Monthly Progress Update

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

02 June 2013
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Austria

Horizontal Measures

Environment budget for 2014 and 2015 released

On 16 May 2014, the Ministry of Agriculture, Forestry, Environment and Water Management presented the Ministry’s budget for 2014 and 2015 to the Parliament. An additional budget of € 639 million for 2014 and € 643 million for 2015 will be available for the merged areas environment and rural development is. The Ministry announced to set a strong focus on organic agriculture. In total, the development of agriculture will receive € 2.2 billion in 2014 and € 2.1 billion in 2015, with the new programme for rural development as a central pillar environmental protection is going to be financed by € 1.3 billion for the upcoming two years.

Read more (in German):  http://www.bmlfuw.gv.at/presse/ministerium/Budgetausschuss.html

Renewable Energy

Austria's biggest energy utility reduces the use of coal power

“Verbund”, Austria’s biggest energy utility, has recently announced that in future energy generation from coal power will be reduced. In a press statement on 14 May 2014, the Environment Minister Rupprechter expressed his appreciation for this important step towards a more efficient and sustainable energy generation and argued that this measure was an important example for other energy utilities. According to Rupprechter, the fact that the share of renewable energies in total electricity consumption already exceeds 65% shows that Austria is on the right track concerning its energy policies.

Read more (in German):  http://www.bmlfuw.gv.at/presse/umwelt/140514Verbund.html

Development of Solar PV guaranteed due to legal certainty.

On 21 May 2014, an important decision has been made regarding taxes and levies on electricity. According to the Finance Ministry, producers of electricity from renewable energy sources are from now on exempt from the payment of the so called “solar tax” (“Sonnensteuer”) up to the generation of 25,000 kWh/year. The limit was increased from the former 5,000 kWh/year and is supposed to guarantee the exemption from the electricity tax for the majority of private households, manufacturers and agricultural companies. The exemption applies to solar PV, small hydro power, biogas, biomass and wind energy.

Read more (in German):  http://www.bmlfuw.gv.at/presse/umwelt/140521photo.html
Read more (in German):  https://www.bmf.gv.at/karussell/Photovoltaik.html
Belgium

Energy Efficiency

*Walloon Government allocates € 300 million*

Within the framework of the PIVERT Green investment programme, the Walloon Government awarded on 12 May 2014 € 300 million to public housing companies for carrying out energy renovation works of housings in the Walloon region. In 2012, €100 million had been allocated for the energy refurbishment of social housings. In total, these measures will allow the renovation of 12,000 housing units.

The housings to be refurbished were selected through a call for proposals addressed to all public housing societies. The selected dwellings were those with the highest potential for energy consumption reduction. The financial support per housing amounts to at least €10,000, maximum €60,000. In order to be eligible, the energy-saving works have to represent at least 60 % of the investment.

Bulgaria

Energy Generation

EC launches “EU Pilot” procedure against Bulgaria over South Stream project

On 19 May, it was revealed that the European Commission (EC) has launched a so-called “EU Pilot” against Bulgaria over the latest amendments of the country’s Energy Act. On 4 April 2014, the Bulgarian Parliament had approved amendments, according to which “South Stream” will be considered an interconnector, and not a pipeline. Thus, the Gazprom-favoured project would be exempted from the prescriptions of the EU’s Third Energy Package. On 9 May, deputy energy minister Ivan Ayolov confirmed that the controversial amendments to the Energy Act were coordinated with Gazprom. The aim of EU pilots is to improve the cooperation between Member States and the EC on issues concerning the conformity of national law with EU law. The results of this procedure could lead to further measures against Bulgaria. The Bulgarian Government has until mid-June 2014 to give an official response.

Regulatory Commission and PM accuse DSOs of violating Bulgarian energy legislation

On 14 May 2014, the Bulgarian regulatory commission SCEWR accused the three power distribution system operators (DSOs) operating in Bulgaria of “committing a total of 2,690 violations against the country’s energy legislation and providing false accounts of their revenues”. According to SCEWR, the DSO’s expenses were in fact more than BGN 800 million (approx. € 410 million) lower than declared. On 7 May, Prime Minister Plamen Oresharski already threatened the DSOs with a suspension of their licenses for energy distribution if the companies did not begin complying with national law. However, SCEWR has repeatedly postponed its decision on imposing fines against the power distributors or scrapping the DSO’s permits.

Eurostat: Bulgarian households pay lowest electricity and highest gas prices in the EU

According to Eurostat data for the second half of 2013, Bulgarian electricity prices for households are still the lowest in the European Union. While the EU average amounts to € 20.1 per kWh, households in Bulgaria are charged € 8.8 per kWh, followed by Romania (€ 12.8) and Hungary (€ 13.3). On the other hand, Bulgarian households are charged the highest gas prices in the EU. Electricity prices have become a sensitive issue in Bulgaria, as
Prime Minister Boyko Borisov was forced to resign last year following mass protests against high electricity bills.

