Monthly Progress Update

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01 March – 31 March

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

01 April 2014
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Austria

Horizontal Measures

2014 programme of Climate and Energy Fund published

On 11 March 2014, the 2014 programme of the Climate and Energy Fund was published. The allocated budget for this year is € 141.5 million. All in all, 21 projects will be supported belonging to one of the following three key areas:

- Technology development: In 2014, the funding volume for energy research projects is raised to a total of € 35.5 million, which amounts to an increase of € 10 million compared to last year’s funding.
- Green Business: In the frame of the Green Start programme the best sustainable business ideas in the fields of renewable energies, energy efficiency and mobility will be identified and awarded prize money and further support in business development.
- Climate-friendly mobility: 8 projects will be funded through a budget of € 34.3 million. The aim of this key area is to sustainably redesign the Austrian mobility system and to guarantee the long-time affordability of rural and municipal mobility.

An overview of all measures and projects included in this year’s programme of the Climate and Energy Fund is available following the links below.

Read more (in German): http://www.klimafonds.gv.at/assets/Uploads/Jahresprogramme/10032014-Jahresprogramm-Klimafonds-2014-v1-0.pdf

Renewable Energy

Relaunch of PV grant scheme

The PV grant scheme called “Photovoltaik – Anlagen” was relaunched on 12 March 2014. Regarding last year’s conditions, there are only minor changes and as from now on, also companies may apply for this scheme. Only installations with a maximum capacity of 5 kWp are eligible and the amount of lump sum subsidy for ground mounted plants and installations on roof tops and facades is € 275 per kWp. The scheme will be active until the end of 2014.

In 2013, the grant scheme supported approximately 9,500 photovoltaic plant installations in Austria, which amounts to an increase of 3,400 installations compared to 2012.

Read more (in German): http://www.public-consulting.at/kpc/de/home/umweltfrderung/fr_private/energieversorgung/photovoltaik_2014/
Belgium

Energy Efficiency

Winner projects of the call for tenders on exemplary buildings

In early March 2014, the region of Brussels-Capital announced the 50 winners of the 6th call for tenders for "Exemplary Buildings" with a total subsidy amount of € 5 million. The winners, chosen by a jury of experts, benefit from a subsidy of €100 per m² as well as from technical support for the construction or the refurbishment of buildings. Their projects meet four criteria of equal importance, namely high energy performance, low environmental impact, profitability and reproducibility of the proposed solutions as well as enhanced urban integration. 64% of the projects plan the construction of passive houses. In total, the 50 winner projects represent a surface of approximately 100,000 m². The buildings shall be used for private and public housings, offices, shops or public facilities.


Energy Generation

Green heat subsidies for firms and other organizations

The Corporate Social Responsibility Flanders (CSRF) (Maatschappelijk verantwoord ondernemen Vlaanderen- MVO Vlaanderen) announced on 13 March 2014 that the Flemish Government will provide subsidies for companies and other organizations if they want to invest in projects for self-production of green heat, waste heat recovery or biomethane production. In 2014, three calls will be open to companies and other organizations to submit their applications to the Flemish Energy Agency (Vlaams Energieagentschap). The goals of the Flemish Government for accommodating these subsidies is first to support new projects and secondly to support not only small installations, but also industrial installations.

Read more (in Dutch): http://do.vlaanderen.be/vlaamse-investeringssteun-voor-groene-warmte
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Bulgaria

Energy Generation

Energy Regulator to suspend licenses of power distributors

On 19 March 2014, a procedure aiming at the suspension of the license of three distribution system operators (DSOs) active in Bulgaria, namely EVN Bulgaria, CEZ Electro Bulgaria and Energo-PRO, was launched by the Bulgarian State Commission for Water and Energy Regulation (SCWER). The Commission blamed the aforementioned DSOs for depriving the country's largest utility NEK (National Electric Company) "of the funds it needs to fulfill its license activity", making it actually impossible for NEK to pay energy producers.

In the past, NEK had already blamed the DSOs of having liabilities which allegedly have reached more than BGN 300 million (approx. € 150 million). This claim was rejected by the three companies who argued that in fact NEK “owed them compensations for uncollected renewable energy taxes”. The DSOs received a seven-day deadline from SCWER to pay their debts to NEK. It is highly unlikely that the three companies will actually clear their debts, as this would cause their technical default. On 26 March, the Bulgarian Minister of Economy and Energy informed that NEK had not received any payments from the DSOs so far.

Read more (in English): http://www.novinite.com/view_news.php?id=159078

Renewable Energy

E VN requests RES operators to curtail capacities by 60%

On 19 March 2014, the distribution system operator EVN which is operating in South-Eastern Bulgaria issued requests to the operators of renewable energy plants which are connected to its distribution grid demanding that the production capacities of these plants shall be curtailed by 60%. EVN announced this request after the state Energy System Operator (ESO) had already demanded the curtailment of renewable energy capacities. Furthermore, renewable energy plants might be disconnected from the grid if they do not follow the distributor's instructions.

Read more (in Bulgarian): http://www.novinite.com/view_news.php?id=159071

Bulgaria has achieved its 2020 renewable energy target

Bulgaria has met its 2020 target for increasing the share of RES in its gross final energy consumptions 8 years in advance. The target for Bulgaria to be reached by 2020 is a share of at least 16% of RES. According to Eurostat data, this share rose steadily from 9.6 % in 2004 to 14.4 % in 2010. Subsequently in 2012, Bulgaria's RES share amounted to 16.3%. Bulgaria is the third Member State after Estonia and Sweden to fulfil its requirements.

Read more (in Bulgarian): http://www.novinite.com/view_news.php?id=158807
Croatia

Transport

*Government promotes purchase of e-cars and hybrid cars*

The Ministry of Environment and Nature Protection together with the Fund for Environmental Protection and Energy Efficiency will start a project in order to encourage cars with reduced CO2 emission. As from April 2014, the Fund will provide natural persons and corporate entities in total with HRK 7 million (approx. € 913,000) for the purpose of co-financing the purchase of electric, plug-in hybrid and hybrid vehicles. The incentive per vehicle ranges from HRK 30,000 (approx. € 3,900) to 70,000 (approx. € 9,130), whereas the exact height depends on the technology type of the car: electric vehicles will be co-financed with HRK 70,000 (approx. € 9,130), plug-in hybrid cars with HRK 50,000 (approx. € 6,521) and hybrid cars with HRK 30,000 (approx. € 3,900).

The ministry sees the primary objective of the project in the improvement of air quality in cities through the reduction of carbon dioxide emissions in the transport sector. In particular, cities are affected, because they entail the highest concentration of urban road transport, which is one of the key causes of air pollution.

Read more (in Croatian): http://www.mzoip.hr/default.aspx?id=17264

Renewable Energy

*City of Dubrovnik publishes public tender*

In cooperation with the City of Dubrovnik Development Agency (“DURA”) the municipal administration of Dubrovnik published on 3 March 2014 a public tender for the promotion of solar thermal collectors. Installations in 55 households, which need to be located in the City of Dubrovnik, will be co-financed with 50% of the total costs, up to a maximum of HRK 15,000 (approx. € 2,000). Applications will be accepted until the tender means are used up, but no later than 15 April 2014.

The Agency notes that especially in the South of Croatia (e.g. Dubrovnik-Neretva County) the amortisation period for solar panels is short thanks to an above-average amount of sunshine hours.

Read more (in Croatian): http://www.dura.hr/get/novosti/3575/natjecaj_za_ugradnju_solarnih_sustava_za_kucanstva.html
Read more (in Croatian): http://www.slobodnadalmacija.hr/Dubrovnik/tabid/75/articleType/ArticleView/articleId/238353/Default.aspx
Read more (in Croatian): http://www.dura.hr/get/novosti/3575/user_files/dura/0_TEKST%20NATJE%C4%8CAJA.pdf
Energy Efficiency

Defence Ministry implements energy efficiency measures

On 5 March 2014 the Minister of Defence (Ante Kotromanović) and the Director of the Fund for Environmental Protection and Energy Efficiency (Sven Müller) signed a contract on the renewal of military facilities in order to enhance their energy efficiency. The agreement sets out that from 2014 to 2020, the reconstruction of existing and the construction of new military facilities worth HRK 260 million (approx. € 34 million), of which HRK 40 million (approx. € 5.2 million) will be co-financed by the Fund.

The energetic renovation of barracks, heating systems, facades, housetops and windows of administrative buildings is expected to save significant resources and to improve the working conditions. Moreover, the Ministry aims to adapt to the standards of the North Atlantic Treaty Organization (accession in 2009) with these measures and to become a good example for green building in the public sector.


