production.
Although the total consumption of renewable electricity decreased, it still exceeded the 2013 target of 11.3% of total consumption set by the Government.

Read more (in Estonian): http://elering.ee/taastuvenergia-moodustas-mullu-126-protsenti-elektri-kogutarbimisest/ &article_searchword=&from=&to=

### Energy Efficiency

**Amendments to energy efficiency requirements**

Amendments to Government decree no. 68 from 30 August 2012 "Minimum Requirements to Energy Efficiency" (Energiatõhususe miinimumnõuded) took effect from 27 January 2014. According to the amendments, all state-owned new buildings must be nearly zero-energy buildings from 1 January 2019 onwards. All other new buildings must be nearly zero-energy buildings from 1 January 2021 onwards. The amendments were necessary in order to fully implement the Energy Efficiency Directive 2010/31/EC.

Read more (in Estonian): http://www.k6k.ee/uudiskiri/2014/veebruar#energeetika4

### Energy Networks

**Estlink 2 is over handed to the Elering and Fingrid**

After a successful testing period, the second underwater electricity cable connecting Estonia and Finland was fully opened for the usage of electricity market. Estlink 2 raised the connection capacity from 350MW to 1000MW from Estonia to Finland and to 860MW from Finland to Estonia. During 2014, the main contractors Nexans Norway AS, Siemens AG, Siemens Osakgyhtiö, Empower Oy and Bouygues Energies and Services will carry out minor works, but these do not interrupt the full usage of the cable. The full cost of the project was €320 million, and the European Union subsidised the project with €100 million.


### Transport

**Environmental Investment Center subsidies biomethane pilotproject with € 3 million**

On 20 February 2014, the Environmental Investment Center announced the decision to subsidy Estonia's first biomethane production facility which will be built to Viljandi County. According to the Minister of the Environment Keit Pentus-Rosimannus, prerequisites to receive the investment subsidy were obligation for the project developer to find partners from the transport sector and to ensure that all produced biomethane shall be used in Estonia as transport fuel. This will help Estonia meeting its 10% renewable energy target for the transport sector by the year 2020. The biomethane production facility will be built into Siiman farm where the produced biogas will be purified into biomethane. Raw material will be collected from 1,700 bovine animals and small amount of grass silage will be added. In this way, 70,000 tons of raw material will be reprocessed. Estimated production amount is at least 1.2 million m³ per year.

Read more (in Estonian): http://kik.ee/et/uudised/riik-toetab-biometaanipilootprojekti ligi-3-miljoni-euroga
Finland

Horizontal Measures

Energy subsidies will remain the same in 2014

According to the Ministry of Employment and Economy, energy-related subsidy programs remain largely the same in 2014 with a budget of approximately €147.5 million, which was about the same in 2013. Bio-refineries that produce fuel for the transport sector will be supported with approximately €87 million. Other renewable energy investments will be supported with €22 million. Demonstration projects will be supported with €3 million and energy efficiency investments will be supported with €15 million in 2014. As the transposition of the Energy Efficiency Directive into national law has already begun, subsidies for energy efficiency programs for large companies are not allowed anymore. Last decisions related to these subsidies must be taken before 5 June 2014 and the final deadline for submitting the applications is 30 April 2014. Solar energy projects will be supported with no more than €1 million. Projects regarding harvesting and transport of biomass will be supported after 1 January 2014 only on parts which are related to taking into use new technology. Energy subsidies are available for companies, counties and other communities, for environment-friendly investments, and for research projects aimed at producing or consuming renewable energy, increasing energy efficiency or making production of energy more efficient or reduce emissions. Projects related to developing new technologies are preferred.

Read more (in Finnish): http://www.tem.fi/energia/tiedotteet_energia?89519_m=113650

Final draft of Climate law is published for commenting round

On 11 February the working group responsible for drafting Finland’s first climate law published its final version for commenting (Lausuntotyyntö luonnoksesta hallituksen esitykseksi ilmastolaiksi). The climate law serves the purpose of setting targets and goals for climate policy in order to reduce GHG emissions in a cost-effective way. The draft climate law envisages a number of policy measures until to 2050. These include, for example, supporting development of clean technology, creating a planning and monitoring system for the reduction of emissions, clarifying the division of duties between authorities in climate policy and strengthening the role of Parliament in climate policy. Finland has an 80% GHG emission reduction target by 2050 compared to 1990 levels. The draft of the climate law covers only the reduction of emissions not covered within the European Emission Trading Scheme (EU ETS). Public consultations on the draft are open until 11 March 2014.

Read more (in Finnish): http://www.ym.fi/fi-Fl/Ajankohtaista/Ilamistolakiehdotuksesta_pyydetaan_lausun(28255)
Read the draft of the Climate law: http://www.ym.fi/fi-Fl/Ymparisto/Lainsaadanto_ia_ohjeet/Ymparistonsuojelun_valmisteilla_oleva_lainsaadanto/Ilamistolain_valmistelu/Ilamistolain_valmistelu(10390)
Energy Generation

*Fennovoima Oy sent EIA to Ministry of Employment and Economy for construction of nuclear power plant*

On 13 February 2014, Fennovoima Oy sent to the Ministry of Employment and Economy the environmental impact assessment (EIA) regarding the construction of a 1200MW pressurized water reactor in Pyhajoki, Northern Finland. The reactor is planned to be built by the Russian company Rosatom. The Ministry will process the application and decide on the approval during spring 2014. The principal decision to build another nuclear power plant in Pyhajoki was taken in July 2010, and the Ministry of Employment and Economy will also considers if the principal decision also covers the option of using technology provided by Rosatom. The Ministry of Employment and Economy is cooperating with all parties and announced to take into consideration the opinion of local community.


Renewable Energy

*Finland's largest solar power project is being carried out*

Finland’s largest solar power project consists of a joint-order of solar panels for four counties for different buildings owned by the state (e.g. city council buildings, schools, health centers and for flats). The project consists of thirty 2 to7 kW solar power systems and the cost of the project is € 240,000. In Padasjoki, solar panels will provide power to a health center. In schools, the solar panels are also intended to serve educational purposes. The break-even point of the investment is expected to be in 15 years and the life time of the solar panels is 30 years.


Land use, land use change and forestry

*Ministry of the Environment is waiting opinions about amendments to Nature Conservation Act*

On 11 February the Ministry of the Environment started a public consultation on the amendments to the Nature Conservation Act (*Ympäristösuojelulaki*). Chapter 10 of the Act will be amended in order to compile with EU's Habitats Directive. Main changes concern the procedural rules for forming Natura 2000 areas and requirements for environmental protection will be straightened. The Nature Protection Act and other related acts will be amended in order to protect the Natura 2000 areas from impairment. Some activities that now are freely actionable will need official permission in the future. Proposals and opinions should be sent at latest on 24 March 2014 to the Ministry of the Environment.

Read more (in Finnish): [http://www.ym.fi/fi-FI/Ajankohtaista/Ymparistoministerio_pyytää_lausuntoja_lu(28249)](http://www.ym.fi/fi-FI/Ajankohtaista/Ymparistoministerio_pyytää_lausuntoja_lu(28249))
Read the draft proposal (in Finnish): [http://www.ym.fi/fi-FI/Luonto/Lainsaadanto_ohjeet/Valmistelulla_leva_lainsaadanto/Luonnonsuojelulainsaadannon_kehittaminen](http://www.ym.fi/fi-FI/Luonto/Lainsaadanto_ohjeet/Valmistelulla_leva_lainsaadanto/Luonnonsuojelulainsaadannon_kehittaminen)
France

Horizontal Measures

*Creation of a French-German cooperation platform for energy transition*

During the French-German Council of Ministers, held on 19 February 2014, the French and German Heads of State have confirmed their will to create a common platform devoted to the issues of energy efficiency, renewable energies and energy storage. This platform will be based on cooperation between the French and the German energy agencies (respectively Ademe and Dena), the French-German Office for Renewable Energies, several research organizations as well as the French Chamber of Commerce and the German Investment and Development Company. The first three actions will focus on the following topics:

- Cooperation between the transport system operators;
- Development of a French-German research scheme for electricity storage;
- Joint development of solar and hydrogen technologies.


Taxation

*Significant increase of prices at the pump expected from 2014*

On the occasion of a press conference held on 5 February 2014 and presenting the 2013 figures of the French oil industry, the French Union of Oil Industries (*Union française des industries pétrolières* - UFIP) announced a significant increase of prices at the pump between 2013 and 2016. This increase is primarily due to regulatory and fiscal measures adopted in late 2013, namely the impact of the energy savings certificates for fuel suppliers for the period 2015-2017, and the adoption of the carbon tax on oil products from 2015. More specifically, the UFIP estimates that the price of diesel oil at the pump will increase by €ct 0.7 per litre in 2014, due to the increase of VAT from 19.6% to 20% and the increase of the mandatory blending rates of biofuels from 7% to 7.7%. From 2015, the UFIP estimates the surcharge arising from energy saving certificates to amount to €ct 2.7 per litre for diesel oil and to €ct 2.6 for gasoline. As far as the carbon tax is concerned, the surcharge is estimated for diesel oil at €ct 2 in 2015 and 4€ct in 2016. For gasoline, the surcharge due to the carbon tax would amount to €ct 1.7 in 2015 and €ct 3.4 in 2016.


Energy Generation

French TSO publishes ten-year scheme for the development of the electricity grid

On 7 February 2014, the French transmission system operator RTE published its ten-year scheme for the development of the electricity grid. This report presents the main transmission grid infrastructures to consider within the next ten years and estimates the investments needed for grid development within the next three years. It envisages four long-term scenarios for electricity production, among which only one considers a reduction of the nuclear energy share to 50%. Therefore, Greenpeace deems that the report does not allow for a thorough assessment of President Hollande’s target to reduce to 50% the share of nuclear energy in the French electricity production by 2025. On this subject, an article from the newspaper Le Monde published on 10 February 2014 questions the reduction of the share of nuclear energy and implies that the capacity of nuclear power plants, currently amounting to 61.6 GW, would be maintained. In fact, the announced closure of the oldest nuclear power plants by the end of 2016 would be replaced by the construction of new European Pressurized Water Reactor (EPR) units. In this scenario, the decrease of nuclear energy by 25% would be induced by an increase in electricity consumption by 2025. This scenario goes against the energy policy targets set by President Hollande, namely to achieve a 50% reduction of energy consumption by 2050.