Read more (in English): http://www.novinite.com/articles/160713/Bulgarian+Household+Electricity+Bills+Lowest+in+EU
Croatia

Renewable Energy

Study on the Status of RES projects

On 22 May 2014 the Energy Association of Croatia (Savez za energetiku Hrvatske), together with the company Energo Media Servis, published the fifth addendum to a Study on the Status of Renewable Energy Projects in Croatia.

On the basis of data published by the Croatian Energy Market Operator (HROTE), the study shows that until 16 May 2014 there were 867 funded RES projects with a power of 326 MW. So far the Republic of Croatia has provided around € 500 million for the support of renewables. It is expected that 445 projects will be completed by the middle of 2015, with an installed generation capacity of approx. 560 MW. Wind power plants will contribute the highest share with a total of 478 MW of installed capacity.


Horizontal Measures

Fifth Zagreb Energy Week took place from 12-17 May 2014

From 12-17 May 2014 the 5th Zagreb Energy Week (Zagrebački energetski tjedan) took place. The event is organised by the administration of the City of Zagreb and is aimed at raising ecological awareness, providing information on the harmful effects of greenhouse emissions and promoting the possibilities of green economy, energy savings and sustainable growth.

Numerous participants had the chance to hold lectures, give lessons in primary schools, debate in panel discussions, join in interactive workshops and introduce their own projects. For example, one such project, the Society for the Creation of Sustainable Growth (Društvo za oblikovanje održivog razvoja - DOOR), presented a compilation of best practices for energy efficiency and renewable projects in Croatia (“Održivo Gospodarenje Energijom – hrvatska praksa za Europu”).

Read more (in English): http://www.zagreb-energyweek.info/welcome-to-the-zagreb-energy-week-2014.html

Energy Efficiency

Public discussion on proposal of new Energy Efficiency Law

In the beginning of May the Croatian Ministry of Economics published a proposal for a new Law on Energy Efficiency (Zakon o energetskoj učinkovitosti). The Ministry has given the interested public the possibility to comment and provide input on the law during an open
discussion from 16 to 31 May 2014. After this period the contributions will be openly accessible online.


**German-Croatian Symposium on passive houses**

On 15 May 2014 the Company Caparol d.o.o. organized a German-Croatian symposium entitled “Passivhaus – A step towards Sustainable Building” (Passivhaus – iskorak u održivu gradnju). During the symposium several lectures were given on the concept of passive houses and their implication for energy efficiency and the cost-effectiveness of buildings. The event was attended by over 200 participants, among which were architects, engineers and government representatives.

According to the organizer the purpose of the symposium is to educate and inform the (expert) public with regards to modern materials and technologies in the field of sustainable building.


Cyprus

Renewable Energy

Signing of the agreement between the first two successful applicants of the 2012 tender for large PV parks until 10MW

On 2 May 2014, the grant agreements of the first two successful applicants of the 2012 tender for large PV parks until 10MW were signed by the President of the Management Committee of RES and Energy Efficiency Fund, Dr. Stelios Chimonas, at the Ministry of Energy, Commerce, Industry and Tourism. The Minister of Energy, Commerce, Industry and Tourism, Mr. George Lakkotrypis, was also present. The two PV parks have a capacity of 1.5 MW each. The first project was installed in Larnaca and will receive € 9.5 cents/KWh, while the second one, installed in Famagusta, € 9.8 cents KWh. It should be underlined that the feed-in tariffs given are considerably lower than the current cost of electricity by conventional fuels on the island. Finally, the remaining 22 projects that were successfully selected in the same 2012 tender are on the pipeline and are expected to be realised in the immediate future.