Land use, land use change and forestry

Nature parks apply for European sustainable tourism certificate

The nature parks Medvednica (in the north of the City of Zagreb) and Lonjsko Polje (in the east of the City of Sisak; largest protected wetland in the Danube basin) submitted an application for the European sustainable tourism certificate. After the World Wildlife Fund (WWF) had joined the Europark Federation, it encouraged parks in the region to apply for the certificate. Andrea Stefan of WWF states that during the application process several action plans and an environmentally oriented common strategy for sustainable tourism were adopted. The resulting measures, such as infrastructure improvements, eco-branding and job creation, should benefit both the local population and the protected areas.

In the course of this year the Europark Federation will send a group of experts that will examine, whether the nature parks fulfil the criteria to be bestowed with the prestigious certificate.

Read more: http://www.europarc.org/home/
Cyprus

Adaptation

*National Adaptation Plan of Cyprus to climate change opens for public consultation*

On 17 March 2014, the National Adaptation Plan of Cyprus to climate change has opened for public consultation. The publication of the draft of the National Adaptation Plan is part of the Life Project CYPADAPT, with the participation of the Department of Environment, Ministry of Agriculture, Natural Resources and Environment of Cyprus, the National Technical University of Athens and the National Observatory of Athens. The Adaptation Plan includes measures, which were proposed through a Multi-Criteria Analysis (MCA) process. The draft Adaptation Plan additionally provides policy suggestions concerning their integration in national sectoral policies, strategies and plans.

Read more (in Greek): http://uest.ntua.gr/cypadapt/?page_id=13

Renewable Energy

*Deal on the 50MW CSP Park in Cyprus*

An initial deal on the construction of a 50MW CSP park in Cyprus, one of the largest in Europe, was signed on 12 March 2014. The project has a budget of €185 million and is financed with €50 million by the NER300, an instrument that finances innovative renewable energy technologies. Signatories of the deal are one Cypriot businessman, a Chinese construction company and an Australian technology company. It should be noted that the Cypriot Investment Promotion Agency (CIPA) was responsible for identifying and completing the deal with the Chinese investors. CIPA is a not-for-profit company limited by guarantee, funded by the Cyprus government and is promoting Cyprus as an attractive investment location through road shows and is assisting interested investors with the realization of their investment in Cyprus.

Read more (in Greek): http://www.sigmalive.com/inbusiness/news/business/109245

Energy Efficiency

*Public Consultation on the Definition of Nearly Zero Emission Buildings*

The Ministry of Energy, Commerce, Industry and Tourism (MECIT) has initiated on 24 February 2014 a public consultation on the definition of Nearly Zero Emission Buildings (NZEB). More specifically, the Ministry has published the possible parameters based on which NZEBs will be defined and invites interested parties to express their opinion. Public consultation closes on 25 March 2014. Finally, MECIT is expected to organize a workshop to discuss and exchange opinions on the NZEBs requirements in Cyprus.
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Czech Republic

Horizontal issues

New calls for applications under Operational Programme Environment

In March 2014, the Ministry of the Environment announced the following calls for applications under the Operational Programme Environment (OPŽP) through the State Environmental Fund of the Czech Republic:

Call LIX with an allocated budget of CZK 500 million (approx. € 18 million) with following objectives:

- Reducing the pollution load from sources in buildings not connected to district heating
- Reducing emissions from energy systems including district heating
- Reducing the pollution load by decreasing dust emissions from diffuse sources.

Call LX with an allocated budget of CZK 3.5 billion (approx. € 128 million) with following objectives:

- Construction of new facilities and renovation of existing facilities using RES for heat generation
- Realisation of energy savings
- Use of waste heat

The OPŽP offers investment grants from the Cohesion Fund for the implementation of individual projects. Eligible are public institutions (e.g. municipalities and regions, state companies or NGOs). The grants may amount up to € 50 million and 85 % of a project’s total eligible expenditures. The minimum amount of eligible expenses has been set at CZK 300,000 (approx. € 11,000). Applications can be submitted from 5 March until 30 May 2014.

Website of the OPŽP (in English): http://en.opzp.cz/

Waste

Ministry of Environment allocates CZK 1.5 billion for recycling projects

On 2 March 2014, the Ministry of the Environment decided to allocate CZK 1.5 billion (approx. € 55 million) under the Operational Programme Environment (OPŽP) for recycling projects. These funds were originally part of a total amount of CZK 4.5 billion (approx. € 165 million) through which the Ministry had envisaged to support the construction of waste incineration plants. However, all three waste incineration projects (Karviná, Most and Chotíkov) had failed to receive the approval by the European Commission. Therefore, the new Minister of the Environment, Richard Brabec, is now trying to prevent that these funds will be forfeited. In 2013, the previous Minister already attempted to use CZK 3.6 billion (approx. € 130 million) from unspent funds for the construction of the Prague metro.
However, the Commission had rejected this move emphasising that the money shall be used to promote the sustainable management of waste.


Study: 80% of funds under OPŽP not used for priority projects

According to a yet unpublished study by the Ministry of the Environment that was leaked by Friends of the Earth on 3 March 2014, about 80% of the European funds intended to increase the recycling of municipal waste were used for other, non-priority projects. Under the Operational Programme Environment (OPŽP), € 612 million were supposed to be used in the programming period 2007-2013 for the priorities identified by the Waste Management Plan (POH - Plán odpadového hospodářství) – to reduce the landfilling and increase the recycling of biological waste. Instead, the OPŽP supported, for example, facilities for the processing of construction and metal waste. The study states: “The recycling targets for construction and demolition waste were already reached in 2003; […] it was not considered a priority in the POH since it is a profitable business.” The study is a response to objections by the Supreme Audit Office (NKÚ) which criticised already in 2011 that money from the OPŽP was concentrated in several mammoth projects and that the Ministry did not evaluate whether these projects actually helped making better use of raw materials and reducing waste landfills.

Denmark

No important developments identified in March 2014 regarding climate or energy policies
Estonia

Horizontal Measures

Estonia is the first EU member state to fulfill the 2020 renewable energy targets

According to Eurostat, Estonia was the first Member State to reach the 2020 target on consumption of renewable energy. According to the Directive 2009/28/EC of the European Parliament and of the European Council of 23 April 2009 on the promotion of the use of energy from renewable sources, Estonia had a target of 25% of the overall consumption of energy. Eurostat concludes that Estonia reached the target of 25% in 2011. In 2012, consumption of renewable energy was already 25.2%.

Read more (in Estonian):

Estonian Development Fund introduces Estonian Energy Economy Development Plan up to 2030

The New Estonian Energy Economy Development Plan up to 2030 is finalized and covers all energy sectors: energy production, energy transmission, heating, transport and others. The development plan is not yet officially published, but the Estonian Development Fund is organizing events around Estonia to introduce the possible scenarios for energy development. The main purpose of the Development Plan is to ensure security of energy supply and to increase energy efficiency, providing future scenarios up to 2030 and onwards. In all these future scenarios it is predicted that energy prices will rise but that the energy mix will become more varied. This will also bring a decrease in consumption of Russian gas. The development plan foresees that with technology development, new domestic fuels will be on the market and energy import will decrease in every sector. The Development Plan is expected to be published by the end of 2014 and will be the basis for future reports to the European Commission under the Renewable Energy Directive 2009/28/EC and the Energy Efficiency Directive 2012/27/EU.

Read more (in Estonian):

Energy Generation

Eesti Energia has decreased sulphur emission by 65% over the past five years

Eesti Energia’s oil shale fired power plants have decreased sulphur emissions by 65% over the last five years. Reduction of emissions is due to modernized technology in filters and boilers. A 20% decrease was achieved last year. Eesti Energia placed additional sulphur filters on four energy blocks in Eesti powerplant. Investments into modernized technology are being made because EU environmental regulations will become stricter for Estonia in 2016.

Renewable Energy

**Estonian Renewable Energy Association feels the need to minimize consumption of Russian gas**

On 18 March 2014, the Estonian Renewable Energy Association (EREA) sent a formal letter to the president of Estonia to encourage state leaders and security planners to find solutions for not using gas imported from Russia. EREA finds that it is possible for Estonia to produce 100% of heat from biomass and other renewable sources. EREA suggests that high excise duty for Russian gas, restrictions for building new gas fired power plants and benefits and incentives for companies who decide to promote renewable energy would be enough. EREA states that if these changes take place, the Estonian heating sector could be 100% renewable in a couple of years.


**World's largest offshore wind energy project is moving forward**

Nelja Energia OÜ is planning to build the world's largest wind energy park on the coast of Estonia's second biggest island Hiiumaa. The planned wind energy production capacity is 700MW. A part of Hiiu County Local Authority proposed to vote on signing the Memorandum of Mutual Understanding between Nelja Energia OÜ and Hiiu County. Under the Memorandum, the Hiiu County would support the wind energy development. The Memorandum also provides 30 new jobs for wind generators maintenance. Furthermore, the local community will be paid €0.3 per MWh and purchase of preferred stocks is also provided. The planned wind energy project is only 12km from the coast of Hiiumaa. As of March 2014, it is not clear whether the Memorandum of Mutual Understanding will find support in Local Authority, as there is strong resistance against the project. The decision on signing the Memorandum will be adopted in April 2014.