Read more (in French): www.lemonde.fr/planete/article/2014/02/10/nucleaire-les-manuvres-de-l-elysee_4363342_3244.html

Renewable Energy

Publication of call for expressions of interest for the support of renewable energies

On 4 February 2014, the French Government and the French energy agency Ademe launched a call for expressions of interest (CEI) aiming at supporting the development of projects in the field of renewable energies. The CEI shall promote mainly three types of renewable energy, namely PV, solar thermal and wind energy. Moreover, it aims at supporting the development of cooling technologies using renewable energies as well as hybrid systems combining several energy sources for electricity and heat production in order to optimize their management and reduce energy costs. This CEI is part of the “Investment for the Future” programme and shall support single projects amounting to at least € 3 million, except for projects based on solar thermal energy or hybrid systems for buildings, which are eligible from € 1.5 million.


Publication of 2013 figures of the French market for air conditioning and heat pumps

On 5 February 2014, the professional association of thermodynamic heating and cooling together with the French Association for heat pumps published the 2013 figures of the French market for air conditioning and heat pumps. Especially in the tertiary sector sales witnessed a significant decrease. In fact, the purchase of chillers in the service sector fell by
6.7% compared to 2012, which represents a drop in sales for the third consecutive year. The market for air-handling units decreased by 8% in 2013 and reached its lowest point over the last six years. After two consecutive years of decline, the purchase of outdoor air/air heat pumps increased by 5.5% in 2013. Finally, the market for geothermal heat pumps fell by 24% in 2013.

Read more (in French): http://conseils.xpair.com/actualite_thermpresse/tendance-positive-pac-climatisation-traitement-air.htm

Publication of a report analyzing the photovoltaic and wind energy sectors

On 6 February 2014, four stakeholders of the renewable energy sector (the French renewable energy Federation, the French transmission and distribution grid operators as well as the French DSO association) jointly released their report on renewable energies for the year 2013. The report particularly analyzes the wind and photovoltaic sectors. These represented respectively 3.3% and 1% of the French electricity consumption in 2013, with an installed capacity of 8,140 MW and 4,330 MW respectively. In 2013, 630 MW wind energy capacity and 752 MW solar energy capacity were additionally installed.

Wind power generation increased by 6% compared to 2012. However, the report states that "new facilities connected during 2013 decreased by 23% compared to 2012". This is said to result from the great amount of applications of wind energy installations awaiting connection, representing a total capacity of 10,285 MW by the end of 2013. The long waiting time for grid connection is explained by the fact that the concerned wind energy installations are mostly offshore installations. In a nutshell, the report estimates that the current annual rate of grid connections is not sufficient to achieve the goals set for 2020.

The photovoltaic power generation amounted to 4.6 TWh in 2013, representing an increase of 16.2% compared to 2012. But again, the report states that "new installations connected to the grid during the year 2013 fell by 25% compared to 2012." The total amount of PV installations capacities which applied for grid connection and are still waiting to be connected amounted to 2,415 MW in late 2013. The report estimates that the growth witnessed in recent years for PV installations will allow achieving the national target for 2020.

According to the report, the slow development of the wind and photovoltaic sectors is partly due to the legal uncertainty of the regulatory framework and to the complexity of administrative procedures.

Germany

Taxation

In 2014, altogether 2098 companies will be exempted from the renewable energy levy

The Federal Office of Economics and Export Control (BAFA) exempted 2,098 companies from the full amount of the renewable energy levy to be paid in 2014. These are 378 more favoured companies than in 2013, resulting in a privileged amount of electricity of 107,101 GWh in 2014. The privileged amount of electricity increased by 11,544 GWh compared to 2013. The amount of discharge for 2014 is expected to be € 5.1 billion compared to € 4.0 billion in 2013.

Read more (in German): http://www.bafa.de/bafa/de/presse/pressemitteilungen/2014/03_eeg.html

Renewable Energy

Expert Committee questions that the Renewable Energy Act has driven innovation

On 26 February 2014, the Expert Committee for Research and Innovation, appointed by the German government, has published its annual report, which also harshly criticises the German Renewable Energy Act (EEG). The expert committee recommends abolishing the EEG completely as it would neither act as a cost-efficient climate policy instrument nor as a driver for technological innovation in the field of renewable energy technologies. The report refers basically to two studies examining the relationship between the number of patent applications and the EEG from 1990 to 2005 and 2000 to 2009 respectively. As “no significant relationship” could be indentified, the expert committee concludes that the EEG is not suitable for developing new technologies and encouraging innovation.

The Minister of Economy, Sigmar Gabriel, disapproved this argumentation and pointed out that the share of renewable energy sources increased from 6 to 25% due to the EEG with considerable technological development over the last years such as with respect to efficiency increases and large cost reductions. The Green Party reinforced the Ministry’s position and pointed especially to the wind power plants and PV-installations. Civil society organisations, such as Greenpeace, and research organisations, like the Research Association Renewable Energy (FVEE) (ForschungsVerbund Erneuerbare Energien) also disapproved with the expert committee and reaffirmed the politician’s position. The FVEE highlighted the efficiency increases together with massive cost reductions, e.g. for PV-installations, wind power plants, and biomass power plants. In addition, the FVEE attests an eightfold increase of patent applications between 1991 and 2009 showing the high innovation dynamic in the renewable energy sector.

Read more (in German): http://www.faz.net/aktuell/wirtschaft/wirtschaftspolitik/oekostrom-regierungsberater-wollen-eeg-abschaffen-12820227.html
Read more (in German): http://www.bmw.i.de/DE/Themen/energie.did=626882.html
Read more (in German): http://www.n-tv.de/politik/Gabriel-widerspricht-Expertenkommission-article12349901.html
**Degression of feed-in tariffs for PV-installations will be at 1%**

The Federal Network Agency (Bundesnetzagentur) published the feed-in tariffs for PV-installations for the period from February to April 2014 with a degression of 1% for these three months. The degression rate is being adapted every three months on the basis of the newly installed capacity in the past 12 months. The newly installed capacity of 3,300 MW remained within the annual corridor of 2,500-3,500 MW for the first time since the reform of the renewable energy act in 2012.


Read more (in German): [http://www.bundesnetzagentur.de/cln_1931/DE/Sachgebiete/ElektrizitaetundGas/Unternehmen_Institutionen/ErneuerbareEnergien/Photovoltaik/DatenMeldgn_EEG-VergSaetze/DatenMeldgn_EEG-VergSaetze_node.html;jsessionid=AC8923816EAD0E2A483DCF33EB02C3A3](http://www.bundesnetzagentur.de/cln_1931/DE/Sachgebiete/ElektrizitaetundGas/Unternehmen_Institutionen/ErneuerbareEnergien/Photovoltaik/DatenMeldgn_EEG-VergSaetze/DatenMeldgn_EEG-VergSaetze_node.html;jsessionid=AC8923816EAD0E2A483DCF33EB02C3A3)

**Offshore wind park connected to the grid**

On 4 February 2014, an offshore wind farm of 30 wind turbines and 108 MW started operation in the German North Sea. The project is delayed by half a year and full power supply is planned for the second quarter of 2014. Currently, altogether 140 offshore wind turbines are operating with an installed capacity of 620 MW in the German sea territory (North Sea and Baltic Sea).


**Energy Networks**

**Pilot project on day-ahead market coupling started in 14 EU Member States and Norway**

On 4 February 2014, a pilot project started which aims at coupling the day-ahead electricity market in 14 EU Member States (¹) and Norway. It should enable joint electricity tradings among these countries. This is an important step toward a joint European Electricity Market. The North-Western Europe market coupling brings together 75% of the current electricity consumption in the EU in an integrated electricity market with combined bids and offers in this region.


**Waste**

**Environmental Ministry presents legislative draft on amending the law on electrical and electronic equipment**

In February 2014, the Environmental Ministry (BMUB) published a draft bill (Referentenentwurf) for transposing the EU Directive 2012/19/EU of the European Parliament and of the Council on waste electrical and electronic equipment (WEEE). The draft bill foresees, for example, to oblige the retail market to introducing take-back systems

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¹ The Member States involved are Belgium, Denmark, Estonia, Finland, France, Germany, Austria, UK, Latvia, Lithuania, Luxembourg, the Netherlands, Poland and Sweden.
for WEEE in case the sales area exceeds 400m². Another amendment refers to increasing the recycling rates of WEEE. Until 31 December 2015, recycling of WEEE should amount to a minimum of 4 kg per household. As of 1 January 2016, a minimum collection rate of WEEE of 45% should be reached. This rate refers to the gross weight of WEEE compared to the average weight of electrical and electronic equipment sold over the previous three years. This minimum collection rate should increase to 65% as of 2019.

Aside from the WEEE legislation, on 13 February 2014, the state secretary of the BMUB, Jochen Flasbarth, announced an amendment of the packaging ordinance in order to address the current loopholes regarding the participation in the German Dual System on collecting and recycling packaging waste. However, no details on the timeline or legislative proposals have been communicated so far.

Read more (in German): http://www.recyclingportal.eu/artikel/32252.shtml
Read more (in German): http://www.bmub.bund.de/fileadmin/Daten_BMU/Download_PDF/Abfallwirtschaft/elektrog_referentenentwurf_bf.pdf

Agriculture

_ Germany’s organic sector has continued to grow in 2013_

In 2013, the German organic sector has continued to grow and reached a market volume of € 7.55 billion. This an increase of approx. 7% compared to 2012 – a similar growth rate as for 2012. The German organic market is the largest in the European Union and accounts for 30% of the European organic market. Germany’s organically farmed agricultural area sums up to 6.2% of the overall agricultural area in Germany and is above EU average. However, the domestic organic production for many products cannot keep pace with the increasing German demand. The former minister of agriculture, Dr. Hans-Peter Friedrich, emphasized that the development of the German organic market needs to be perpetuated by focusing on regional organic production in the first place, especially as production, processing and trade in the rural areas actively contribute to these area’s economic development. According to Friedrich, the redistribution premium for small and medium-sized farms will enhance this development.

Read more (in German): http://www.bmel.de/SharedDocs/Pressemeldungen/2014/043-RegionaleBioprodukte.html
Read more (in German): http://www.bmel.de/SharedDocs/Pressemeldungen/2014/042-DeutscherBiomarkt.html
Greece

Horizontal Measures

Public consultation on National Energy and Climate Goals for 2030

The Ministry of Energy, Environment and Climate Change (MEEC) organized a working meeting on the definition of Energy and Climate Goals for 2030. Stakeholders from public and private sector as well as environmental NGOs were invited to the meeting which took place on 13 February 2014. MEEC is striving to listening to the opinion of the stakeholders, so as to design Greece’s national Energy and Climate Goals for 2030. MEEC aims at formulating a new development model which can help Greece recover from the recession. In his introductory speech to the working meeting, the Minister of Energy, Environment and Climate Change, Mr. Ioannis Maniatis defined the priorities of the MEEC in relation to the national Energy and Climate Goals for 2030 and described the array of activities in which MEEC is engaged. He finally expressed his wish that the stakeholders will help MEEC “shape the priorities so as to ensure that a new development model for Greece can be established.