Net-Metering Support Scheme will continue in 2014

On 5 May 2014, the Minister of Energy, Commerce, Industry and Tourism Mr. Georgios Lakkotrypis took part in a meeting of the Parliamentary Committee on Ministry and Tourism and answered questions of the Committee related to RES. Mr. Lakkotrypis underlined the success of the net-metering scheme in 2013 and assured that the scheme will continue in 2014. In July 2013 the Cypriot Regulatory Authority on Energy introduced for the first time “net metering” as a RES support mechanism. More specifically, there were four categories for net metering: firstly 6MW of domestic PV supported through the “Support Scheme for natural persons and public entities that do not exercise economic activity” (purchase of PV installation and operation under a net metering scheme), secondly domestic PV systems (9MW), thirdly PV systems installed in local administration buildings (0.2MW) and fourthly autonomous PV systems in commercial or industrial units (10MW). The same number of applications is expected to be approved for the first category in 2014. This specific net-metering support scheme aims to support vulnerable social groups through the purchase of PV systems and will have a budget of € 1 million. Concerning the performance of the first category, 200 to 300 out of 2,000 successful applications have been realised until now. In relation to the second category, further 5,000 households are expected to operate under a PV net-metering scheme (). As far as the fourth category is concerned, the capacity cap will be set in 2014 at 5 MW, as in 2013, applications with a cumulative capacity of 1.5MW were finally submitted (capacity cap 10MW). While there was criticism by some members of the Committee concerning the approval of two large solar-thermal plants on the island (see MPU Issue 4/2014), Mr. Kougialis underlined the Ministerial Council provided solely its political support of both projects and the foreseen licensing process will be complied with. Finally, the
Minister announced that the Ministry is also preparing a study on the viability of the RES and Energy Efficiency Fund.

Czech Republic

Energy Efficiency

*High demand for “boiler subsidies” in Hradec Králové region*

After just one week, subsidies in the total amount of CZK 20 million (approx. € 730,000) for the replacement of inefficient household boilers in the region Hradec Králové were exhausted. Between 12 and 19 May 2014, the district office accepted 390 applications for subsidies. The amount of support varied between CZK 15,000 to 60,000 (approx. € 550 to 2,200) depending on the type and the efficiency of the boiler. The subsidy programme is financed equally by the region and the Ministry of the Environment. A similar programme is currently being realised in the Plzeň region, where also CZK 20 million were allocated for the exchange of household boilers. Applications can be submitted from 26 May to 30 June 2014. These so-called “boiler subsidies” have already been implemented in three other regions of the Czech Republic, in particular in the region of Moravian-Silesia, where a total of 4,500 old boilers have been replaced for CZK 220 million (approx. € 8 million) since 2012.

On 20 May 2014, the Czech Minister of Environment Richard Brabec announced that starting from 2015, up to CZK 9 billion (approx. € 330 million) could be allocated from European funds to extend these subsidies in all regions of the Czech Republic.

Less applications for New Green Savings Programme than 2013

In 2014, the State Environmental Fund (*Státní fond životního prostředí – SFŽP*) received less grant applications for the insulation of family houses or the replacement of windows than last year. One month after the opening of the New Green Savings Programme, the fund recorded over 900 applications for a total amount of CZK 145 million (approx. € 5.3 million), as SFŽP spokeswoman Lenka Brandtová told the Czech News Agency ČTK. According to SFŽP, this is about one thousand applications less than in 2013. This can be explained by the fact that in 2013 the programme was re-opened after three years, in April 2014 only after three months.

Waste

*Ministry prepares new draft Waste Management Plan*

The Ministry of Environment submitted a new draft Waste Management Plan for the period 2015-2020 for public consultation. The Ministry declared that it wants to focus on waste prevention and increased recycling rates. Waste experts, however, argue that the plan was prepared too quickly and that it is missing concrete measures, e.g. raising the share of
recycled waste to 60% should have been included as a main target. Among other things, the plan envisages the construction of eight new plants for the incineration of municipal waste, despite the fact that the European Commission is rather critical of this waste treatment method.

Denmark

Renewable Energy

*Danish Energy Agency publishes energy scenario report*

On 20 May 2014, the Danish Energy Agency (DEA) published an energy scenario report ("Energy Scenarios for 2020, 2035 and 2050" – “Energiscenarier fra mod 2020, 2035 og 2050”) and five sub-scenarios (4 fossil-free scenarios and 1 fossil scenario) analysing the future energy system by 2050 concerning phasing out of fossil fuels and replacing them with renewable energy. Scenarios include the entire energy system, also the transport sector.

The report states that it is technically possible to construct an energy system independent of fossil fuels (coal, oil and natural gas). According to the DEA's report the additional costs of this energy transition are between DKK 6 and 29 billion (approx. € 0.8 – 3.89 billion) until 2050 depending on energy sources.


Energy Efficiency

*Minister of Climate, Energy and Building presented “Strategy for Energy Renovation of Buildings”*

On 5 May 2014 Climate, Energy and Building Minister Rasmus Petersen presented the “Strategy for Energy Renovation of Buildings” (“Strategi for energirenovering af bygninger”) with 21 initiatives aiming at reducing energy consumption for heating in existing buildings by 35% by 2050. The strategy is part of the energy agreement of 2012.

Initiatives are directed to different actors (professional workers and private homeowners) and include among others: requirements for windows and other building materials, better advice to homeowners, improved energy labelling scheme.