Read more (in Estonian): http://www.tuuleenergia.ee/2014/03/otsus-mis-muudab-hiiumaa-nao/
Finland

Horizontal Measures

Additional support for off-shore wind energy pilot project is considered

On 20 March 2014, the Government submitted to the Parliament a proposal for amendments to the Renewable Energy Production Law. Amendments would allow companies who receive investment subsidies for developing off-shore wind energy pilot projects to receive also support through premium priced feed-in tariff system. Six companies have applied for off-shore wind energy pilot projects. Only one of these companies will be selected. The subsidy amounts to € 20 million. The wind energy pilot projects subsidy is meant to eliminate additional costs for connections to the transmission grid. Amendments are expected to promote faster development of off-shore wind energy and, therefore, will help to achieve renewable energy targets for 2020 and 2025.

Read more (in Finnish): [link](http://www.tem.fi/energia/tiedotteet_energia?89519_m=114526)

National Adaptation Strategy is waiting for comments or amendment proposals

Finland is renewing its National Adaptation Strategy 2022. The last National Adaptation Strategy was published in 2005. Climate change measures that must be taken into consideration under the new National Adaptation Strategy 2022 are reforms in leadership, promotion of research and development and raising awareness in the society that climate change is taking place and that measures to fight it exist. The National Adaptation Strategy 2022 brings out many cooperation possibilities and local measures that people must keep in mind, for example modest water and electricity use. Local authorities should be more active and serve as role models for citizens. The Ministry of Agriculture and Forestry is waiting for amendment proposals for the National Adaptation Strategy 2022 by 17 April 2014.

Read more (in Finnish): [link](http://www.mmm.fi/attachments/mmm/julkaisut/tyoryhmamuistiot/2013/6MoQ7USVg/Ilmastonmuutoksen_kansallisen_sopeutumisstrategian_2005_arviointi.PDF)

Taxation

Decrease in taxation of peat will make wood chip industry more competitive

The Ministry of Employment and the Economy Jan Vapaavuori stated on 3 March 2014 at the local energy company Rovaniemi Energia 100-year celebration event, that even though cheap coal has replaced wood chips in many power plants, wood chips are still more competitive than coal in the long run. Last year, Minister Vapaavuori decided to increase peat taxation. This year, as cheap coal is taking more and more market share, the peat taxation must be lowered. According to the taxation system in place, subsidies for wood-chip industry decrease if taxation of peat is raised. So increase of peat taxes will affect renewable wood chip industry negatively. As the price of coal has decreased in the United States, it is
very competitive on European markets, as CO₂ prices are very low. Foreign coal with high emissions cannot be part of sustainable energy production. As Finland wishes to continue with renewable energy policy, it will reduce taxation of peat.

Read more (in Finnish): http://www.tem.fi/energia/tiedotteet_energia?89519_m=114004

**Energy Efficiency**

*Energy labels will help to choose most energy efficient lighting products*

Energy labels will help consumers to choose lamps which are most energy efficient. From beginning of March 2014, every lamp must have an energy label and consumers must be informed about the energy-class of the product. Energy labels on lamps help consumers to make the best choice for their needs. Lighting products that came into market before 1 March 2014 can be sold without energy labels, but new products coming into EU must all have energy labels. Energy labels are mandatory for hand crafted products and series production products.

Read more (in Finnish): http://motiva.fi/ajankohtaista/motivan_tiedotteet/2014/motiva_ja_turvallisuus_-ja_kemikaalivirasto_(tukea)_uudesta_energiamerkista_apua_valaisimen_valintaan.6315.news

**Waste**

*Ministry of the Environment provides subsidies for manure recycling*

The Ministry of the Environment provides subsidies for six projects which help to improve recycling of manure and reduces environmental impact on Saaristomeri region in Baltic Sea. The amount of subsidy is €1.3 million. Projects are related to reducing emissions and developing biogas production. Parikkala County in Eastern Finland is also conducting research on developing biogas production and connection possibilities with district heating network in its county.

Read more (in Finnish): http://www.ym.fi/fi-FI/Ajankohtaista/Ymparistoministeriolta_raaha_lantahankke(28710)
France

Energy Generation

*Phase out of regulated sales tariffs for non-residential consumers from mid 2014*

On 18 March 2014, the French consumption act (*Loi 2014-344 du 17 mars 2014 relative à la consommation*) was published, which regulates retail tariffs for gas and electricity. These rates are set by the government and only offered by the national energy suppliers GDF Suez, TEGAZ, EDF and local distribution companies. Article 25 of the act introduces the phasing out of regulated sales tariffs for non-residential consumers from mid-2014 until the end of 2015. This provision is introduced within the framework of the opening to competition of gas and electricity markets in order to comply with European law.

The conditions of regulated retail tariffs of electricity and natural gas applied to individuals and small business customers (whose electricity consumption is less than 36 kVA) remain the same.


Renewable Energy

*Contribution of renewable energy association to the national consultation on the reform of RES support schemes*

Within the framework of the consultation on the reform of support schemes for renewable energies initiated by the Ministry of Ecology in December 2013, several renewable energy associations have communicated their contributions. On 27 February 2014, the liaison committee for renewable energies (CLER) issued a report calling for the maintenance of feed-in tariffs. Among other measures, the CLER suggests that a feed-in tariff could even be granted to all operators of the electricity market, in order to promote the development of commercial offers. The CLER further suggests adapting the amount of the feed-in tariff according to the region of electricity production. On 4 March 2014, the French renewable energy association (SER) released a report on the necessary conditions for the implementation of an effective support scheme. In this regard, the SER states that support schemes should be differentiated between technologies, without the introduction of retroactive measures. In addition, it proposes to replace feed-in tariffs by variable premiums in addition to the price received by the producer from the sale of electricity on the market. This premium should be calculated so as to ensure the profitability of investments. For its part, the French solar association Enerplan lays down three conditions for the optimal development of the photovoltaic sector, namely the definition of a 2020/25 target, the implementation of a simple and stable regulatory framework, and the maintenance of feed-in tariffs. The wind energy federation (FEE) suggests the evolution of feed-in tariffs through the
implementation of lower purchase rates and longer purchase agreements, with the amount of
feed-in tariff being variable depending on the annual electricity production of the installation.

Read more (in French): http://www.cler.org/IMG/pdf/notesoutiener_calcler_1_.pdf

Energy Efficiency

First results of the Refurbishment Plan for Housing

The minister in charge of housing, Cécile Duflot, and the minister of ecology, Philippe Martin,
presented on 5 March 2014 the first results of the Refurbishment Plan for Housing, launched
a year ago in March 2013. This plan aims to renovate 500,000 housing units per year until
2017 in order to achieve a 38% reduction of energy consumption in buildings by 2020. The
Refurbishment Plan for Housing provides financial support to individuals in the amount of
more than € 1.2 billion. In order to encourage the carrying out of refurbishment works, the
resources ceiling for the eligibility to financial support was increased in late 2013. As an
example, the ceiling for a couple without children living in a rural area has been increased
from € 17,000 to € 26,000. This measure now extends the eligibility to 46% of the French
households. Moreover, a premium amounting to € 3,000 was introduced for low-income
households. As a result of these measures, energy refurbishments were multiplied by 5 since
the launch of the Plan. Over 27,000 refurbishment projects were namely reported in the
second half of 2013, whereas only 4,000 were reported until then. As far as social housings
are concerned, the amount of refurbishments increased from 2,000 to nearly 5,000 per
month. Moreover, the government has undertaken significant measures for businesses
active in the building sector. The VAT rate for energy refurbishment works was thus lowered
to 5.5% from 1 January 2014, and the training scheme for energy efficiency called " FEEBAT 
was extended until 2017.

Read more (in French): http://www.developpement-durable.gouv.fr/Plan-de-renovation-energetique-de,37874.html

Energy Networks

Publication of a roadmap for the deployment of smart grids

On 11 March 2014, the president of the French transmission grid operator RTE announced
the finalization by mid-April 2014 of a roadmap for the development of smart grids. The
president of RTE has namely been appointed manager of the “Smart Grid Plan” within the
framework of the national programme for industrial development, launched on 7 October
2013 by the Minister of Productive Recovery Arnaud Montebourg. According to the Ministry,
the “Smart Grid Plan” aims at ensuring the large-scale deployment of smart grids in France in
order to sustainably optimize electricity costs and guarantee a high level of reliability of
electricity grids.

Germany

Horizontal Measures

The Minister of the Environment plans immediate action programme for climate protection

The Minister of the Environment, Barbara Hendricks, stressed that with currently initiated climate protection measures, Germany will not reach its GHG emission reduction target of minus 40% by 2020 based on 1990 levels. Estimates show that Germany will achieve only approx. minus 33% by 2020. Therefore, Hendricks announced to develop an interdepartmental immediate action programme for additional climate protection measures during the fourth Berlin Climate Conference on 17 March 2014. This action programme should be a first step for implementing the National Climate Protection Plan, which has been agreed in the coalition agreement. The main fields of action should include the emission trading scheme, the energy sector, energy efficiency measures, the building sector and urban planning as well as the transport sector. According to the Minister, the measure should include public funding, legal standards and information programmes.