Energy Efficiency

MEEC requests the continuation of the Energy Efficiency of Household Buildings (Exsoikonomo kat’oikon) Programme

The Minister of Energy, Environment and Climate Change, Mr. Ioannis Maniatis, requested in a letter of 10 February 2014 to the Commissioner of Energy, Mr. Günther Öttinger, the continuation of the "Energy Efficiency of Household Buildings" Programme (Εξοικονομώ κατ’οικόν- Exsoikonos kat’ oikon). The Programme aims at improving the energy performance and efficiency of residential buildings through the provision of interest-free loans and subsidies for the installation of RES and energy-saving measures and has a budget of €396 million. Mr. Maniatis underlined the success of the Programme as the estimated budget was not sufficient to finance all 187,000 applications submitted. The Minister declared that "energy efficiency constitutes one of the cornerstones on which a new development model of Greece will be based". This is why Mr. Maniatis requested the support of DG Energy so that the Programme can be added to the new Operational Programmes for the Programmatic Period 2014-2020 that will be submitted to the DG Regio. It should be noted that the Commissioner for Regional Development, Mr. Johannes Hahn, also expressed his support for the continuation of the Programme.

Renewable Energy

21 MW of new installations added to the interconnected system in January

The Greek Electricity Market Operator (LAGIE) released its monthly report on RES installed capacity for January 2014. All in all, installed capacity increased by 21 MW, which resulted from PV connected to the grid (from 2,070 MW to 2,073 MW) and wind power (from 1,520 MW to 1,538 MW). As far as the other RES technologies are concerned, installed capacity of roof-mounted PV remained constant at 349 MW, while the same applied to small hydro (220 MW) and biomass (46 MW).

Read more (in Greek): http://www.energypress.gr/resource-api/energypress/contentObject/LAGIE-Deltio-APE-Ianoyarios-2014/content?contentDispositionType=attachment

While the “New Deal for PV” delays, Greek Regulatory Authority on Energy decides on the postponement of the ETMEAP increase

As it was described in Issue 1/2014, the “New Deal on PV is currently one of the government’s most pressing issues, as it must be voted on by the end of February.” Nevertheless, the Ministry of Energy, Environment and Climate Change (MEEC) missed the deadline of introducing the “New Deal on PV” as it wanted to discuss the final scheme with the delegates of the EU Commission who came to Greece on 24 February 2014. The final scheme includes the following provisions:

- RES Producers will give away monthly FiT payments (4 months for PV, 1-1.5 month for other RES technologies). Currently, RES producers receive their monthly payments with a 6 month delay
- A FiT cut for PV of approximately 30% will be introduced, substituting basically the already imposed solidarity contribution of up to 30% on revenues from PV installations
- A 5-year extension of the agreement with the Greek Electricity Market Operator (LAGIE)
- Greater flexibility concerning bank loan contracts, taking into consideration that financed RES investments should remain sustainable

Nevertheless, such a development has other implications. As it was presented in Issue 9/2013, the Greek Regulatory Authority for Energy (RAE) decided on 30 December 2013 to increase the Special Levy for the Reduction of GHGs (Ειδικό Τέλος Μείωσης Εκπομπών Αέριων Ρύπων – ETMEAP), with which LAGIE pays the FiT to RES producers applied to all electricity bills for the first semester of 2014, entering into force in March 2014. Based on that decision, ETMEAP will increase by 97% in average. This is why the RAE’s plenary session will discuss on 26 February 2014 the possibility of postponing the decided ETMEAP increase.

Hungary

Energy Generation

Hungarian Parliament approved Hungarian-Russian agreement on extending the Paks nuclear power plant

On 6 February 2014, the Hungarian Parliament approved the law on promulgating the agreement between Hungary and Russia on extending the Paks Nuclear Power Plant. In January 2014, the Hungarian government had concluded a contract with the Russian company Roszatom for extending Paks Nuclear Power Plant by two new 1200MW reactors. The vote was disturbed by representatives of the opposite party LMP (Lehet Más a Politika). There were altogether 29 votes against the Paks agreement by representatives of LMP and MSZP (Magyar Szocialista Párt). The costs for the concluded contract amount to € 10 billion, which will be financed by public-sector loan. This was harshly criticised by members of the opposition parties and civil society stakeholders. Furthermore, the non-governmental organisation Energia klub sued the government for retaining background information regarding the contract on the Paks extension, such as the underlying cost accounting method (see MPU Issue 10/2014).

Read more (in Hungarian): http://hvg.hu/itthon/20140206_paksi_bovites_parlament_szavazas
Read more (in Hungarian): http://hvg.hu/itthon/20140206_Pert_indit_a_kormany_ellen_az_LMP_a_paksi
Read more (in Hungarian): http://hvg.hu/gazdasag/20140203_A_TASZ_beperelte_az_allamot_Paks_miatt

New subsidy programme for farm development launched

On 7 February 2014, the Ministry for Rural Development re-launched the Programme for Farm Development (Tanyafejlesztési Program). The programme aims at modernizing Hungarian farms and focuses amongst others on electrification of farms. Project applications for financing the installation of renewable energy sources for electricity generation will be favoured. Installations up to 3.5 kW are eligible. HUF 100 million (approx. € 322,000) are available for this sub-category. Other objectives under the programme are the energetic refurbishment of the farm buildings as well as installations for waste water treatment and the modernisation of the agricultural machinery. For all the other sub-categories of the programme except from electrification altogether HUF 199.5 million (approx. € 643,000) are available. Applications can be handed in as long as funds are available or latest until 10 March 2014. The programme has been announced for the fourth time. In the last three years, altogether HUF 5.8 billion (approx. € 18.7 million) have been allocated to 963 financed projects (see MPU Issue 3/2013 and Issue 4/2013).

Read more (in Hungarian): http://www.kormany.hu/download/8/bd/21000/Tanya_p%C3%A1ly%E1%BC%A1zati_felh%C3%ADv%C3%A1s_TP-1.pdf
Read more (in Hungarian): http://www.kormany.hu/download/9/bd/21000/Tanya_p%C3%A1ly%E1%BC%A1zati_felh%C3%ADv%C3%A1s_TP-2.pdf
Energy Networks

Further steps taken to integrate Romania’s day-ahead market with other CEE electricity markets

On 19 February 2014, the Hungarian Energy and Public Utility Regulatory Authority published a press release informing on the progress made to implement the market coupling the day-ahead markets of Czech Republic, Slovakia, Hungary and Romania. Realisation of this so-called 4M Market Coupling project (4M MC) is ongoing. In January 2014, the power exchanges of the four involved countries concluded preparations to start implementing the technical provisions for the Price Coupling of Regions (PCR). PCR offers price coupling solutions in order to harmonise calculation of electricity prices across Europe and to “allocate cross-border capacity on a day-ahead basis”. These are important steps to bring forward the overall EU target of creating a harmonised European day-ahead electricity market. It is foreseen that the 4M MC will go live before the end of 2014, interconnecting the participating electricity markets.

Read more (in English): http://www.mekh.hu/gcpdocs/96/20140219_press%20release%204MMC_final.pdf

Transport

Railway prices reduced by 25% for regional train connections

As of 14 February 2014, the national railway company, MÁV-START Zrt., reduced the railway prices on additional 15 regional train connections. Together with the price reductions for 15 other regional train connections of June 2013, train rides will be 25% cheaper on altogether 30 regional train connections. The Ministry of National Development intends to make travelling by train more attractive also on the less comfortable and modern regional train connections. On the main railway lines, modernisation measures are ongoing, e.g. by MÁV-START Zrt. purchasing 42 new electrified trains.


Waste

Hungary aims to reduce waste landfilling by 2020

On 11 February 2014, Zoltán Illés, the Minister of Rural Development, stated at a press conference for the “Do it!”-campaign (TeSzedd! akció), which will be launched in May 2014, that landfilling of municipal solid waste should be reduced to 10% by 2020. Currently, 70% of the municipal solid waste is landfilled in Hungary. Consequently, due to the lack of recycling, yearly HUF 120-150 billion (approx. € 386.5-482.9 million) remain unexploited. Hungary generates yearly approx. 4 million tons of waste, of which approx. 3 million tons are landfilled and 1 million ton is collected separately or delivered to incineration. The minister stressed that the first priority has to be waste reduction followed by increased shares of recycling and reuse for already generated waste.

Agriculture

National Action Plan for Developing Organic Farming approved

On 19 February 2014, the Ministry of Rural Development approved the National Action Plan for Developing Organic Farming 2014-2020 (Nemzeti Akcióterv az Őkológiai Gazdálkodás Fejlesztéséért 2014-2020). The action plan aims at bringing in line the intensification of Hungarian agriculture and increasing Hungarian livestock with increased share of organic farming. Furthermore, the share of products from organic farming should be increased and consumer awareness regarding organic farming should be raised. The action plan foresees to increase the agricultural area for organic farming to 350,000 hectare and to raise the use of organic products in canteens to 30% until 2020.


Read more (in Hungarian):
http://www.kormany.hu/download/6/01/31000/Nemzeti%20Akci%C3%B3terv%20az%20%3C96kol%3C%3Bgia%20Gazd%C3%A1l%20Fejlesz%20%E9vegleges.pdf
Ireland

Energy Efficiency

**Better Energy Programme supports local communities with a budget of € 13.5 million**

The Sustainable Energy Authority of Ireland (SEAI) announced on 19 February 2014 a call for applications for local communities under the “Better Energy” Programme. More specifically, € 8.5 million will be given to the “Better Energy Communities” Programme that aims at establishing partnerships to achieve energy efficiency through building retrofits while € 5 million will be distributed to “Better Energy Area Based” Programme, which will fund energy efficiency upgrades to energy poor households. Submitted projects must be completed by Friday 31 October 2014. In 2013, through the Better Energy Communities and Areas schemes, € 15 million were given to 84 community energy project countrywide, realizing the energy upgrading of 3,540 homes; 2,800 of which were vulnerable homes, along with another 291 community, public and private facilities.