The energy renovation strategy has been developed in collaboration with over 40 organisations in the construction, energy and finance industry as well as a number of academic institutions.

Estonia

Horizontal Measures

Estonia will develop climate change strategy

On 16 May 2014, the Ministry of the Environment announced that a project contract for developing the Estonian Climate Change Adaptation Strategy and Action Plan (Eesti kliimamuutustega kohanemise strateegia ja tegevuskava) has been signed between the Ministry of the Environment and the Estonian Environmental Research Center. The strategy will concentrate on both protective and preventive measures. For example it will provide for measures protecting against negative effects of climate change but also taking advantage of changing climate conditions and searching for positive ways how to deal with the climate change issue. The draft of the strategy is expected to be ready in the beginning of 2016 and the cost will be around € 1 million. The strategy development will be funded by the EU.

Read more (in Estonian): http://envir.ee/1207013

Estonia becomes 29th official member of International Energy Agency

On 9 May 2014, Estonia became the 29th official member of the International Energy Agency (IEA) and joined the Governing Board, the highest decision-making authority, of the IEA. IEA executive director Ms. Van der Hoeven emphasised that like the IEA and members of the organisation, Estonia values security and economic development and sustainability of its energy sector. To become a member of the IEA, certain requirements have to be met. The central requirement for Estonia is to store emergency oil stocks equivalent to at least 90 days of the prior year’s net imports.

Read more (in English): http://www.iea.org/newsroomandevents/pressreleases/2014/may/name,50891,en.html

Estonian TSO published analysis of Estonian Long-term Power Scenarios.

On 15 May 2014, the Estonian transmission system operator (TSO) Elering published an analysis titled “Estonian Long-term Power Scenarios” (Eesti pikaajalised elektritootmisstenaariumid). The analysis was carried out in cooperation with the Tallinn University of Technology and the Danish consulting company Ea Energy Analyses. The analysis presents different scenarios for Estonian electricity production up to 2030 with a vision to 2050. In every scenario security of electricity supply is guaranteed. The study mentions that electricity will become more affordable in the long run as the standard of living is rising due to the economic development. Moreover, the analysis indicates that electricity subsidies are necessary only in situations where electricity imports are not taken into account when providing consumers with electricity. Electricity connections with other countries are sufficient up to 2035. Beyond that, the sufficiency of interconnectors between Finland and Estonia depends on the socioeconomic situation.

Renewable Energy

Nelja Energia AS opens new windpark

On 14 May 2014, Nelja Energia AS, which is the biggest developer of wind parks in Estonia, opened a new wind park in Ojaküla, Estonia. The total capacity of the wind park is 6.9 MW. The cost of the construction amounted to €10 million. 55% of the construction cost was covered by the money earned from CO2 quotas sold to Spain. The generators were produced by the German company Enercon Gmbh.


Tartu Credit Union enters renewable energy production sector

Tartu Credit Union, which is a cooperative financial institution, set up a subsidiary company Eesti Ühistuenergia OÜ for developing renewable energy projects in North-East Estonia. The company Eesti Ühistuenergia OÜ bought a development project which has already been issued licenses and agreements to build three wind generators. Construction started in the beginning of May 2014. The project is financed by the members of the Tartu Credit Union. Investors will receive a yearly interest rate of 5.5%. Eesti Ühistuenergia OÜ will start earning money when electricity sales start.

Finland

Horizontal Measures

*Questionnaire published as part of Finland’s 2050 Energy and Climate Roadmap process*

On 14 May 2014, the Ministry of the Employment and the Economy published a questionnaire asking for measures to reduce CO₂ emissions. The questionnaire is open through May and all interested people may complete it. Questionnaire is part of the process of developing an Energy and Climate Roadmap up to 2050. The aim of the Roadmap is to determine the measures and expenditure required to transition to a low-carbon society and reduce carbon emissions by 80-95% by the year 2050.


*The EU and Finland are set to reduce their CO₂ emissions by amounts that go beyond what is foreseen in Kyoto protocol*

On 6 May 2014, the Ministry of the Environment announced in a report to United Nations that Finland has decreased CO₂ emissions more than expected during the period 2008-2012. The average decrease of CO₂ emissions from 2008-2012 among EU member states and Iceland was 18.8 %. The target for Finland was to keep CO₂ emission stable relative to 1990. According the government this target was achieved as a result of the implementation of measures envisaged in Finland’s climate strategies as well as developments in the energy sector, not due to the global financial crisis. Increasing the share of renewable energy sources in the energy mix as well as improvements in the energy efficiency of buildings have played a huge role. Finnish emission intensity in 2012 was the eleventh lowest in the EU, but intensity has decreased a bit slower than in other EU countries. Emissions per capita are the seventh highest in the EU and are decreasing slower than in other EU member states. However, Finland is ahead of its CO₂ targets for 2020. According to projections, if the decrease in emissions continues at this pace, then by 2020 EU will have overreached the Kyoto target by 5,5Gt for the period 2008-2020.