Read more (in German): http://www.bmub.bund.de/bmub/presse-reden/pressemitteilungen/pm/artikel/hendricks-betont-handlungsdruck-beim-klimaschutz/tx_ttnews[backPid]=103&cHash=4c49fa10e9de9bd2ed741e050b1414fb

Renewable Energy

Legislative drafts for reforming the renewable energy act put up for public debate

From 4 to 12 March 2014, the federal states and relevant associations could comment on the legislative drafts for reforming the renewable energy act (Entwurf eines Gesetzes zur grundlegenden Reform des Erneuerbaren-Energien-Gesetzes und zur Änderung weiterer Vorschriften des Energiewirtschaftsrechts) and the draft for the new Installation Register Ordinance (Entwurf einer Verordnung über ein Register für Anlagen zur Erzeugung von Strom aus erneuerbaren Energien und Grubengas). All federal states and a large number of associations submitted statements on the legislative drafts, which have been published by the Ministry for Economic Affairs and Energy. The federal cabinet is expected to pass the draft for the reformed renewable energy act on 8 April 2014.

Read more (in German): http://www.bmw.de/DE/Themen/Energie/Erneuerbare-Energien/EEG-Reform/stellungnahmen.html
Energy Networks

TSOs agreed to install phase shifting transformers between the German and Polish electricity grid

On 12 March 2014, the German and Polish transmission system operators, 50Hertz and Polskie Sieci Elektroenergetyczne S.A. (PSE), signed an Agreement on the Operation of Phase Shifting Transformers. This measure will address the problem of unplanned cross border electricity flows between the two countries. On the one hand, PSE committed to install physical Phase Shifting Transformers in the Mikulowa substation by December 2015, controlling the power flows at the cross border electricity line Mikulowa-Hagenwerder. 50Hertz on the other hand, engaged to install physical Phase Shifting Transformers in Vierraden substation by October 2017, regulating the cross border line Vierraden-Krajnik. Due to the increasing installed capacity of wind and solar power in the North-Eastern part of Germany, cross border electricity flows had become an increasing problem for the rather old Polish electricity grid.

Greece

Energy

“Small PPC” bill expected to be submitted to the Parliament in the end of March

After the end of the public consultation that initiated on 10 March 2014, the so called “small PPC” bill is expected to be submitted to the Greek Parliament at the end of March 2014. The bill contains provisions concerning the sale of approximately 30% of the production capacity of the Public Power Corporation S.A. (PPC S.A.) - the dominant electricity supplier in Greece - to private investors. The production capacity to be sold of 2,690 MW is currently valued at €1.5 - 2 billion. Investment interest derives mainly from Greek companies, as well as foreign companies that are already active in the Greek electricity production sector. “Small PPC’s” portfolio includes thermoelectric power plants, hydroelectric plants, a natural gas power plant as well as three lignite mines.

Read more (in English): http://www.ekathimerini.com/4dcgi/_w_articles_wsite2_1_07/03/2014_537996

Renewable Energy

Public consultation on the “New Deal on PV”

As it was described in MPU 02/2014, the Ministry of Environment, Energy and Climate Change (MEEC) published on 07 March 2014 the Bill on the “Provisions on the rectification of the Special Account of article 40 of law 2773/1999 and other provisions”, which was opened for public consultation until 13 March 2014. The so-called “New Deal on PV” contains the following provisions:

- A review of feed-in tariffs from operating RES and Cogeneration stations with respective modification of the reference prices;
- Producers are obliged to declare the details of the public subsidy they have received through the developmental law or other programs financed by the state or the EU;
- Retroactive reduction of the FiTs the Greek Electricity Market Operator has to pay to RES producers for 2013. RES producers are obliged to issue a discount-credit slip on the total value of the energy sold for 2013. The discount is defined to 35% for the PV producers and 10% for all remaining RES;
- 5 year extension of the purchase agreements for all RES plants operating for less than 12 years;
- New feed-in tariffs for new RES plants (amendment of article 13 of law 3468/2006- PV excluded);
- New provision on the level of total capacity of stations that are under trial operation or stations the connection activated after 1/1/2014 (amendment of article 27A of law 3734/2009);
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- Other provisions and amendments concerning other issues, including lift of compulsory non-transferability of agricultural PV plants before the lapse of a 5-year period, as well as requirements for the installation of PV stations and small wind turbine stations of auto producers.

Although it is not known when the bill will be submitted to the Parliament, 57 Members of the Parliament of the Government Coalition sent a letter to the Minister of Environment, Energy and Climate Change, Mr. Ioannis Maniatis, raising concerns over the aims and targets of the bill. The bill is submitted to the Parliament on 27 March 2014 and is expected to be voted on 29 March 2014.

Read more (in English): http://www.mstr-law.gr/media/documents/2014/03/10/NewDeal_EN.pdf

RAE decides to postpone ETMEAP raise until “New Deal on PV” comes into force

For the facilitation of the public consultation of the “New Deal on PV”, the Regulatory Authority on Energy has decided to delay the increase of the Special Levy for the Reduction of GHGs (Ειδικό Τέλος Μείωσης Εκπομπών Αερίων Ρύπων – ETMEAP) from March 2014 to April 2014. Based on the previous decision of RAE (Decision 663/2013), ETMEAP, with which the Greek Electricity Market Operator (LAGIE) pays the FiT to RES producers, was expected to increase since March 2014 by 97 % on average.


Transport

Public consultation on Electric Vehicle Transportation

The Regulatory Authority on Energy initiated on 5 February 2014 a public consultation on the definition of the institutional and operational framework for the integration of electric vehicle charging infrastructure in the Greek market. Public consultation ended on 17 March 2014 and 13 natural persons and legal entities participated.

See more (in Greece):
Hungary

Horizontal Measures

*Hungary emphasizes the necessity to differentiate the national 2030 GHG mitigation targets according to the Member States' different level of economic development*

On 3 March 2014, the Visegrad Group including the four countries Hungary, Czech Republic, Slovakia and Poland together with Romania and Bulgaria came to a common understanding on how to define national GHG mitigation targets for the 2020-2030 period. Hungary stressed that national targets will have to be differentiated according the different level of economic development in the EU Member States in order ensure target achievement. According to the Visegrad Group, national GHG mitigation targets will have to reflect a fair burden sharing among the EU Member States. Finally, the Visegrad Group stated that national mitigation targets should not undermine the national sovereignty of Member States when determining the individual national energy mix.


Renewable Energy

*Funds for subsidy programmes on the utilisation of renewable energy sources in buildings of ecclesiastic legal entities have been raised*

The subsidy programmes on the utilisation of renewable energy sources in buildings of ecclesiastic legal entities for the Central Hungarian region (*Egyházi jogi személyek épületenergetikai fejlesztése megújuló energiaforrás hasznosításával kombinálva Közép-magyarországi régióban*) and for the Hungarian Convergence Regions (*Egyházi jogi személyek épületenergetikai fejlesztése megújuló energiaforrás hasznosításával kombinálva konvergencia régiókban*) have been raised from HUF 500 million (approx. € 1.6 million) to HUF 1.7 billion (approx. € 5.43 million) and from HUF 2 billion (approx. € 6.39 million) to HUF 8.4 billion (approx. € 26.85 million) respectively. The programmes are administered by the National Development Agency (*Nemzeti Fejlesztési Ügynökség*) and address the energetic refurbishment combined with the utilisation of renewable energy installations for heating purposes in existing buildings owned by ecclesiastic legal entities. The amount of available funds for both programmes has been increased due to the strong demand for the subsidy programmes.

Read more (in Hungarian): [http://palyazat.gov.hu/content/11660](http://palyazat.gov.hu/content/11660)
Read more (in Hungarian): [http://palyazat.gov.hu/content/11659](http://palyazat.gov.hu/content/11659)
Ireland

Horizontal Measures

Priorities of the Department of Communications, Energy and Natural Resources in 2014

The Minister of Communications, Energy and Natural Resources, Mr. Pat Rabbitte, presented on 5 March 2014 in the Dáil Éireann (House of Oireachtas) the Ministry’s priorities for 2014. Firstly, the continuation of the successful “Better Energy” Programme, with which every 1 in 6 Irish homes (250,000 homes) profited from its energy efficiency measures, was announced. The Programme has a budget of €57 million and is expected to create 3,000 additional jobs. Secondly, the Ministry targets at providing “affordable energy” to all Irish homes, which will be accomplished by the continuation of related programmes e.g. the “Better Warmer Homes Scheme”, as well as the minimisation of energy disconnections. Thirdly, the Ministry plans to implement the “Energy Services Framework” published in December 2013 that aspires to “establish an “energy efficiency market” to the non-domestic sector. Additionally, Mr. Pat Rabbitte has prioritised the development of renewable energy as a requirement for a “competitive, secure and sustainable energy system” as well as the need for grid development. Further issues such as the Offshore Renewable Energy Development Plan (see MPU 2/2014) and the prospective publication of an Energy Green Paper in the middle of 2014 were also mentioned.