Read more (in English): http://www.seai.ie/News_Events/Press_Releases/2014/Communities-urged-to-apply-for-%E2%82%AC13-5-million-Better-Energy-Community-Fund.html#sthash.hKBqC8nA.dpuf

Renewable Energy

**Ireland saved over €1 billion in fossil fuel imports through RES development**

On 18 February 2014, Dr Brian Motherway, CEO of the Sustainable Energy Authority of Ireland (SEAI) highlighted during the publication of the “Renewable Energy in Ireland” Report the importance of renewable energy to the Irish economy. In 2012, over 7% of Ireland’s energy demand was coming from renewable energy, thus showing good progress concerning its renewable targets. Mr. Motherway hailed mainly wind energy as “Ireland’s greatest indigenous energy resource”. Despite recent opposition by local communities against wind energy projects, Mr. Motherway defended its further deployment by saying that “in the past five years renewable energy has saved over €1 billion in fossil fuel imports; has reduced CO₂ emissions by 12 million tonnes and has not added to consumers’ bills”. As Ireland is spending €6.5 billion per year on imported fossil fuels, further development of wind energy is deemed necessary so as Irish economy can have control over energy prices, thus remaining competitive.

Read more (in English): http://www.seai.ie/News_Events/Press_Releases/2014/Renewable-energy-has-saved-Ireland-over-%E2%82%AC1-billion-in-fossil-fuel-imports-in-past-five-years.html#sthash.cEt1AR2X.dpuf

**New Report Analyses the Benefits of Wind Energy Development in Ireland**

A new report by the Trinity College, Dublin and the Economic and Research Council “An Enterprising Wind; An Economic Analysis of the Job Creation Potential of the Wind Sector in Ireland”, commissioned by Siemens and the Irish Wind Energy Association (IWEA) analyses the economic effects of developing the wind energy sector in Ireland. More specifically,
Ireland by fulfilling its 2020 targets i.e. installing 400MW of wind energy can create up to 8,355 new positions (more than double the number of jobs currently available in the wind energy sector). If an additional capacity of 4,000MW of offshore and onshore wind is installed, over 17,000 new jobs can be created. In the most ambitious scenario, i.e. 12 GW of installed capacity, up to 35,275 new jobs will be created. For that reason it is also estimated that a private sector investment between € 7 billion € 29 billion is necessary, depending on the level of ambition pursued.


Ireland announces Offshore Renewable Energy Development Plan

The Minister for Communications, Energy & Natural Resources, Mr. Pat Rabbitte, announced on 7 February 2014 the initiation of the Offshore Renewable Energy Development Plan (OREDP). OREDP aims to provide a framework for the deployment of Ireland’s offshore renewable energy resources. OREDP will be based on three pillars: environmental sustainability, technical feasibility and commercial viability. According to the Strategic Environmental Impact (SEA) of OREDP, it will be possible to achieve “4,500 MW from offshore wind and 1,500 MW of wave and tidal devices without likely significant adverse effect on the environment”. So as to exploit Ireland’s offshore potential, OREDP proposed the introduction of a support scheme for tidal energy, initiating in 2016. More specifically, the support scheme foresees a € 260/MWh support and will be limited to 30MW for ocean (wave and tidal) energy. Apart from that, the Ministry for Communications, Energy and Natural Resources should increase its Multi-annual Ocean Energy Development Budget by € 16.8 million in the period 2013 to 2016, (aggregate funding € 26.3 million). This budget supports R&D projects in tidal energy (for test sites - Atlantic Marine Energy Test Site and Galway and Cork Test Sites - the development of an Integrated Maritime Energy Resource Cluster and the establishment of a Prototype Development Fund).


Energy

Increased NOx emissions due to coal-fired electricity generation

The Irish Environmental Protection Agency (EPA) published on 06 February 2014 figures for emissions of four key air pollutants. According to EPA, sulphur dioxide (SO2), volatile organic compounds (VOCs) and ammonia (NH3) are within limits required by the EU. However, nitrogen oxide (NOx) emissions in 2012 were well above the EU emissions ceiling. The main contributing sector is road transport, responsible for over 47% of total national emissions in 2012. Nevertheless, increased NOx emissions were mainly resulted from coal fired electricity generation and to the cement sector, as low coal and low carbon prices encouraged the increased production. As Dr. Eimear Cotter, Senior Manager of EPA, notes it is necessary “that emissions should decouple from economic activity through energy efficiency measures, alternative fuels and energy”.

Read more (in English): http://epa.ie/newsandevents/news/name,52873,en.html#.UwnX4uM_vQR
Agriculture

**Approval and initiation of Ireland's Nitrates Derogation for 2014**

Ireland’s derogation under the Nitrates Directive was approved by the EU Nitrates Management Committee on 5 February 2014. The Minister for Agriculture, Food and the Marine, Simon Coveney, and the Minister for the Environment, Community and Local Government, Phil Hogan T.D., announced the latest development and underlined that the derogation extension for further 4 years provides a stable environment for Irish farmers. According to that decision, Irish intensive farmers can be allowed to operate at higher stocking rate (more than 170kg of organic nitrogen per hectare and up to 250kg per hectare, a limit set down by the Nitrates Regulations). According to Mr. Hogan, the derogation extension shows that Ireland “is maintaining a balanced commitment to ongoing improvements in water quality while also generating greater value from the agri-food sector”. The derogation will be integrated in the 3rd Nitrates Action Programme that was reviewed at the end of January 2014 after the public consultation that took place in May 2013. The Programme includes a comprehensive report of phosphorus requirements for grassland production and any possible increase in phosphorus application is adequately reasoned. The Action Programme aims to contribute to the fulfilment of Food Harvest 2020 targets, the Irish national strategy for agriculture. Finally, Mr. Coveney announced on 12 February 2014 the initiation of the Nitrates Derogation 2014. Farmers can apply online for nitrate derogation if they expect to exceed their stocking rate limit. Applications in paper are accepted until 31 March 2014 while on-line applications will be received until 30 April 2014.

Italy

Renewable Energy

New Act impacting the RES sector

Legislative Decree 145/2013 has been converted into law with conversion law n. 9/2013 of 21 January 2014. Among the different provisions, the ones deemed relevant for the RES sector are the following:

- minimal guaranteed prices will not be granted anymore to producers that sell their electricity via the “ritiro dedicato”. “Ritiro dedicato” is a particular way of selling electricity from plants smaller than 1 MW that allows them to avoid being exposed to the market and having their electricity bought by GSE (Manager of Electricity Services, the body responsible for – among other – handling support schemes in Italy). Previously, producers had a choice between the minimal price and the market price for the first 2 million kWh sold on the market. Now the only option will be to sell at market prices. PV plants up to 100 kW and Hydro plants up to 500 kW are excluded from this provision and may still benefit from minimal guaranteed prices.

- plants that are now benefiting from a support scheme have two options:
  - Continue receiving the incentive as it is, in which case after the incentive period is over, all installations, including alterations or additions, on the plant’s site will be ineligible for any other incentive for 10 years. Plants for which the incentive period ends in 2014 are excluded from this provision.
  - Accept a “spreading” of the incentive over an extra 7 years, meaning that the overall amount of the incentive will remain unchanged, but it will be distributed over a larger number of years. Under this option, the site does not forfeit its claim on future incentives.

Both of these changes are likely to affect existing plants and are thus deemed to have retroactive effects. Furthermore, assoRinnovabili, the main association of RES producers, has challenged the choice to reduce the minimal guaranteed prices in court on 24 February 2014. In their opinion, the level chosen for these prices renders the instrument “basically useless”.


RES in buildings obligation increased

Following the timeline initially established by Legislative Decree n. 28 of 3 March 2011, new buildings or refurbished ones are obliged to cover 35% of their consumption of warm water, heating and cooling with renewable energy sources until 31 December 2016. From 2017 onwards, this percentage will be increased to 50%.


Lithuania

Taxation

No consensus on the introduction of the vehicle taxation

On 14 February 2014, the political council of the ruling parties could reach no consensus on the introduction of the vehicle taxation and, therefore, the tax will have to be further discussed by the ruling parties. Various options have been considered. The least controversial one in the majority’s view is a vehicle tax based on the size of engine. According to the Minister of Finance, cars with a 1.5 liter engine could be charged with an annual fee amounting to LTL 90 (approx. € 25.7), while owner of a 1.5-2 liter car would have to pay LTL 170 (approx. € 48.5) a year. The highest annual fee would be payable by the owners of cars with the engine exceeding 5 liters. The fee would then amount to LTL 590 (approx. € 168.4) per year.

Prime Minister Algirdas Butkevičius indicated that many countries already have such a tax in place and if Lithuania wants greater investments in road infrastructure, this tax is regarded as necessary.


Renewable Energy

New Feed-in tariff rates for Quarter 1, 2014 announced

On 27 February 2014, the National Control Commission for Prices and Energy announced new Feed-in tariff (FiT) rates for the period from 1 April to 30 June, 2014. Rates for all renewable technologies were reduced by on average 8.55%. The greatest decrease concerns electricity generated by wind power plants (average reduction of around 16%), reconstructed biomass power plants (average reduction of around 16%) and new biomass power plants (average reduction of around 7%). FiT rates for building-integrated PV were reduced by on average 5% and ground mounted PV by on average 4%.


Energy Efficiency

Renovation of public buildings to be supervised by two ministries - Ministry Environment and Ministry of Energy

On 12 February 2014, the Ministry of Environment announced that from now on supervision of renovation of public buildings is vested with both the Ministry of Environment and the Ministry of Energy. The Ministry of Environment will be responsible for energy efficiency improvements in public buildings owned or managed by municipalities, while the Ministry of
Energy will supervise the renovation of state-owned buildings. Both ministries together will have to draft the new Public Building Energy Efficiency Programme (Viešųjų pastatų energinio efektyvumo didinimo programa) until 1 July 2014. Up to now, supervision responsibility had been entrusted to the Ministry of Economy.

Read more (in Lithuanian): http://www.am.lt/VI/index.php#a/14242

Threefold increase in energy performance certificates for buildings in 2013

According to the Construction Products Certification Centre (Statybos produkcijos sertifikavimo centras), a more than threefold increase (317%) in issued energy performance certificates setting out the energy efficiency rating of a building could be observed in Lithuania in 2013. In line with the current requirements, newly constructed buildings or parts thereof shall have at least energy efficiency class C. Last year, more than 10% of the energy efficiency certificates issued for new buildings had energy efficiency class higher than C. Two buildings registered in 2013 had energy efficiency class A+ and class A respectively, further 1,710 newly constructed buildings obtained energy efficiency class B (1,345 class B certificates were issued for residential buildings). According to the Minister of Environment Valentinus Mazuronis, this trend demonstrates that consumers are willing to live in more energy efficient houses.