Read more (in Finnish): [http://www.ym.fi/ma-FI/Ajankohtaista/EU_ja_Suomi_vahentaneet_paastojaan_Kioto%2829234%29](http://www.ym.fi/ma-FI/Ajankohtaista/EU_ja_Suomi_vahentaneet_paastojaan_Kioto%2829234%29)

Energy Generation

*Report shows year on year decrease in electricity consumption in April 2014*

On 14 May 2014, a report on electricity consumption in April 2014 was published. In April Finland used 6766 GWh of electricity, which represents a decline of 4.2 % compared to the same month in the previous year. This decline is due to warmer than usual weather, as well as a decrease in energy consumption in the industrial sector. Industries have been decreasing their consumption since February 2014 and an even bigger decline is expected. While overall domestic electricity production was more than 16 % lower than in 2013,
electricity produced from wind energy has increased. In April 2014, wind energy production was 51.6 % higher than in April 2013.

Read more (in Finnish): [link]

**Energy Networks**

*Energy Agency confirmed conditions of electricity export to Russian Federation*

On 12 May 2014, the Energy Agency of Finland confirmed the conditions for the transfer of electricity from Finland to Russia by Finland’s TSO Fingrid. So far electricity has been imported from Russia, however long-term export possibilities have been discussed between the two countries. Electricity export is expected to start in June 2014. One of four transmission lines between Finland and Russia is technically ready for two way electricity transmission, enabling Finland to export up to 350 MW of electricity to Russia. 320 MW of capacity will be made available for the market, while 30 MW will be left in reserve.

Read more (in Finnish): [link]
**France**

**Renewable Energy**

*Abrogation of the bonus for PV components manufactured in Europe*

In January 2013, France had published a decree that increased the feed-in tariff for solar plants. Accordingly, local photovoltaic industries should be supported through a bonus of 5% to 10% of the purchase price of photovoltaic electricity. The bonus was applicable to PV systems with modules and / or cells produced within the European Union.

On 8 May 2014, the Ministry of Ecology and Energy now published the decree of 25 April 2014 repealing the decree 7 January 2013. According to the decree of 25 April 2014, installations that submitted a complete application for connection after 10 March 2014 are thus no longer entitled to the increased rate for components manufactured in Europe.

The reason for this repeal is a request from the European Commission asking France to remove this measure since it was deemed to violate EU law.


**Energy Efficiency**

*Minister of housing reaffirms her commitments*

On the occasion of a meeting of the National Housing Council on 22 May 2014, the Minister of housing Sylvia Pinel reaffirmed her commitment to accelerate the construction of 500,000 new homes as well the energy refurbishment of 500,000 homes per year by 2017. In this regard, she confirmed her intention to implement 50 measures before the summer in order to lower construction costs and attract investors. Further measures for the simplification of standards will be announced by the end of the year. Another priority of the Minister is to lower the expenses of French households related to housing by encouraging energy refurbishment works.


*Presentation of the energy efficiency action plan*

The Ministry of Ecology and Energy presented on 24 April 2014 its national action plan for energy efficiency to the European Commission. In order to reach its national target corresponding to 20% reduction of energy consumption by 2020, France plans to focus on two main objectives. On the one hand, the country aims to reduce its final energy consumption to 131 Mtoe by 2020 against the current 155 Mtoe. On the other hand, France plans to reduce its primary energy consumption to 236 Mtoe, against 260 Mtoe currently. The plan also details the energy efficiency measures already undertaken and to be undertaken within the different energy sectors. As far as the building sector is concerned, the renovation
of 500,000 units per year by 2017 is expected to generate savings of 2.1 Mtoe by 2020, while the 2012 thermal regulations (RT 2012) should generate energy savings of 1.15 Mtoe in 2020 thanks to the improvement of the energy performance of new buildings. Regarding the transport sector, improving the performance of new vehicles will allow the saving of about 2.2 Mtoe in 2020.