Agriculture

Nitrates Derogation Guidance Document is published

The Department of Agriculture, Food and the Marine and the Department of the Environment, Community and Local Government announced on 14 March 2014 the publication of the Guidance Document on Nitrates Derogation. It should be noted that Ireland’s derogation under the Nitrates Directive was approved by the EU Nitrates Management Committee on 5 February 2014 (see MPU 2/2014). For that reason, a revised version of the Nitrates Guidance Document was published to inform all interested parties (i.e. intensively stocked farmers) on the requirements of the regulation. Applications in paper are accepted until 31 March 2014 while on-line applications will be received until 30 April 2014.
Transport

CER published decision paper on ESB Networks Electric Vehicle Pilot Project

The Irish Commission for Energy Regulation (CER) published on 5 March 2014 a decision paper on ESB Networks Electric Vehicle Pilot Project. ESB Networks, in charge of the construction and maintenance of the Irish transmission system, submitted in 2013 to CER its proposal to carry out a pilot project concerning the introduction of a “charging infrastructure” for the assessment of the Electric Vehicles’ (EVs) impact on the distribution system (DUoS customer – Distribution Use of System). Furthermore, it was suggested that the costs of the pilot project would be partly covered by the distribution customer. For that reason, CER has published in October 2013 a consultation paper on the matter, stressing the need for identifying the impacts of EVs on the distribution system so that any emerging issues could be managed. Twenty-three stakeholders took part in the consultation process, where twenty two of them were in favour of the vehicle pilot project. CER has approved the realisation of the pilot project as well as its financing process (recovery through DUoS).

Read more (in English): http://www.cer.ie/document-detail/Electric-Vehicles/413
**Italy**

**Energy Efficiency**

*New funds for industries in Central and Southern Regions*

The Ministry of Economic Development has made available € 100 million for Calabria, Campania, Puglia and Sicily for investments aimed at reducing and rationalizing primary energy usage in existing industrial productive processes. Each investment program, to be eligible for the fund, must be located in one of the mentioned regions and have a value between € 30,000 and € 3,000,000.

Eligible types of interventions are:

- Insulation / refurbishment of buildings;
- Rationalisation of heating systems;
- Installation of systems aimed to reduce energy usage in productive cycles;
- Installation of thermal energy production systems for self-consumption.

Offers must be presented between 15 and 23 April 2014.

Read more (in Italian): [http://www.sviluppoeconomico.gov.it/index.php?option=com_content&view=article&viewType=1&idarea1=593&idarea2=0&idarea3=0&idarea4=0&andor=AND&sectionid=0&andorcat=AND&partebassaType=0&idareaCalendario1=0&MvedIT=1&showMenu=1&showCat=1&showArchiveNewsBotton=0&idmenu=2263&id=2030367](http://www.sviluppoeconomico.gov.it/index.php?option=com_content&view=article&viewType=1&idarea1=593&idarea2=0&idarea3=0&idarea4=0&andor=AND&sectionid=0&andorcat=AND&partebassaType=0&idareaCalendario1=0&MvedIT=1&showMenu=1&showCat=1&showArchiveNewsBotton=0&idmenu=2263&id=2030367)
Lithuania

Land use, land use change and forestry

Tenfold increase of compensation rates for environmental damage caused by illegally felled trees

On 7 March 2014, the Ministry of Environment announced the tenfold increase of compensation rates for environmental damage caused by illegally felled trees. From now on, compensation rates will be calculated based on the “Methodology for calculating compensation for environmental damage caused by illegal activity committed by natural and legal persons” (Fizinii ir juridinių asmenų neteisėta veika miškuose padarytos žalos aplinkai atlyginimo dydžio apskaičiavimo metodika, Order No. D1-249), approved by the Minister of Environment, Valentinis Mazuronis, on 6 March 2014. For example, compensation for illegal clear-cutting in the so-called commercial forests will now amount to LTL 400 (approx. € 114) per 1 cubic meter, instead of LTL 40 (approx. € 11.4) per 1 cubic meter.

In 2013, there were 351 detected instances of illegal logging. The volume of illegally harvested timber amounted to 7,800 cubic meters (see MPU Issue 8/2013).

Adaptation

Flood hazard and risk maps introduced to the public

On 17 and 18 March 2014, a public discussion on flood hazard maps and risk maps took place, where their characteristics were presented and practical aspects of their use were discussed by relevant stakeholders. Flood hazard maps identify areas across the country, which are at risk from flooding. In addition, flood risk maps assess potential flood-related adverse impacts on human health, the environment, cultural heritage and economic activities.

These maps will be used for the preparation of flood risk management plans, which will provide for measures for flood prevention, protection and preparedness.
Latvia

Energy Generation

*Opening of the Latvian electricity market postponed until January 2015*

On 20 March 2014, the government of Latvia approved amendments to the Electricity Market Law. As a result of these amendments, the planned opening of the electricity market for households on 1 April 2014 has been postponed until 1 January 2015. Until 31 December 2014, Latvian households will pay for electricity according to the existing regulated tariffs.


Transport

*Open call to support e-mobility extended*

On 25 March 2014, Ministry of Environmental Protection and Regional Development announced extension for the tender of subsidy programme of “Climate Change Financial Instrument”. The call will be open for applications until 8 April 2014 instead of 1 April 2014 as initially foreseen. The overall budget of the programme is around € 5 million. The amount granted per project varies from € 18,500 to 550,000 and aid intensity varies from 35% to 85%. The aim of the tender is to support electric vehicles and the charging infrastructure in Latvia.

Luxemburg

Renewable Energy

Minister of Economy announces revision of the financial support for PV

In response to a parliamentary question put forward in January 2014 on the future of financial support allocated to photovoltaic (PV) installations, the Minister of Economy and Energy Etienne Schneider announced on 12 March 2014 the upcoming revision of the financial support for PV. In this regard, the Minister points out that the national objective of photovoltaic development, set at 112MW installed capacity by 2020, is soon to be reached. According to the Minister, reaching the 11% target of renewable energy defined for Luxembourg by the EU will lead to a significant increase of the compensations costs for electricity over the coming years. According to the government, the tight budgetary situation requires an efficient use of public resources committed to reducing energy consumption and the use of renewable energy.

In his answer to the parliamentary question, the Minister Etienne Schneider also announced the current elaboration of a study on the potential of renewable energy sources.

Read more (in French): http://tinyurl.com/question-parlementaire68
Read more (in French): http://infogreen.lu/article/la-fin-des-subsides-pour-le-photovoltaique

Publication of a report of Eurostat on the share of RES in european energy consumption

On 10 March 2014, Eurostat published a report on the share of renewable energies in energy consumption in Europe. According to the report, Luxembourg ranks second last before Malta, with only 3.1% of renewable energy in final consumption. Within the framework of the renewable energy directive 2009/28/EC, the Grand Duchy of Luxembourg was assigned a target of 11% renewable energy in energy consumption by 2020, which represents the second lowest target at European level.

Read more (in French): http://infogreen.lu/article/nergies-renouvelables-luxembourg-fait-office-de-mauvais-lve
Malta

Horizontal Measures

Strategic Plan for the Environment & Development

In order to regulate sustainable land use and sea management up to 2020, a Strategic Plan for the Environment and Development (SPED) has been set up by the Government in collaboration with Malta Environment and Planning Authority in March 2014.

The document, which is about to replace the 1992 Structure Plan, was prepared after an analysis of Government Policy as well as extensive consultation with the Ministries and focuses on economic, social, cultural and environmental issues. Besides the socio-economic development and travel patterns, climate change and environmental issues are the major topics of the plan.

The current SPED is launched for consultation; however the final document will be published in the coming weeks.


Renewable Energy

Closure of PV scheme

On 12 March 2014, the Malta Resources Authority stated the closure of the ERDF PV Grant scheme (ERDF 288) as the financial allocation of €21 million has been fully subscribed. Hence, no additional applications will be accepted. Regarding the promotion of solar energy, this scheme was in place in addition to the feed-in tariff


Energy Networks

€320 million investment in Enemalta announced

On 11 March 2014, Shanghai Electric Power, a subsidiary of China Power Investments, and Enemalta signed a €320 million strategic investment agreement, which represents a 33% shareholding in the Maltese energy company. Through this contract, Malta may achieve an increased level of the quality of electric generation and distribution services in the country. Regarding renewable energies, Enemalta can profit from the extensive knowledge of this energy global player.