Read more (in Lithuanian): http://www.am.lt/VI/index.php#a/14189

Energy Networks

Lithuanian electricity transmission network development plan for 2013-2022 approved

On 20 February 2014, the National Control Commission for Prices and Energy (NCC, Valstybiné kainų ir energetikos kontrolės komisija) announced the approval of the Lithuanian electricity transmission network development plan for 2013-2022 (Lietuvos elektros energetikos sistemos 330–110 kV tinklu plėtros planas 2013–2022 metams) drafted by the Lithuanian electricity transmission system operator Litgrid (see MPU Issue 7/2013). Planned investment in the electricity transmission system between 2013 and 2022 amounts to more than LTL 3 billion (approx. € 856.2 million). *Inter alia*, LTL 789.2 million (approx. € 225.2 million) are planned for the Lithuania-Sweden power interconnection (NordBalt) and LTL 594.4 million (approx. € 169.6 million) will go to the construction of the power link with the neighbouring Poland (LitPol Link). Further LTL 154.3 million (approx. € 44 million) are envisaged for the capacity integration of the new Visaginas Nuclear Power Plant, while LTL 766.9 million (approx. € 218.9 million) shall be invested into the preparation of the network for synchronous operation with the European Continental Network.

Transport

*Vilnius will be connected to the European rail gauge “Rail Baltica”*

On 24 February 2014, Ministry of Transport and Communications announced that Lithuania, Latvia and Estonia finally agreed that Vilnius will be connected to the European rail gauge “Rail Baltica” (see MPU Issue 10/2014). Arenijus Jackus, Head of the Department for Development and International Relations within the Ministry, indicated that Estonia suggested a compromise concerning the technical implementation and that negotiations will proceed in the beginning of March in Tallinn.

Currently, the three Baltic States are negotiating the establishment of a joint venture, which shall implement the second part of the "Rail Baltica" project connecting Kaunas with Tallinn. The joint venture contract is expected to be signed in April 2014.

Read more (in Lithuanian): http://www.transp.lt/lt/naujienos/13141

Adaptation

*Call for financial support to halt loss of biodiversity launched*

On 24 February 2014, ministry of Environment launched a call for applications for financial assistance under the 2009-2014 European Economic Area financial mechanism programme LT03 “Biodiversity and ecosystem services”. The aim of the financial mechanism is to halt loss of biodiversity. A number of activities will be eligible for financial support such as the preparation of restoration plans for big wetland complexes and restoration of wetlands involving local communities, or improvement of functions maintaining migration of ecological network. The total budget of the call amounts to almost LTL 13.5 million (approx. € 3.89 million). Applications may be submitted from 21 February 2014 to 21 April 2014.

Read more (in Lithuanian): http://www.am.lt/V/I/index.php#a/14284
Latvia

Energy Generation

Liberalization of the Latvian electricity market and increase of the prices

As the Ministry of Economy reported earlier this year, the complete liberalization of Latvia’s electricity market is to take place in April 2014, meaning that 850,000 households will be able to buy energy in a free market. An increase of 40% in electricity rates is expected and so far, two traders have presented their offers, namely Latvenergo and Baltcom TV. The former will charge 0,16€/kWh to 0,169€/kWh, depending on electricity consumption and the latter will charge 0,161€/kWh to 0,168€/kWh. The current Latvenergo electricity rates are 0,1164€/kWh to 0,1515€/kWh. According to the press, the government is considering changes in the conditions of the market liberalization plan for households and studying ways to mitigate the expected increase in prices.

However, according to the Economy Minister Vjaceslavs Dombrovskis, the increase in electricity prices are a reflection of policies implemented in the past decade and not only the liberalization of the market.

On 17 February 2014, the council of the Latvian Pensioners Federation demanded halt to electricity market liberalization as the federation believes that it might drive many pensioners into poverty. According to Latvian Pensioners Federation Chairman Andris Silins, not only the bills of electricity will grow 31%, but also in connection the prices of other goods will increase.

On 18 February 2014, ministers of economy and welfare reported the introduction of new benefit to help indigent and underprivileged counter opening of power market and the estimated increase of the electricity prices. The introduced benefit will be annually about €60 per household.

Read more: http://www.baltic-course.com/eng/energy/?doc=87273,
Read more: http://www.baltic-course.com/eng/energy/?doc=87854,
Read more: http://www.baltic-course.com/eng/energy/?doc=87301,
Read more: http://www.baltic-course.com/eng/energy/?doc=87869

Gradual gas market liberalization approved

On 20 February 2014, Latvian Saeima approved amendments to the Energy Law, envisaging gradually liberalization of the gas market until April 2017. Based on the amendments, the market could be opened earlier if:

a. "the natural gas distribution system in Latvia is directly connected to that of any other European Union member state, except Estonia, Lithuania and Finland; or

b. the dominating supplier's share of the total natural gas supply market in Latvia is smaller than 75%".

At the moment, the only company buying, storing, transporting, distributing and selling natural gas in Latvia is “Latvijas Gaze”. Russia is the sole supplier of natural gas to Latvia and Latvia’s natural gas supply system is only connected with Lithuania and Estonia.
Producers dissatisfied with new subsidized electricity tax rates

On 6 February 2014, the Ministry of Economy launched a register of subsidized energy producers, which lists electricity producers who have to pay subsidized electricity tax. Biogas producers are shocked about the tax rate of 10% for biogas, as previously the rate was going to be 5%. According to the register, the rate for electricity producers using natural gas will be 5%. The Ministry of Economy explained, that the tax rates are based on data for 2012 and in case of questions, electricity producers have 3 days to address the ministry.

Transport

Open call to support e-mobility

On 2 February 2014, Ministry of Environmental Protection and Regional Development announced a new call of subsidy programme “Climate Change Financial Instrument”. The tender will open for applications from 28 February 2014 until 20 March 2014 and the overall budget of the programme is around € 5 million. Grant per project is € 18,500 to € 550,000, with an aid intensity from 35% to 85%. The aim of the tender is to support the electric vehicles and the charging infrastructure in Latvia.
Luxemburg

No important developments identified in February 2014 regarding climate or energy policies
Malta

Renewable Energy

*Extension of support schemes*

The Malta Resources Authority has announced the extension of their support schemes. The Photovoltaic Scheme, which was originally supposed to close on 31 December 2013, is now active until the end of March 2014. The Solar Water Heater Scheme, which was introduced in May 2011 and formerly re-launched twice, has now been extended until the end of 2014. In the field of energy efficiency, the Roof Insulation & Double Glazing National Scheme is being extended as well until the end of December 2014.

The Netherlands

Transport

Future scenarios for the energy mix in the transport sector

On 18 February 2014, the Energy research Centre of the Netherlands - (Energieonderzoek Centrum Nederland - ECN) in collaboration with CE Delft (Committed to the Environment Delft) and the Dutch Organization for Applied Scientific Research (Nederlandse Organisatie voor Toegepast Natuurwetenschappelijk Onderzoek - TNO) published a study commissioned by the Ministry of Infrastructure and Environment (Ministerie van Infrastructuur en Milieu) on how the energy mix will look in the future in the transport sector. The main focus of the study was to show how the 60% CO2 reduction target compared with the base year 1990 could be achieved until 2050, as well as to present an intermediate scenario for 2030 (i.e. a 17% reduction, meaning a cut of 25 MtCO2). Another focus is the possibility of a contribution of 15-20 petajoule (PJ) by transport and mobility to the overall energy efficiency ambition of 100 PJ additional (final) savings by 2020, which is also mentioned in the Energy Agreement for Sustainable Growth of 2012. Based on these points, the study also covers effects on greenhouse gas emissions, air quality and noise, perspectives for green growth, safety issues and energy security. One of the agreements within the Energy Agreement for Sustainable Growth is the development of a shared vision of the future energy mix for the transport sector.

Read more (in Dutch): https://www.ecn.nl/nl/nieuws/item/ecn-stelt-scenarios-op-voor-de-energietoekomst-in-de-transportsector/
Read more (in English): http://www.ser.nl/~/media/files/internet/talen/engels/2013/energy-agreement-sustainable-growth-summary.ashx
Poland

Energy Generation

New proposal for the amendment of the regulations concerning shale gas extractions

On 5 February the Environment Minister Maciej Grabowski H. presented a new proposal for the amendment of the Geological Law and Law on Mining. The project will be forwarded to the Council of Ministers.

The main proposed changes in comparison to previous proposals include:

- National Mineral Energy Operator (NOKE) will not be established, but its goals (interests of the Treasury, safety etc.) will be guaranteed by other statutory mechanisms.
- There will be only one license - for exploration and extraction of hydrocarbons from the deposit. This will simplify the process of granting concessions and reduce bureaucracy.
- It is also planned to strengthen the controlling rights of the geological authorities, inspectors of mining offices and inspectors of environmental protection. The aim is to secure the property rights of the State Treasury, as the owner of deposits. The actions of these bodies will be coordinated.

Read more (in Polish): http://www.mos.gov.pl/artykul/7_aktualnosci/22094_lupkowe_regulacje_na_finisz.html

Energy Networks

Approval for next section of the interconnection between Poland and Lithuania

On 3 February the European Commission confirmed the award of more than PLN 120 million (approx. € 28.9 million) from Infrastructure and Environment Programme for the construction of the power station Siedlce Ujrzanów and power lines Miłosna to Siedlce Ujrzanów. The project is part of the electricity interconnection activities between Poland and Lithuania, which in turn is an important element in the creation of a common European energy market by closing the so-called “Baltic ring”. So far, the European Commission confirmed the granting of EU support for three (W1, W2 and W4) of the six sections of the Electricity Connections between Poland and Lithuania:

W1 - Construction of the 400/220/110 kV voltage transforming station Ołtarzew
W2 - Construction of the interconnection between Ostrołęka and Narew with the expansion of the voltage transforming stations Ostrołęka and Narew
W3 - Construction of the interconnection between Elk Bis and Łomża, along with the construction of switching systems in Łomża and in Elk Bis (stage I and II)
W4 - Construction of the interconnection between Miłosna and Siedlce Ujrzanów with the construction of the voltage transforming station Siedlce Ujrzanów
W5 - Construction of interconnection between Elk Bis and the Polish Border
W6 - Construction of a new voltage transforming station at Stanisławów.

Portugal

Energy Efficiency

New calls launched under the Portuguese Energy Efficiency Fund (FEE)

The Portuguese Energy Efficiency Fund (Fundo de Eficiência Energética - FEE) launched on 13 January 2014 new calls encouraging the promotion of energy efficiency in the transport and industry sector. Applications will be open from 3 March until 2 June 2014.

For the transport sector, the call "Promotion of Sustainable Urban Mobility 2014" (Promoção da Mobilidade Urbana Sustentável 2014) covers measures foreseen in the National Action Plan for Energy Efficiency (PNAEE) and supports the preparation of:

- a. Plans for Mobility and Transport (PMT). The respective budget amounts to €260,000. The potential beneficiaries are municipalities and municipal authorities. 25% of total eligible costs up to €40,000 are covered.