Read more (in French): http://www.developpement-durable.gouv.fr/IMG/pdf/0378_Annexe_1_PNAEE_.pdf
Read more (in French): http://www.developpement-durable.gouv.fr/La-France-remet-son-plan-d-action.html

**Energy Networks**

*Publication of a plan for the development of smart grids*

On 20 May 2014, the French electricity transmission grid operator (Réseau de transport d’électricité - RTE), presented the national plan for the development of smart grids. This plan was commissioned by the Ministry for Industrial recovery as part of the French industrial policy (“Nouvelle France Industrielle”). The plan aims at strengthening the position of the smart grid sector on new industrial markets, such as the grid infrastructure or the smart meter markets. The objective of the smart grid industry is thus to create more than 25,000 direct jobs by 2020, with an expected turnover amounting to € 6 billion. Currently, the sector provides 15,000 direct jobs and has a turnover of € 3 billion. In order to achieve this objective, stakeholders of the smart meters sector have identified 10 priority actions described in the plan. Among others, the plan foresees the creation of an economic interest grouping (EIG) dedicated to the sector, as well as the creation of a quality label and a directory of stakeholders by the end of 2014.

Germany

Energy Generation

Minister for Economic Affairs and Energy refuses financing plans by energy companies for nuclear phase-out

The Minister for Economic Affairs and Energy, Sigmar Gabriel, and the Federal Chancellor, Angela Merkel, both refused the financing plans presented by the energy companies regarding the costs of the nuclear phase-out. According to media articles, three major energy companies EnBW, E.ON and RWE are considering transferring their entire nuclear reactor business to the German state. According to their plan, nuclear power plants should be transferred into a public foundation, which would then operate the nuclear reactors until the final phase-out of nuclear energy in 2022. The Minister for Economic Affairs and Energy stressed that the costs for phasing out nuclear energy will have to be paid by the energy companies, who financially benefited from their nuclear power plants over the last decades, while phase out costs should not be imposed on the general public and the tax payers. However, Energy Commissioner Günther Oettinger called on the German government to thoroughly assess the different options and their financial implications. On the one hand, the government would have to consider the estimated future costs for phasing out nuclear power and the financial reserves already made by the energy companies. On the other hand, the government should take into consideration the height of financial compensations, for which the energy companies sued the government. The Ministry of Economic Affairs and Energy stressed that no concrete concept has been presented by the energy companies so far. Thus, currently no basis for consultations within the ministry or the government regarding this issue exists.

Read more (in German): http://www.wn.de/Welt/Politik/1564906-Energie-Gabriel-lehnt-Plaene-der-Energiekonzerne-zum-AKW-Abriss-ab

Renewable Energy

Associations in the energy sector oppose differing regulations by the Federal States regarding spatial planning for wind power plants

On 16 May 2014, the three German associations, the Federal Association for the Energy and Water sector (BDEW) (Bundesverband der Energie- und Wasserwirtschaft e.V.), the German Wind Power Association (BWE) (Bundesverband Windenergie) and the German Machinery and Plant Manufacturing Association (VDMA PS) (Verband Deutscher Maschinen- und Anlagenbau) published a common press release stating their opposition to the so-called “Länderöffnungsklausel”. According to a draft law on introducing individual distance regulations for wind power plants at federal state level (“Entwurf eines Gesetzes zur Einführung einer Länderöffnungsklausel zur Vorgabe von Mindestabständen zwischen Windenergieanlagen und zulässigen Nutzungen”), this clause grants federal states more regulatory freedom for determining minimum distances between wind power plants and
residential areas. According to the associations, global minimal distances determined at federal state level would unnecessarily reduce the available areas for wind power plants. Furthermore, the clause might undermine public acceptance on site and might lead to diverging administrative burdens for wind power operators across the different federal states.

Read more (in German): http://www.iwr.de/news.php?id=26277

**Share of renewable energy sources reaches new peak level in the first quarter of 2014**

According to a BDEW (Federal Association for the Energy and Water sector – Bundesverband der Energie- und Wasserwirtschaft e.V.) press release from 09 May 2014, the share of renewable energy sources in Germany’s gross national electricity consumption reached a new peak level of 27% in the first quarter of this year. In the first quarter of 2013, the share of renewables amounted to 23%. According to the BDEW, this is mainly due to the ongoing expansion of renewable energy plants and very favourable weather conditions in the first quarter of 2014.

Read more (in German): http://www.manager-magazin.de/politik/artikel/oekostrom-anteil-in-deutschland-waechst-rasant-a-968525.html

**Feed-in tariffs for PV-installations have been published for the period May-July 2014**

According to the Federal Network Agency (Bundesnetzagentur) the degression for the feed-in tariffs of PV-installations will again amount to 1% for the months May, June and July. The tariffs will vary between 8,92-13,14€ cent from May to July, depending on the size of the installation. The degression rate is adapted every three months on the basis of the newly installed capacity in the past 12 months. The newly installed capacity of 2,984 MW remained within the annual corridor of 2,500-3,500 MW for the second time in a row 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/DatenMeldg_EEG-VergSaetze/DatenMeldg_EEG-VergSaetze_node.html#doc405794bodyText4

**Energy Efficiency**

**New Energy Saving Ordinance for Building entered into on 1 May 2014**

On 1 May 2014, the new Energy Saving Ordinance for Buildings (Energieeinsparverordnung) entered into force. The ordinance foresees 25% higher energy efficiency standards for primary energy demand and 20% for thermal insulation in newly built houses. There has been no increase of the required energy efficiency standards for existing buildings. Amongst others, the energy certificates of already existing buildings will have to be published in real estate advertisements.