Furthermore, Shanghai Electric Power is going to invest in the Delimara Power Station Phase 3 plant in order to operate it on natural gas instead of heavy fuel oil, which leads to a substantial reduction of GHG emissions.
The contract also includes the embarkment of two joint ventures, which on the one hand enables Enemalta to expand its focus on renewable energy projects in Europe and in other nearby regions. On the other hand, an energy service centre is planned to be set up in order to provide maintenance and servicing of power plants all over the Mediterranean region.

The Netherlands

Horizontal Measures

New wave of regulations for Top Sector Energy

On 13 March 2014, the National Office for Entrepreneurial Netherlands (Rijksdienst voor Ondernemend Nederland) announced that new regulations will be introduced for the Top Sector Energy in March 2014. Top Sectors such as Top Sector Energy, are highly prioritized sectors by the Dutch Government. It is expected that the new regulations will affect the following areas in the energy industry:

- Bio-energy (electricity and heat production cost reduction);
- Energy efficiency in the built environment;
- Energy saving in industry;
- Gas (Liquefied Natural Gas and Green Gas);
- Offshore wind and solar energy;
- Collaboration of the Top Sectors of Energy and Society (Samenwerken Topsector Energie en Maatschappij) (Programme for social embedding of energy innovations).

There are two new elements added to the Top Sector Energy March 2014. The first one is energy saving in the industry and the second one is feasibility studies of offshore wind. It is stated that more details will follow soon on the official website.


Energy Networks

A new Green Deal for CO2 emission factors

The Dutch Government, Environment Central (Milieu Centraal), Stimular, Connekt and the Foundation for Climate Friendly Procurement & Entrepreneurship (Stichting Klimaatvriendelijk Aanbesteden & Ondernemen) closed a Green Deal together on 12 March 2014 in order to share a comparative list for basic CO2 emission data and see how emissions differ per firm, organization and municipality. The background is that organisations and firms use different tools to determine CO2 emissions in the Netherlands. With the new Green Deal a comparative base for CO2 emissions is provided, giving a general overview of CO2 emissions and mitigation options. For autumn 2014 it is expected that the emission factors will be made publicly available.

Poland

Energy Generation

New Geological and Mining Law adopted by the Council of Ministers

On 11 March 2014, the Polish government adopted draft new rules on exploration and exploitation of hydrocarbon deposits, including shale gas. The changes aim at accelerating and facilitating the exploration and mining while respecting the environment.

The new rules introduce among others the following changes:

- Prospecting, exploration and extraction of hydrocarbons require only one license instead of three (for exploration, reconnaissance and mining). Concessions will be granted for a period of 10 to 30 years.
- A notification is now sufficient (replacing a licence) to perform geophysical surveys of geological structures.
- A new “record on geological and investment deposits of hydrocarbons” replaces two former records (“records on geological hydrocarbon deposits” and “deposit development plan”).
- Construction works for searching and identifying hydrocarbon deposits are now only subject to notification to the supervisory authorities of mining and don’t require a building permit anymore.
- There is a new division of revenues from the service charge for the extraction of hydrocarbons and includes now municipalities, the National Fund for Environmental Protection and Water Management, counties and districts and provinces.

The amended regulations will enter into force 3 months after the publication in the Official Gazette.

Read more (in Polish):
www.mos.gov.pl/artykul/7_aktualnosci/22311_nowe_prawo_geologiczne_i_gornicze_przyjete_przez_rade_ministrow.html

Energy Efficiency

New support for energy efficiency in energy-intensive enterprises

On 10 March 2014, the National Fund for Environmental Protection and Water Management started a call for applications for funding under the programme “Support for entrepreneurs on low-carbon and resource-efficient economy”. More than PLN 340 million (approx. € 81.6 million) in the form of grants and loans will be allocated to projects improving energy efficiency in energy-intensive enterprises.

The programme aims at reducing the negative impact of businesses on the environment. Support will cover activities involving reduced consumption of raw materials, increasing energy efficiency, reducing harmful emissions into the atmosphere, using industrial waste for energy generation (including sewage sludge) and performing an energy audit.
Portugal

Taxation

*Bill proposes the return to the 6% VAT rate for electricity*

Bill 525/XII/3a (Projeto de Lei No. 525/XII/3a) - presented by the Members of the Left Block (Bloco de Esquerda) on 28 February 2014 - has been admitted by the Portuguese Assembly of the Republic and referred to the Committee on Budget, Finance and Public Administration on 12 March 2014. The bill proposes the return to the 6% VAT rate for electricity. In 2011, the government increased the VAT rate from 6% to 23% without being forced by measures imposed by the Memorandum of Understanding signed with the Troika partners. The aforementioned bill is expected to be discussed in the plenary meeting of the Assembly of the Republic on 3 April 2014.

Energy Efficiency

*Deadlines to apply for funds from the FEE postponed*

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 (see MPU Issue 11/2014). Applications were planned to be open from 3 March until 2 June 2014, but the application period has been postponed according to the Executive Committee and new dates (opening and closing) for submission of applications have not been released (as of March 2014).

Energy

*Additional measures for the energy sector in Portugal under discussion*

The Minister of Environment and Energy, Jorge Moreira da Silva, announced on 22 March 2014 during an interview to Antena 1 that the Portuguese government is considering the introduction of additional measures to cut excess rents in the energy sector and avoid increase of tariffs, which would not focus only on the electricity sector. With regards to the
extension until 2015 of the extraordinary levy introduced in 2014 on the energy sector (see MPUs 7, 8 and 9/2013), the Minister stated that the matter will only be decided during the preparation of the next State budget. No concrete details of other additional measures have been released.

Read more (in Portuguese): http://www.jornaldenegocios.pt/empresas/detalhe/moreira_da_silva_estamos_a_ponderar_medidas_adicionais_sobre_o_sector_energetico.html
Read more (in Portuguese) Full interview: http://www.rtp.pt/antena1/?t=Entrevista-a-Jorge-Moreira-da-Silva.rtp&article=7587&visual=11&tm=16&headline=13&source=mail

Waste

**Draft version of PERSU 2020 released to be discussed with involved entities**

The Portuguese Environment Agency (APA) released in March 2014 a draft version of the Strategic Plan for Urban Solid Waste - PERSU 2020 (*Plano Estratégico dos Resíduos Sólidos Urbanos*) (see MPU Issue 7/2013), which will be first discussed with involved entities. Afterwards, the plan will be open for public consultation.

Important parts of the plan can be summarized as follows:

- review of the Plan for the Prevention of Urban Waste - PPRU (*Plano de Prevenção dos Resíduos Urbanos*) and a new target of 10% reduction of urban waste produced by 2020 based on 2012 levels, which means that the waste production in 2020 shall not exceed 410 kilograms per capita/year. An intermediate target of 7.6% reduction by 2016 is also set;
- with regards to the recycling of packaging waste, a target of 70% shall be achieved by 2020;
- the amount of biodegradable municipal waste that is sent to landfills by 2020 shall be reduced to 35% of total biodegradable waste produced in 1995;
- the plan aims to achieve an annual recycling rate of 47 kilogrammes per person by 2020;
- the plan sets for the first time different targets for the 23 waste management systems in the country. Targets were based on population density and socio-economic parameters.

Romania

Renewable Energy

*Subsidy programme for hydro power plants and geothermal installations launched*

The Administration of the Environmental Fund (AFM) launched the subsidy programme “Renewable Energy RO06 – RONDINE” (*Programul RO 06 Energie Regenerabila - RONDINE*). The subsidy programme addresses the initiation and refurbishment of hydro power plants for electricity generation as well as initial investments and reengineering of geothermal power plants for thermal energy production. Eligible parties under the hydropower component are public entities or private commercial entities. As regards the geothermal component, eligible parties are public entities, private commercial entities as well as local administrative authorities. The programme’s budget amounts to RON 37,501,770 (approx. € 8.39 million). The programme is funded by the Financing Mechanism of the European Economic Area 2009-2014. Project proposals can be handed in between 20 March and 20 May 2014.


Energy Efficiency

*Subsidy programme on improving energy efficiency in SMEs open for project proposals*

Project proposals under the subsidy programme on improving energy efficiency measures in small and medium enterprises (SMEs) in the Romanian industry sector (*Eficienta Energetica in Industrie pentru IMM-uri*) can be handed in between 10 March and 9 May 2014. The programme is funded by the Financing Mechanism of the European Economic Area 2009-2014. Approximately 20 SMEs will benefit from energy efficiency measures undertaken within this programme. The programme allocates € 8 million.


Transport

*Subsidy programme on stimulating the modernisation of the national car fleet 2014 has been launched*

On 21 March 2014, the subsidy programme on stimulating the modernization of the national car fleet 2014 (*Programul de stimulare a innoirii Parcului auto national - RABLA*) has been launched by the Administration of the Environmental Fund. Eligible parties being natural and legal persons, who own vehicles older than eight years, may apply for a voucher between 24 and 28 March 2014. The replacement of old vehicles will be subsidized with a voucher of RON 6,500 (approx. € 1,450). In addition, eligible parties may benefit from an eco-bonus of
RON 500 (approx. € 110) in case the purchased vehicle is a hybrid car, a EURO 6 emissions standard vehicle or emits less than 100g/km CO2. The programme’s overall budget amounts to RON 140 million (approx. € 31.29 million) distributing altogether 20,000 vouchers.