- b. Plans for Mobility of Companies (PMEP). The respective budget amounts to 40,000. The potential beneficiaries are companies. 30% of total eligible costs up to €10,000 are covered.

For the industry sector, the call “Encouraging the Promotion of Energy Efficiency 2014” (Incentivo à promoção da Eficiência Energética 2014) covers measures foreseen in the National Action Plan for Energy Efficiency (PNAEE) as follows:

- Category 1: operations in the industry aiming at the installation of insulation systems. The budget is €250,000. Operators of industrial facilities (except the ones under the EU ETS) are its potential beneficiaries. 50% of total eligible costs up to €2,000-2,500 are covered.

- Category 2: conduction of energy audits where 50% of total eligible costs up to €750 are covered.

- Category 3: implementation of consumption management equipments, where 25% of total eligible costs up to €10,000 are covered.

The total budget for categories 2 and 3 amounts to €100,000 and potential beneficiaries are the operators of facilities.

Read more (in Portuguese): http://fee.adene.pt/agenda/Paginas/Fundo-de-Efici%C3%AAncia-Energ%C3%A9tica-abre-tr%C3%AAs-novos-avisos-nas-%C3%A1reas-Transportes-e-Ind%C3%BAstria-.aspx
Read more (in Portuguese): http://fee.adene.pt/avisos/Paginas/avisos.aspx
Read more (in Portuguese): http://fee.adene.pt/avisos/Paginas/AVISO-07-Promo%C3%A7%C3%A3o-da-Mobilidade-Urbana-Sustent%C3%A1vel-2014.aspx
Read more (in Portuguese): http://fee.adene.pt/avisos/Paginas/AVISO-08-SGCIE-Incentivo-%C3%A0-promo%C3%A7%C3%A3o-da-Efici%C3%AAncia-Energ%C3%A9tica-2014.aspx
Energy Generation

*Public consultation on the Environmental Impact Assessment of the new interconnection line between Portugal and Spain postponed.*

Portugal intends to reinforce its interconnection capacity with Spain through the construction of two lines with 400 kV each that are expected to be concluded in 2016. According to the Portuguese Environment Agency (*Agência Portuguesa do Ambiente* - APA), the public consultation on the Environmental Impact Assessment of the project was supposed to end on 13 February 2014, but has been postponed until 27 February 2014 due to a request of the Inter-municipal Community of Alto Minho. The development of the interconnection capacity between Portugal and Spain, as well as between Spain and France is key for the export of renewable electricity out of the Iberian Market. In fact, the Ministry of the Environment highlighted during the inauguration of two solar plants in Portugal that the country should not focus only on achieving GHG emission reduction targets, but should set an ambitious and innovative agenda, including the export of renewable energy to other Member States.


Romania

Energy Generation

Protest against shale gas prospecting gained momentum over the last weeks

In the course of February 2014, protests against shale gas prospecting and exploitation took place across the country, mainly in the counties of Vaslui and Arad. Protests started after the Environmental Protection Agency of Vaslui County (APM) (Agentia pentru Protectia Mediului Vaslui) had issued the environmental license to the American company Chevron for shale gas prospecting in the town of Puiesti in the end of January 2014. Hereby, Chevron cleared another hurdle for realising the company’s fourth shale gas prospecting project in the Vaslui County. The next step to be taken by Chevron in the licensing procedure is obtaining a construction license.

In the light of these events, a second town in Vaslui County, Murgeni, announced to organise a referendum on shale gas prospecting and exploitation on the town territory. The Local Council of Murgeni plans the referendum for 25 May 2014, together with the election on the European Parliament. In this way, the Local Council intends to prevent opposition of the Vaslui Prefecture, since no additional budget is needed for organising the referendum.

Positions of the various political actors in Vaslui County are diverging. The Prefecture had challenged the town of Puiesti in court for prohibiting shale gas exploitation and prospecting on its territory and for organising a referendum on shale gas. However, the Vaslui court has not brought about a decision so far.

Read more (in Romanian): http://adevarul.ro/locale/vaslui/referendum-1_52f31824c7b855ff561c295a/index.html

Renewable Energy

Romanian Parliament confirmed the law on modifying the renewable energy legislation

On 10 and 11 February 2014, the Romanian Senate and the Romanian Chamber of Deputies confirmed the law on adopting Emergency Ordinance No. 57 regarding the Modification and Completion of Law No. 220/2008 Establishing a System for the Promotion of Electricity Generation from Renewable Energy Sources (Ordonanta de urgent nr. 57/2013 privind modificarea si completarea Legii nr. 220/2008 pentru stabilirea sistemului de promovare a producerek energiei din surse regenerabile de energie). The Romanian president, Traian Basescu, had refused to sign the law and requested the Parliament to reexamine the law, stating that the modification of the support scheme was lacking approval by the pre-notification procedure of the European Commission. However, the Romanian parliament submitted the law back to the president for signature, but the president submitted the legislative draft to the constitutional court on 26 February 2014. Henceforth, the
constitutional court will have to decide on the compliance with pre-notification procedure of the European Commission in this matter. The timeline for this legal examination will depend on the court’s workload. Thus, a final decision on the Romanian renewable energy act cannot be predicted at this stage and the regulatory insecurity continues.

Due to the delayed approval of the law adopting Emergency Ordinance No. 57/2013, renewable energy power plants accredited as of 1 January 2014 for the Green Certificate Scheme are currently subject to a suspension of Green Certificates as regulated by Emergency Ordinance No. 57/2013, as well as Governmental Decision No. 994/2013 on approving the reduction of Green Certificates as foreseen by Renewable Energy Law No. 220/2013 (Hotararea Guvernului privind aprobarea masurilor de reducere a numarului de certificate verzi in situatiile prevazute la art. 6 alin. (2) lit. a), c) si f) din Legea nr. 220/2008 pentru stabilirea sistemului de promovare a producerii energiei din surse regenerabile de energie) permanently cutting a share of Green Certificates for PV installations, wind power plants and small hydro power plants. The Romanian Parliament adjusted the draft for the law adopting Emergency Ordinance No. 57/2013 insofar as to restrict the suspension of a share of Green Certificates for PV-installations, wind power plants and small hydro power plants to installations accredited for the Green Certificates Scheme until 31 December 2013. In this way, an accumulation of the two legal acts, Emergency Ordinance No. 57/2013 and Governmental Decision No. 994/2013, would have been avoided (see MPU Issue 9/2013).

Read more (in Romanian): http://adevarul.ro/economie/stiri-economice/regenerabili-infringement-1_530ec1d7b855f56b32b91/index.html

**Energy Efficiency**

**New programme on promoting energy efficiency in SMEs**

A new programme was launched aiming at improving energy efficiency measures in SMEs in the Romanian industry sector (Eficienta Energetica in Industrie pentru IMM-uri). The opening conference took place on 10 February 2014. Approximately 20 SMEs will benefit from energy efficiency measures undertaken within this programme. The programme will allocate € 8 million and is funded by the Financing Mechanism of the European Economic Area 2009-2014. In February 2014, three other conferences will take place across Romania informing SMEs about the programme and the benefits of energy efficiency measures.


**Energy Networks**

**Transelectrica and Transgaz put under state control**

On 12 February 2014, the Romanian government adopted an Emergency Ordinance on the state responsibilities resulting from the state’s position as a shareholder of Transelectrica S.A. and Transgaz S.A. (Ordonanta de Urgenta privind exercitarea drepturilor si indeplinirea...
obligațiilor ce decurg din calitatea de acționar a statului la Compania Națională de Transport al Energiei Electrice “Transelectrica” S.A. și la Societatea Națională de Transport Gaze Naturale “Transgaz” S.A. Mediaș și pentru modificarea unor acte normative). The Emergency Ordinance sets forth that the Secretariat-General of the Government will be in charge of fulfilling the government’s responsibilities arising from its role as shareholder of the two companies. This measure should facilitate the realisation of the transnational grid interconnection to the Republic of Moldova and Turkey. However, the government did not specify how exactly this is going to contribute to the transnational grid extension. The Prime Minister, Victor Ponta, stressed that the Transelectrica and Transgaz are still privately owned and managed companies and that the Secretariat-General of the Government will represent the state as a shareholder and not any party’s particular interests.

Read more (in Romanian): http://gov.ro/stiri/comunicat-de-presa1392376905&page=5
Read more (in Romanian): http://www1.agerpres.ro/economie/2014/02/17/victor-ponta-transelectrica-si-transgaz-se-conduc-fara-niciun-fel-de-influenta-politica-14-50-34
Slovakia

Energy Efficiency

*Slovak municipalities obliged to report energy consumption data for 2013*

Slovakia has introduced a new obligation for municipalities to report their aggregated energy consumption data for 2013 until the end of March 2014 to the Slovak Innovation and Energy Agency (SIEA). So far, there are no reliable records of energy consumption in municipalities. The SIEA argues that this new monitoring system will help communities to implement various measures aimed at reducing their energy consumption.

**Slovenia**

**Horizontal Measures**

*The new Energy Act (EZ-1) adopted in spite of obstacles*

After the adoption of the new Energy Act by the parliament in January 2014 (of which we already reported in the MPU in January) the National Council of the Republic of Slovenia exercised its veto power on the new Energy Act (EZ-1) in its session on 4 February 2014, thereby blocking the Act into coming into force. The Council believed that the adopted Energy Act was too complicated, too extensive and that in several places instead of reducing bureaucratic barriers - the contrary was the case. The Council therefore proposed that the legislator should adopt specific acts for every area that the Energy Act would regulate. It also believed that the Government should first adopt a new National Energy Concept before adopting the new Act.

The key reason for the veto, however (as well as being the most controversial part of the new Energy Act since the beginning), were the provisions governing the energy performance certificates, especially the obligation of energy performance certificates for buildings, which, according to the opposing parties, surpass the minimum requirements that the European Union demands according to the Energy Efficiency Directive.

In its response on 12 February 2014, the Government rejected the accusations. The response included:

- explanations as to why the Act is so comprehensive / extensive and what its ratio is;
- examples as to where bureaucratic barriers have been removed;
- reasons why the Government assumes that the Act only transposes the minimum obligations from the Directive;
- an explanation concerning the allegedly controversial price and monopolistic hold over the issuing of energy certificates (denoted as being not true);
- a rejection of the statement that certificates are “overrated as they are easy to make and simply give basic information”.