Read more (in German): http://www.bmwi.de/DE/Presse/pressemtitellungen.did=636540.html
Read more (in German): http://www.bmwi.de/DE/Themen/Energie/Energieeffizienz-und-Energiesparen/energieeffizienz.did=190696.html
Energy Networks

*Smart grid pilot project running in the city of Aachen*

In the City of Aachen, the municipal utilities and twelve other partners from the energy, industry and research sector are currently working on the pilot project "Smart Area Aachen". This smart grid for the city includes communication and measurement technology in the network as well as new approaches to management. The project evaluates in seven sub-projects the impact of smart grids on maintenance, network operation and network planning as well as cost-effectiveness.


Transport

*Express charging stations for electric vehicles have been put into operation along motorway A9*

As of 14 May 2014, electric vehicles can be charged at eight express charging stations along 430km on the A9 motorway connecting Berlin and Munich. Electric vehicles can be fully charged in less than half an hour, thus making the use of electric cars on long-distance trips more attractive. This e-mobility infrastructure project is financed by the Federal Ministry of Transport and Digital Infrastructure and is part of the governmental support initiative "showcase for electric mobility".

Greece

Energy Networks

**First round of bids for the privatization of the Greek TSO (ADMIE)**

On 9 May 2014, the first round of bids for the privatization of 66% of the capital stock of the Greek TSO (ADMIE) has been completed. Five non-binding offers have been submitted to the Hellenic Republic Asset Development Fund (TAIPEΔ), coming from the European companies Elia and Terna, from the China State Grid, the India Power Corporation and a Canadian Investment Fund (PSP Investments). After evaluation, the successful bidders of the first round – being announced end of May 2014 - will be invited to submit a final and binding offer in a second phase.


Renewable Energy

**Special Account for RES expected to have a surplus in March 2015**

According to the latest monthly report on the Special Account for RES, issued by the Greek Electricity Market Operator (LAGIE) on 25 May 2014, the Special Account for RES is expected to have a surplus of €3.95 million by March 2015, against a deficit of €23.4 million in February of 2015. Additionally, the account surplus will reach €98.7 million at the end of 2015, while at the end of 2016 the surplus will reach €162.5 million. Concerning the current situation of the Special Account, the account deficit as of March 2014 amounted to €189.8 million compared to €188 million in February 2014 and €224 million in January 2014. Future estimations took into consideration the increase of the Special Levy on the Reduction of GHGs (ETMEAR) as well as provisions of the “New Deal for RES”.


**Associations of roof mounted PV producers prepare their legal actions against the “New Deal”**

Two associations of small roof mounted PV producers are designing their next legal actions against the provisions of the “New Deal on RES”. The first PV association “Stegi” (Roof) has already submitted the first 100 extrajudicial documents against the provisions included in the “New Deal on RES”. Main points were the retroactive reduction of the feed-in tariffs (FITs) for small roof mounted PV until 10 kW as well as the annulment of the yearly depression of the FITs (by 25% of the Greek Consumer Price Index). Same legal actions are expected to be followed by the second association of small PV producers “Helios”. One of the main legal arguments is the fact that small roof mounted PV producers have not signed electricity purchase agreements, as it is case with the rest of the RES producers, but a netting
agreement i.e. FITs are given after the electricity consumption of the household PV producer is balanced with its PV production.

Read more (in Greek): [http://www.econews.gr/2014/05/20/syllogos-stegi-exodika-114925/](http://www.econews.gr/2014/05/20/syllogos-stegi-exodika-114925/)
Read more (in Greek): [http://www.econews.gr/2014/05/13/fotovoltaika-nomika-ilios-114746/](http://www.econews.gr/2014/05/13/fotovoltaika-nomika-ilios-114746/)

**Greek Electricity Market Operator (LAGIE) pays RES producers for August and September 2013**

On 13 May 2013, LAGIE announced that it will begin to pay RES producers for electricity produced in September 2013. LAGIE is the authority responsible for paying Greece’s RES FIT to RES producers. In addition, on 8 May 2014, LAGIE announced that all RES installations were paid for August 2013. It should be noted that since 2012, LAGIE has started to pay RES producers with a three-month delay and this is currently extended to more than six months. The Deputy Minister of Energy, Environment and Climate Change, Mr. Assimakis Papageorgiou pointed out in his speech at the 10 Year Institute of Energy for South-East Europe (IENE) Anniversary Business Luncheon on 8 May 2014 that payments are expected to be on time again with the “New Deal on RES” entering into force.