**Adaptation**

*Subsidy programme on adaptation to the effects of climate change has been launched*

On 13 March 2014, the subsidy programme on adaptation to the effects of climate change (RO07 Adaptare la Schimbari Climatice) has been launched together with two other programmes on the protection of biodiversity (RO02 Biodiversitate si servicii ale ecosistemelor) and the management of hazardous substances (RO04 Reducerea substantelor periculoase). The subsidy programmes are financed by the Financing Mechanism of the European Economic Area 2009-2014 and allocate altogether € 30 million. Thereof, € 5 million are dedicated to the programme on adaptation to the effects of climate change. The Ministry of the Environment and Climate Change is administering the subsidy programmes.

Read more (in English): [http://eeagrants.org.ez.07.no/programme/view/RO07/PA07](http://eeagrants.org.ez.07.no/programme/view/RO07/PA07)
Slovakia

Horizontal Issues

Slovak Parliament approves amendment of Thermal Energy Act

On 20 March 2014, the amendment to the Act on Thermal Energy was finally approved by the Slovak Parliament. The amendment introduces new obligations for producers of heat in residential buildings and shall ensure the increased safety of these heating sources. Among others, the new law introduces the obligation to install measuring instruments or heat cost allocators. This obligation affects all residential buildings with an area above 500 m² that have heat generators, boilers, heat pumps or solar collectors installed. Furthermore, the building owners are obliged to notify the energy regulatory office ÚRSO about their heat production.

Slovenia

Horizontal Measures

The new Energy Act (EZ-1) published in the Official Gazette

The new Energy Act (EZ-1) was published in the Official Gazette on 7 March 2014. The controversial Act, as reported in previous MPUs (see MPU Issue 11/2014), faced a number of obstacles in the legislative procedure and it had been uncertain whether it would pass. The Act provides a legal basis for the adoption of national strategic documents that will determine the long-term trend in energy use and energy supply in the future. It also provides a framework for the promotion of energy efficiency and use of RES thus contributing to the national objective of reducing GHG emissions and promotion of green growth. The most controversial points of the new Act were the implementation of energy efficiency certificates for buildings and the new support scheme for RES and CHP.

Read more (in Slovene):
http://www energetika portal si/novica/n/nov energetski zakon ez 1 objavljen v uradnem listu rs 8790/

The Slovenian Government took position on the EU Commissions framework for climate and energy policy for the period 2020-2030

In its position on the proposed 2030 framework, the Government of Slovenia supports the 40% reduction target in the EU by 2030 (compared to 1990 levels), provided that this objective will be divided into sectors and countries in a way that is cost-effective and will not pose a disproportionate burden for Slovenia and takes into account the aspect of maintaining a competitive economy in an international environment. Slovenia is also in favour of keeping the current structure of three climate and energy targets (reducing emissions, increasing the share of RES and increase energy efficiency) and at the same time taking into consideration the specifics of each MS. In Slovenia’s case, these specifics are the high share of transport emissions due to transit transport and the potentials arising from large carbon sinks in forests.

Read more (in Slovene):
http://www vlada si/medijsko_sredisce/sporocila za javnost/sporocilo za javnost/article/48 redna_seja vlade rs 45106/
Read more (in Slovene): http://www energetika portal si/novica/n/stalisce k sporocilu komisije glede okvira podnebne in energetske politike za obdobje 2020 2030 8/

Energy Efficiency

Energy saving to become priority according to Ministry

On the occasion of the World Energy Saving Day on 6 March 2014, the Ministry of Infrastructure and Spatial Planning highlighted energy saving as a key factor in the fight against climate change and in the development of sustainable and low-carbon society. The Ministry underlined that the newly passed energy act (EZ-1) would bring innovations in the field of energy efficiency, positive effects on the environment as well as contribute to the
measures to tackle the economic crisis. In the coming years, great emphasis will be given to the refurbishment of (public) buildings. “The refurbishment efforts will require around € 50 million investment annually, which, according to our estimates, means 1200 jobs and twice as many indirect jobs (production materials, etc.)” stated the Minister. The minister also implied that the energy saving measures have a positive effect on the public resources as the invested money returns can be doubled from the inflow of taxes and contributions, and in some cases even quadrupled.


Buildings major energy sinkholes in Slovenia

According to research by REUS on the energy efficiency in Slovenia (see MPU 2013/8), around 80 % of the buildings are energy-inefficient and need to be renovated. Buildings (residential and public) contribute 40% to energy consumption and 35% to Slovenia’s CO₂ emissions. These facts mean that buildings pose huge sinkholes in terms of energy saving.

The European Directive on energy performance obliges Member States to refurbish at least 3% of public buildings annually and inter alia act as role models for other sectors. Statistics show that a third of the buildings in the public sector in Slovenia are without isolation, most of them do not have energy certificates (only 15%), more than half (53%) do not have built-in energy saving light bulbs and do not invest in energy efficiency at all –giving a bad example for the rest of the sectors.

Most of the energy consumption falls to hospitals, schools and public administration. Just for heating and electricity the state pays € 150 million per year - costs that could be reduced by over a third with a better insulation of the external envelope of the building.

According to the company Informa Echo energy renovation of buildings in the public sector, which together comprise more than nine million square meters, is a major challenge for the country and the economy.

Polona Lah from the Jozef Stefan Institute explained that by 2020 Slovenia needs to refurbish about 2.2 million square meters of buildings. For the energy refurbishment of public buildings in the next seven years, Slovenia would have to invest around € 350 million and the financial plan is still not adopted. Miss Lah states that much of the investment could be implemented through public-private partnerships.

The Association for sustainable construction indicated that construction companies are insufficiently aware of the legislation. A poorly carried restoration will cause problems in 10 years and, therefore, they propose a preparation of guidelines for building refurbishment.

Read more (in Slovene): [http://www.pozitivnaenergija.si/raziskava](http://www.pozitivnaenergija.si/raziskava)
Renewable Energy

In 2013 RES and CHP support amounted to € 118.5 million

On 18 March 2014, the Centre for RES and CHP Support Borzen published the final data on support schemes for the year 2013. Accordingly, 2013 was marked by a positive trend in the construction of new power plants for the production of green electricity. The subsidized electricity production included 3,575 production plants with a total power output of 497 MW and produced 803 GWh electricity in 2013, enough to cover about 7% of the electricity needs in Slovenia.

Most of the entries in the scheme in 2013 were solar power plants (781 units with a total power of 72 MW) and CHP plants using fossil fuels (101 units with a total power of 7 MW). It is also worth noting the commissioning of a 2.3 MW wind power plant, which is the only major wind power plant in Slovenia, and of one refurbished hydro-electrical power plant in 2013.

In 2013, the amount of produced energy from plants included in the support scheme was 23% higher and the support paid consequently increased by 32% compared to 2012. The average amount of support per unit of electricity in 2013 amounted to 147.61 €/MWh, which was 7.5% more than in 2012.

In comparison to 2012, the proportion of solar power plants increased to almost 50% of all paid support. The largest drop was recorded in biogas whose share of paid support decreased to approximately 14% while in 2012 it accounted for more than 20%. CHP plants using fossil fuels in 2013 represented more than 20% of the total paid support, approximately 9% of paid support went to biomass power plants and 6.3% to hydroelectric power. Wind farms still represent a negligible portion.


Extension of the tender for co-financing of individual heating systems, biomass (KNLB3)

The public tender for co-financing of individual systems using biomass (KNLB3) has been extended on 7 March 2014 to the beginning of the eleventh opening in April 2014. Financial incentives in the tender are intended for investments in the installation of new boiler installations using biomass and also investors who wish to expand the capacity in the existing boiler systems using biomass or the replacement of existing fossil energy sources. The new deadline for submission of applications for the eleventh opening is 3 April 2014.

Adaptation

*Minister Zidan presented the achievements of the Ministry of Agriculture and the Environment in the past year and its priorities for the upcoming*

At a press conference on 12 March 2014 dedicated to the first anniversary of the government led by Prime Minister Alenka Bratusek, the Minister for Agriculture and the Environment Dejan Zidan presented the work of his ministry in the past year and the priorities for the future.

Among the achievements, the Minister highlighted the addressing of the problem of small dust particles (the so-called PM10 particles). Since 2003, Slovenia has been and still is in breach of EU law due to PM10 particles exceeding the allowed value in certain areas and had no measures to deal with this problem so far. The Ministry of Agriculture and the Environment drafted up seven ordinances on air quality plans, six of which have already been adopted by the government. On this basis, the ministry has also prepared an action plan for air quality and the introduction of a climate fund (Podnebni sklad) which has already begun implementing the first measurements from the action plan in net worth of € 10 million. The Ministry also issued a warning and an advice to forest owners who in their efforts to clean their forests of the aftermath of the blizzard are advised to bring all wood material from the forest and not to burn it in the open. The material that will be used for heating purposes needs to be thoroughly dried, since if the wood is wet, the emissions of harmful substances to the human health is significantly higher.