The Government also noted that Slovenia is facing open lawsuits due to non-notification of transfer of the third energy package of legislation into domestic law and, therefore, any further delaying increases the risk of the delivery of the judgment and payment of heavy daily fines. The Energy Act (EZ-1) has passed the required qualified majority for the repeated adoption after veto (that the legislative procedure in Slovenia foresees) in the National Assembly on 24 February 2014 and should come into force sometime in March 2014.

Read more (in Slovene):
- http://www.dts.rs.si/?q=novice/7-izredna-seja-drzavnega-sveta-republike-slovenije
Public debate on the Operational Programme for Limiting Greenhouse Gas Emissions

The Ministry of Agriculture and the Environment published on 10 February 2014 on its website the draft text of the Operational Programme for reducing greenhouse gas emissions by 2020 for the period 2014-2020. By 12 March 2014, all stakeholders and the interested public are welcomed to submit their proposals or comments on the document and inform the Ministry.

The Operational Programme represents an implementation action plan with which Slovenia will achieve its target of reducing GHG emissions in the non-ETS scheme.

The Ministry also notes that the measures to reduce GHG emissions identified in this Operational Programme are also measures for a qualitative long-term sustainable economic growth. The Programme should also contribute to increasing domestic demand for green solutions that will also present a great opportunity for the economy, encouraging new, stable and internationally competitive green jobs with high added value.

Read more (in Slovene): http://www.mko.gov.si/si/medijsko_sredisce/novica/browse/3/article/12447/7121/140fea7d298d05d3689156403cbe0e0/

Environmental Agency to publish forecasts of air pollution

Slovenia adopted a decree on air quality plans in several major regions and cities in December 2013 (it is expected that the plan for the capitol city of Ljubljana will soon be adopted). On the grounds of these ordinances, the Environment Agency of Slovenia is obliged to inform the inhabitants of those regions about air pollution data regularly. Thus, since the beginning of January 2014, citizens can visit the agency’s website to get daily data on pollution with particulate matter (PM10) in their city.

In Slovenia, the air is mostly polluted with ozone in summer while in winter the problems arise from excessive PM10 concentration – mostly due to heavy usage of wood biomass for heating by most households using inappropriate furnace and boiler systems.


Energy Efficiency

GEN-I to continue public call activity in the field of energy efficiency and RES

GEN-I (a state owned company) has launched yet another public call for investments in energy efficiency. Eligible to apply for this public call are companies and legal entities. The allocated funds will provide non-refundable financial incentives for new investments in energy efficiency measures as well as investments in usage of RES and cover a maximum of 50% of the respective investment cost. The call was launched on 7 February 2014 and is open until 7 March 2014.

Press conference on new energy efficiency certificates

The Ministry of Infrastructure and Spatial Planning prepared a press conference on 12 February 2014 to provide clarifications on the new Energy Efficiency Certificates mentioned in the new Energy Act (EZ-1) – an issue that has heated up a lot of public debate in the past months. The State Secretary from the Ministry Msc. Bojan Kumer presented the arguments why the new certificates are necessary and good for the final consumer. The presented arguments were almost identical to the ones the Government provided in its response to the veto of the National Council to the new Energy Act (EZ-1). The main aim of the press conference was to clear the uncertainties among the populace and to promote the proposed new Energy Act, which has become a very controversial piece of legislation in the general debate in Slovenia.


Renewable Energy

Governmental plans: 20 years, € 1,3 billion, 10 hydro power plants

The construction of new hydro power plants on the Sava river are among the biggest infrastructural projects of the Government of Slovenia in the next 20 years. The last two hydro power plants in the “lower Sava” region are planned to be completed by 2018. Afterwards, three new power plants will follow in the “medium Sava” region (between Zidani Most and Ljubljana) by 2023 and the remaining five by 2034. The Government plans that the state investment costs will be covered by own funding and loans and assumes that the construction will have a chain effect on state revenues, both during construction as well as for the duration of the concession.

Along with the construction of the power plants, the Government foresees the construction of anti-flood infrastructure along the river. Construction is planned to begin in 2018 and has already been placed on the priority list of the current Government.

Read more (in Slovene): http://www.rtvslo.si/gospodarstvo/nacrt-vlade-20-let-1-3-milijarde-evrov-10-hidroelektrarn/330550

Energy Networks

First assessments of the damage of the blizzard

In the first week of February 2014, Slovenia suffered the heaviest blizzard in 50 years. The icy rain and heavy snowfall destroyed much of the energy infrastructure – preliminary assessments of the damage show that alone the infrastructure on all 5 major electricity distribution networks and the transmission network will sum up to around € 120 million. In some cases, the reconstruction works may take up to 2 or 3 years. In the aftermath of the blizzard, more than one quarter of all Slovenian households were without electricity and several were without electricity for over a week due to insufficient number of power aggregates available in Slovenia (the damage in the industry sector is already estimated to be between € 300 and 500 million).

The Government has already prepared emergency resources worth € 13 million but will definitely apply for help from the EU solidarity fund and the European Investment Bank (EIB).
The debate about grounding most of the electricity network lines is currently a hot topic. However, the distribution and transmission network operators are stressing the cost factor of such a project which would blow out of proportion.


**Slovenia to actively participate in the introduction of smart grids**

The Technological Platform on Smart Grids has - in collaboration with the company Energetika.Net - organized the traditional conference (fifth in a row) on smart grids "EnGrids". The Conference was held on 4 February 2014 in Ljubljana and was attended by more than 100 experts. The highlight of the conference was the round table devoted to the presentation of the Slovene - Japanese smart grid project with a very vivid discussion round. After the discussion round, the expert debate took place with the presentation of smart grid projects in Slovenia and examples of best practice. The representative of the Ministry responsible for Energy, MSc. Milena Černilogar-Radež explained at the conference that the Ministry has devoted a lot of attention to smart grids in the year 2013. MSc. Černilogar-Radež also noted that the Ministry is - together with experts and potential investors - well prepared for the implementation of the Slovenian smart grid demonstration project in the 2014-2020 period.


**Land use, land use change and forestry**

**Catastrophic image in the forests**

The natural catastrophe (blizzard) did not only have dire consequences for the energy networks and the remaining infrastructure, but affected forests as well. Around 40% of the Slovenian forests have been seriously damaged or completely devastated. The damage has amassed to around 7 million m^3^ of wood biomass (in Slovenia around 60% of the entire surface is covered by forests). The National Forest Institute of Slovenia estimates that the damage in the forests will be approximately € 194 million. Most of the forests have been closed for public and are still impassable. The priority now is to remove the damaged biomass and to prevent spreading of diseases such as the tree bark beetle. Reforestation efforts will follow in the coming years. One of the crucial questions now is what to do with the wood biomass as the home industry alone cannot utilize such quantities.

According to the Forest Institute, the recovery plan should be ready in two months. It will involve a detailed description of the situation in the damaged areas, the degree of damage, assessment of damage to forest roads and all measures that will be necessary to restore the normal situation (including reforestation), as well as an estimate as to the costs for the upcoming years.

Spain

Energy Efficiency

*Increase of the fixed component of the electricity bill*

The electricity bill in Spain has a fixed and a variable component: the fixed price is independent of the energy consumed, whereas the variable one is calculated on the consumed kWh. On 4 February 2014, the Ministry of Industry, Energy and Tourism has opted for an increase of the weight of the fixed component, which increased by about 18%. In January 2013, the fixed and the variable component weighed 35% and 65%, respectively. After this modification and the modifications of December 2013, these components now weigh 60% and 40%. This has been read by some parts of the industry as a disincentive to make an efficient use of energy.


Land use, land use change and forestry

*New “Socioeconomic plan of forest activation”*

The “Socioeconomic plan of forest activation” has been presented by Minister of Agriculture, Alimentation and Environment Miguel Arias Cañete on 20 February 2014. This plan is active at national level and is closely tied to the programming of the European Agricultural Fund for Rural Development (EAFRD). The fund will run for seven years and will be based on 85 measures. Of these measures, priority will be given to the ones that are aimed to environmental conservation and climate change mitigation. The fund intends to tackle the latter by exploiting the CO2 capturing capabilities of forests and by increasing the use of biomass as fuel. In parallel, the plan aims to diversify the economic activity of rural communities, thereby improving the quality of life of their inhabitants.

Read more (in Spanish): http://www.magrama.gob.es/es/prensa/noticias/arias-ca%C3%B1ete-el-plan-de-activaci%C3%B3n-socioecon%C3%B3mica-del-sector-forestal-responde-a-la-necesidad-de-incrementar-preservar-mejorar-y-asegurar-nuestro-patrimonio-forestal/tcm7-317794-16
Sweden

Renewable Energy

*Swedish Energy Agency proposes adjustments in the electricity certificate system*

On 11 February 2014, the Ministry of Industry received a report from the Energy Agency proposing changes in the national regulatory system for electricity certificates in order to meet the obligations of the treaty between Sweden and Norway on the common electricity certificate market. At the same time, the Norwegian Oil and Energy Department, OED, received a corresponding report from the Norwegian Water Resources and Energy Directorate, NVE, regarding proposed amendments to the Norwegian regulations.

The electricity certificate system is the support scheme for renewable energy sources in Sweden and Norway. The scheme is based on a quota system, which obliges electricity suppliers and some electricity consumers to meet a certain quota of RES in their energy consumption or sales through purchasing electricity certificates. The amount of quota governs the demand for certificates. The Energy Agency proposes the adjustment of the quota in order to meet the Swedish and Norwegian common goals of joint deployment target of 26.4 TWh of renewable electricity generation by 2020.

The proposal is part of the planned inspection of the scheme, which should be carried out by the end of 2015. The adjusted national legislation with new quota amounts shall enter into force simultaneously in both Sweden and Norway on 1 January 2016.


Energy Efficiency

*Government proposes new energy efficiency measures*

On 6 February 2014, the Swedish government presented a list of proposed new energy efficiency measures. The background of this proposal is the EU Energy Efficiency Directive from December 2012. The Directive will now be implemented and carried out in Sweden. The overall aim of the Directive is to ensure that the energy efficiency objective of 20% will be met in the EU Member States, and to provide tools for further energy efficiency by 2020. The proposed measures include, among others:

- Mandatory energy audits for large companies. Large companies shall, every four years, conduct an energy audit that will contain proposals on cost-effective measures that the company can uptake to save energy and use energy more efficiently.
- Individual metering in the apartments, when the apartment’s installations for heating, cooling and domestic hot water were newly constructed or remodelled and if it is cost effective to install metering at apartment level.

The majority of the new rules will come into effect in June 2014.

Read more (in Swedish): http://www.regeringen.se/sb/d/18458/a/233471
Transport

Average emissions for passenger cars decreases by 3 g/km

On 28 February 2014, the Danish Transport Agency reported on emissions of newly registered passenger cars and light trucks in its annual statistics to the EU. 2013 figures show that the average emissions for passenger cars decreased by 3 g/km from 136 g/km 2012 to 133 g/km in 2013. This is, however, not sufficient to reach the transport policy objective of a fossil-free vehicle fleet by 2030 and a zero emissions objective by 2050. In order to achieve these goals, the annual reduction of at least 6 g/km is needed.

At the same time the number of newly registered diesel-powered passenger cars is increasing rapidly (by 19%) while the number of newly registered passenger cars powered by alternative fuels like ethanol and gas decreased by 45 and 32 percent respectively. Emissions from diesel passenger cars decreased from 178 g/km in 2008 to 135 g/km in 2013.

United Kingdom

Horizontal Measures

Final statistics on 2012 UK GHG emissions published

On 4 February 2014, the Department for Energy and Climate Change (DECC) released final statistics on 2012 UK GHG emissions. According to the statistics, UK emissions covered by the Kyoto Protocol amounted to 581.2 million tonnes carbon dioxide equivalent (MtCO$_2$eq) in 2012, which was 3.2% higher than in 2011 (563.2 8.5 MtCO$_2$eq).

35% of the GHG emissions in 2012 came from the energy supply sector, followed by transport with 21%, business with 15%, residential with 13%, and agriculture with 10%. The remaining 7% were attributable to waste management, industrial process, and the public sector. According to statistics, the biggest rise from 2011 to 2012 could be observed in the residential sector with an increase of around 12.3%. This resulted from the increased consumption of gas used for space heating. In the energy supply sector GHG emissions increased by 5.9% between 2011 and 2012. This was due to a large increase (32%) in coal consumption and a decrease (30%) in gas consumption in power stations, caused by relatively high wholesale gas prices. In 2012, GHG emissions from the public sector were 4.2% higher compared to 2011.

The statistical release revealed CO$_2$ being the main GHG in 2012. CO$_2$ emissions accounted for 82% of total UK GHG emissions (around 4.4% higher than in 2011) and were estimated to be 474.1 million tonnes (Mt). Methane accounted for about 9%, nitrous oxide for about 6%, and fluorinated gases for around 3% of total GHG emissions.

Read more (in English):

UK has met its first carbon budget

On 4 February 2014, Secretary of State Edward Davey announced that the UK has met its first carbon budget limiting UK’s GHG emissions to 3,018 MtCO$_2$eq over 2008-2012. He said that “green investment has been booming in the UK, with renewable electricity generation doubling and £31bn of renewable energy investment announced since 2010” (approx. € 37.5 billion). Now with the Energy Act 2013, we can look forward not just to hitting our renewable targets for 2020, but beating them.”

Four carbon budgets, covering the period from 2008 to 2027, were introduced as part of the Climate Change Act 2008 to help the UK reduce its GHG emissions by at least 80% by 2050.

Energy Generation

Deal with Shell for the first phase of the Peterhead CCS project signed

On 24 February 2014, the Deputy Prime Minister Nick Clegg, Climate Change Secretary Edward Davey and Secretary of State for Scotland Alistair Carmichael announced signing a deal with Shell for the first phase of the Peterhead project to retrofit the gas-fired power plant with carbon capture and storage (CCS) technology. As a result of this deal, 1 million tonnes of CO₂ could be captured annually. Moreover, half of a million households could be provided with clean energy.

The Peterhead project would be the first gas plant worldwide that will capture CO₂ on an industrial scale and transport it under the sea where it would be deposited. The Peterhead project and the White Rose CCS Project in Yorkshire (see MPU Issue 9/2013) are the UK's first two CCS projects financed under the UK's £ 1 billion (approx. € 1.2 billion) CCS competition. Over the next two years both projects will share government support of £ 100 million (approx. € 120.9 million). Additional investment for planning, design and engineering work will come from the industry itself. It is expected that Peterhead and the White Rose CCS projects will create 2,000 new jobs (technical and operational).

On 3 February 2014, Carbon Capture & Storage Association (CCSA) together with Trade Union Congress (TUC) published a new report on "The Economic Benefits of CCS in the UK", which is a summary of a longer narrative report entitled "A UK Vision for Carbon Capture and Storage" from November 2013. According to the report, an ambitious roll-out of CCS in the UK would create 15,000 - 30,000 new jobs and cumulative market value of £ 15 - £ 35 billion (approx. € 18.2 - € 42.5 billion) by 2030. Moreover, CCS could result in a reduction of energy bills by £ 82 (approx. € 97) per year in the long-run through a reduced wholesale price of electricity.

Read more (in English): http://www.theguardian.com/politics/2014/feb/24/uk-invest-carbon-capture-alex-salmond-ed-davey-independent-scotland
Read more (in English): http://www.theguardian.com/environment/2014/feb/03/uk-carbon-capture-industry-potential

Renewable Energy

Maximising the economic benefit from offshore wind - key priority for the UK Government

On 19 February 2014, the Offshore Wind Programme Board (OWPB) (2) launched its annual report revealing that maximising the economic benefit from offshore wind is a key priority of the UK Government.

In its report, OWPB sets out number of proposals to enable the UK to maintain its position as the world leader in the field of offshore wind deployment. Inter alia, OWPB proposes acting as a hub where developers and supply chain companies could share experiences and best practice and thus drive cost reduction, continuing to engage with colleagues in other offshore

Energy Efficiency

Government’s Green Deal scheme amended to benefit more households

On 18 February 2014, DECC announced amendments to the government’s Green Deal scheme which encourages energy efficiency improvements in residential buildings. Changes are: firstly, the application deadline for money back on energy efficiency measures to be installed by 30 September 2014 was extended from 31 March 2014 to 30 June 2014. Second, cash-back available on some Green Deal measures has been increased: for solid wall insulation from £650 (approx. €785) to £4,000 (approx. €4,836), for “room in roof” insulation from £220 (approx. €266) to £1,000 (approx. €1,209), and for double glazing from £320 (approx. €386) to £650 (approx. €785). Finally, the cap on cash-back payments was increased from 50% of the contribution to the cost of a household to two-thirds. As a result of these amendments, more households should be able to bring down their energy bills and cut their carbon emissions by implementing energy efficiency improvements.

Energy Networks

Two British companies allocated over £8 million to encourage innovation in energy storage

On 13 February 2014, Energy and Climate Change Minister Greg Barker announced that two British companies, namely Viridor Waste Management Ltd and Highview Power Storage, have been allocated over £8 million (approx. €9.7 million) to encourage innovation in energy storage. Both companies will work in a partnership to develop a technology able to store air in a liquid format, which can then be used to supply electricity at times of high demand. The developed technology will be connected to the National Grid, and will be used to test supply and demand balancing with stored energy.

The two companies have been contracted as part of the DECC’s Energy Storage Technology Demonstration Competition that was launched in October 2012. In November 2013, three other winning demonstration projects have already been announced and awarded funds by the DECC (see MPU Issue 8/2013).

The Smart Grid Vision and Routemap published on 27 February 2014

On 27 February 2014, Smart Grid Forum’s Vision and Routemap was published by the DECC. The Smart Grid Forum, created by the DECC and the Office of Gas and Electricity
Markets (Ofgem), consists of representatives from electricity network companies, consumer groups, energy suppliers and wider industry who together work on diverse technical, commercial and regulatory issues concerning smart grid development.

The Smart Grid Vision and Routemap lists a number of benefits and opportunities that smart grid are able to provide for consumers, enterprises, grid operators and the wider energy industry. First, costs to consumers could be reduced because smart grids would allow them to have greater control over their energy consumption and benefit from using electricity during off-peak hours. Second, smart grids could support economic growth and jobs: according to the Routemap, an estimated potential of £ 13 billion (approx. € 15.8 billion) of Gross Value Added (GVA) and £ 5 billion (€ 6.1 billion) of potential exports up to 2050 as well as 8,000 to 9,000 new jobs up to 2030 are associated with the smart grid development. Finally, energy security and integration of low carbon technologies could be increased through improved monitoring and control of the grid that would allow network companies to more quickly identify problems and better manage supply and demand at a local level.

The Smart Grid Vision and Routemap highlights the significant progress that Great Britain has already made in deploying smart grid. This could partly be achieved through the Ofgem’s new RIIO Price Control model, having greater emphasis on network innovation support, as well as the Low Carbon Networks Fund with the overall budget of £ 500 million (approx. € 606.1 million). The latter finances network company innovation projects, which test and trial new smart grid technologies and solutions. Moreover, Great Britain initiated the nationwide rollout of smart meters. This shall improve network management and facilitate demand shifting. To foster progress in smart grid deployment a range of actions have been envisaged in the Forum’s Vision and Routemap. These actions include:

- Providing the strategic course on the future of the electricity system and value of smart grids (e.g. through strengthening the fundamental evidence base and the investigation of the economic benefits of smart grid; implementing Electricity Market Reform (EMR); etc.).
- Ensuring regulatory and commercial frameworks, which enable and support the deployment of smart technologies and new commercial practices (e.g. through successful application of the new RIIO-ED1 Price Control Process, etc).
- Ensuring that consumers are aware of and are convinced by the benefits of installing smart meters and shifting demand.
- Maximizing the economic opportunities for jobs and growth through continuous investment in R&D, etc.

Read more (in English):

Land use, land use change and forestry

New environmental land management scheme for farmers and land managers from 2016

On 26 February 2014, the new environmental land management scheme was announced by the Farming Minister George Eustice. From 2016, the scheme will provide financing to farmers and land managers, delivering benefits for wildlife, improving water quality and creating woodland. According to the Minister, “The new scheme will prioritise promoting
biodiversity and will be tailored to fit local needs. It will be more targeted so we can deliver wildlife corridors but there will also be grants available to all farmers.”


**Adaptation**

**New funding schemes for homeowners and businesses in flood hit areas available**

In response to the recent devastating floods in the UK, on 20 February 2014, Prime Minister David Cameron announced details of new funding schemes for homeowners and businesses in flood hit areas. Support for businesses that have been flooded since December 2013, regardless of how long they were flooded includes:

- Business rate relief (100% for three months).
- Business Support Scheme. Support to small and medium sized businesses to develop and implement their business recovery plans. Total budget of £10 million (approx. €12 million) is envisaged for the implementation of this scheme.
- The new repair and renew grant. Grants are aimed at providing financial support for property improvements that would increase property’s ability to withstand future flooding.

In addition, people whose homes have been flooded will be eligible for a council tax rebate and the new repair and renewal grant (the same as for businesses).

Read more (in English): https://www.gov.uk/government/news/further-flood-support-from-government