As for the future priorities concerning GHG emissions and climate change, the Minister highlighted the implementation of activities in the field of climate change adaptation. Assessments of the EU show that climate change causes damage of around € 80-90 billion per year in the EU. By 2050 these numbers could rise to € 250 billion, in Slovenia up to € 1 billion. Therefore, it is important that Slovenia introduces certain adaptation activities now. The Action plan for reducing GHG emissions is currently in public debate and the first calculations for Slovenia show that the cost of the measures would amount to between € 200 and 300 million. Possible financial sources could be the various environmental funds, the EU cohesion fund and the EIB loans.


Land use, land use change and forestry

*Rehabilitation efforts after the blizzard in the Slovene forests to continue*

On 21 March 2014, the Slovenian Forest Service (SFS) organized a press conference together with the Director-General for Forestry from the Ministry of Agriculture and the Environment on the progress of rehabilitation of forests after the blizzard from February 2014. The blizzard severely damaged and destroyed more than 40% of all Slovenian forests, the recovery is estimated to take several years if not decades. The Directorate-General explained that the Ministry has already prepared legislative changes to ease the recovery efforts, especially in the field of administrative barriers. The SFS is currently preparing a
comprehensive plan for the restoration of the damaged forests, which will be the (legal) basis for additional rehabilitation measures. The plan will be ready by 10 April 2014, when the final assessment of the extent of damage and the cost of rehabilitation will be known.

At the same time, the traditional spring cleaning campaigns started in Slovenia. These start annually on the international day of water (21 March) and end on 22 April (International Earth Day). This year most of the cleanup efforts will focus on helping the rehabilitation efforts after the blizzard.
Spain

Transport

New fund for purchasing efficient vehicles

On 5 March 2014, Royal Decree 128/2014 initiated the third round of the Plan of Support to the Environment (PIMA 3), promoting the purchase of efficient and/or hybrid vans, cars and motorcycles as well as bicycles with assisted pedalling. The aim of the plan is to allow Spain to comply with the goals set by European Directive 2008/50/CE on ambient air quality and cleaner air for Europe.

The plan’s budget is of € 5.5 million and the amount of support will vary from € 350 to € 2,500, depending on the type of vehicle.

Read more (in Spanish): http://www.magrama.gob.es/es/prensa/noticias/el-plan-pima-aire-3-de-ayudas-para-la-compra-de-veh%C3%ADculos-comerciales-motocicletas-ciclomotores-y-bicicletas-el%C3%A9ctricas-entra-ma%C3%B1ana-en-vigor/tcm7.319002-16
Sweden

Renewable Energy

Proposal on interim solution for threshold effect

On 6 March 2014, the Swedish Ministry of Industry proposed a new bill that provides an interim solution for renewable energy operators regarding the so-called threshold effect. The threshold effect describes the costs for grid reinforcement, if such is needed to connect a new electricity generating plant to the grid (e.g. wind park). Currently, the full costs of such grid reinforcement are born by the investor of the first generation plant to be connected. Investors who subsequently establish an electricity generating plant in the same place and connect the plant to the power grid do not need to pay for the reinforcement of the grid already made. This high initial cost currently constitutes a severe barrier for the development of renewable energy in Sweden.

The proposal (Prop 2013/14:156 Tröskeleffekter och förnybar energi) provides that the Swedish TSO (Svenska kraftnät) pays for the initial grid reinforcement costs for of renewable energy sources and companies will subsequently pay for their share as they are connected to the reinforced grid. The governments expects that the fair allocation of costs for grid reinforcement will lead to a more rational and effective deployment of renewable electricity and ultimately lower costs for electricity consumers.

The interim solution is expected to come into force in August 2014. The Government's ambition is to replace the transitional solution with a long-term market solution in 2016 where the state, who is the owner of the TSO, does not need to take any financial risk for this type of reinforcements. The Swedish Energy Market Inspectorate (Energimarknadsinspektionen) was asked to investigate how such a long-term market solution might be designed.

Read more (in Swedish): http://www.regeringen.se/sb/d/18459/a/235525
Proposition (in Swedish):
http://www.regeringen.se/download/c81a4b2b.pdf?major=1&minor=235696&cn=attachmentPublDuplicator_0_attachment
United Kingdom

Horizontal Measures

Financial support to community energy projects

On 12 March 2014, the Cabinet Office and the Department of Energy and Climate Change (DECC) announced financial support to 12 community energy projects in order to demonstrate how social action can help people cut their energy bills. Support ranging from between GBP 10,000 (approx. € 11,900) and GBP 50,000 (approx. € 59,700) was awarded to community energy groups to enable them to build consortia and thus give larger groups the resources to mentor others. Inter alia, support was provided to:

- a community forum which offers workshops and assistance to communities willing to produce electricity from hydropower;
- a social enterprise that organizes study visits and seminars for local community groups so they can cut their fossil fuel consumption by using sustainable wood sources;
- training volunteers in reducing energy consumption so they can visit older people and audit their home energy consumption and make energy efficiency improvements.


Taxation

Freezing of the Carbon Price Support rate to GBP 18 per tonne of CO2 from 2016 to 2020

On 19 March 2014, Chancellor of the Exchequer George Osborne announced that the UK’s carbon floor price will be frozen at GBP 18 (approx. € 21.5) per tonne of CO₂ until 2020. Originally, a carbon floor price rise to GBP 35 (approx. € 41.8) per tonne of CO₂ was planned by 2020. The announced price freeze shall provide businesses concerned about rising electricity prices with more certainty.

Moreover, according to the annual budget, energy-intensive industries shall be compensated for the effect that green energy subsidies have on their electricity costs. If this measure receives EU state aid approval, it will annually cost the Government around GBP 300 million (approx. € 358.2 million) from 2016/17 onwards.

It is expected that UK budget will increase country’s power generation by at least 4%, which in turn will increase its CO2 emissions by 1% or more.

Read more (in English): http://www.endseurope.com/35219/uk-answers-industries-pleas-for-lower-power-costs
Read more (in English): https://www.gov.uk/government/publications/carbon-price-floor-reform
Energy Efficiency

First six schemes received support under the Green Deal Communities

On 4 March 2014, Minister of State at the Department of Energy & Climate Change (DECC) Greg Barker announced the first six schemes that will receive support under the Green Deal Communities: Cambridgeshire, Ashfield, Suffolk, Peterborough, Blacknell Forest, and 6 north London boroughs led by Haringey. The schemes were allocated funding of GBP 19.5 million (approx. € 23.3 million) and shall deliver over 5,500 Green Deal Plans to more than 7,000 homes (see MPU Issue 9/2013).


GBP 2.1 million support for low carbon heat network projects

On 26 March 2014, Minister for Energy and Climate Change Greg Barker announced that 24 local authorities in England and Wales have been awarded more than GBP 2.1 million (approx. € 2.5 million) through the Government’s Heat Network Delivery Unit (HNDU). HNDU was established in September 2013 with a GBP 7 million (approx. € 8.4 million) fund to support the development of the heat network. All successful projects are designed to provide more efficient heating to buildings (e.g. energy from waste or recovered heat taken from industry).

The remaining funding will be allocated through subsequent funding rounds, which will run until March 2015. The third round is open from 12 May to 27 June 2014.


Statistics on Domestic Green Deal and ECO

On 20 March 2014, the Department of Energy and Climate Change (DECC) published a monthly statistical release on the Domestic Green Deal scheme. The statistic shows that 517,000 households have benefited from the scheme to improve energy efficiency in their homes since the introduction of the Green Deal and Energy Company Obligation (ECO) in January 2013. By the end of February 2014, 163,000 Green Deal Assessments were submitted. Government’s target is to have one million homes being upgraded through both ECO and the Green Deal by April 2015.

Read more (in English):

Energy Networks

Final aspects of the Capacity Market confirmed by the DECC

On 19 March 2014, the Department of Energy and Climate Change (DECC) confirmed final aspects of the Capacity Market, which is one of the key elements of the Electricity Market Reform. DECC confirmed that 15-year capacity agreements will be available to new capacity. The existing capacity will be able to enter into rolling one year agreements. Three year
agreements will be available to plants which need to undertake significant renovation. Unreliable capacity plants will be penalized with penalties amounting to 200% of their monthly income and 100% of their annual income. Finally, to protect consumers from excessive costs, the capacity auction will be capped at GBP 75/kW (approx. € 89/kW).

The first capacity auction shall take place in December 2014. Capacity is planned to be in place by 2018. As announced by the Government, two transitional auctions for demand side capacity will run in 2015 and 2016.

Read more (in English): https://www.gov.uk/government/news/electricity-market-reform-capacity-market-design