Read more (in Greek): [http://www.econews.gr/2014/05/20/syllogos-stegi-exodika-114925/](http://www.econews.gr/2014/05/20/syllogos-stegi-exodika-114925/)
Hungary

Energy Generation

*District heating in Hungary will benefit from increased European funding*

The Ministry of National Development announced on 14 May 2014 that the Hungarian district heating sector will benefit from altogether HUF 60 billion (approx. € 198 million) in funding from 2014-2020. This sum will be allocated through subsidy programmes financed under the EU Structural and Cohesion Funds in the financing period 2014-2020, and will mainly be administered by the Environmental and Energy Efficiency Operative Programmes (Környezeti és energiahatékonysági operatív programokért – KEHOP). The funding will mainly focus on increasing the energy efficiency of the district heating system, including the interconnection of two district heating networks. Energy efficiency improvements for energy generation installations for district heating may also be funded under this programme.


Energy Efficiency

*Hungary’s energy consumption has consistently declined over the last years*

On 14 May 2014, the Hungarian Energy and Public Utility Regulatory Authority (MEKH) published statistical figures on Hungary’s natural gas and electricity consumption in the period from 2010 to 2013. Compared to 2010, the country’s natural gas consumption dropped by nearly 25% in 2013. In 2013 almost 8.5 billion m³ natural gas was sold to final consumers across Hungary, down from 9.3 billion m³ in 2012, 10.3 billion m³ in 2011 and 11.3 billion m³ in 2010.

Electricity consumption also decreased in the same period, though not as significantly as gas consumption. While electricity consumption in Hungary in 2013 amounted to 34.26 terawatt hours, it was 35.38 terawatt hours in 2010. Thus, electricity consumption decreased by 3% from 2010 to 2013. The MEKH did not specify any reasons for Hungary’s reduced energy consumption.


Land use, land use change and forestry

*Two new natural parks will be designated in 2014*

On 15 May 2014, the Ministry of Rural Development announced that two new natural parks will be designated in the course of 2014. The Körösök Völgye Natural Park in Békés County and the Koppányvölgy Natural Park will be added to the already existing network of seven Hungarian natural parks. Natural parks contribute to nature conservation as well as
maintaining cultural values through environmentally friendly rural development. A concrete timeline has not been communicated.

Ireland

Energy Policy

Public Consultation on Green Paper on Energy Policy launched

The Minister for Communications, Energy & Natural Resources, Mr. Pat Rabbitte, launched on 12 May 2014 the public consultation on Ireland’s Energy Policy Green Paper. The Green Paper describes six priority areas such as the empowerment of energy citizens, the regulation of markets and prices, energy infrastructure, the need for a balanced energy mix, the sustainable orientation of the energy systems and the creation of economic opportunities. Faced with a multitude of challenges such as climate change, energy sustainability and security, the ambitious aim of the Green Paper is to shape the future energy policy of Ireland that will transform Ireland to an “indigenous low carbon economy”. Public consultation will be open for the next ten weeks.


Energy Efficiency

Irish Energy Efficiency Fund initiated its first project

The Minister for Communications, Energy & Natural Resources, Mr. Pat Rabbitte, launched on 8 May 2014 the Irish Energy Efficiency Fund together with Sustainable Development Capital LLP, a specialist financial advisory and investment firm. The Fund’s budget amounts to € 70 million (€ 35 million from the Irish Government and the rest from private sources). The aim of the Fund is to help develop and finance energy efficiency related projects in the public and private sector. The first project financed by the Fund concerns the replacement of existing lighting with LEDs in 7 Tesco stores in the first phase and up to 40 stores in a latter phase. The project has a budget of € 2 million. It will create 16 new jobs and will result in over €540,000 in energy savings.

Read more (in English): [http://www.dcenr.gov.ie/Press+Releases/2014/Launch+of+%E2%82%AC70+million+Irish+Energy+Efficiency+Fund.htm](http://www.dcenr.gov.ie/Press+Releases/2014/Launch+of+%E2%82%AC70+million+Irish+Energy+Efficiency+Fund.htm)

Energy

Ireland’s Environmental Protection Agency reports GHG emission reductions in 2013

The Irish Environmental Protection Agency (EPA) announced on 8 May 2014 the emissions from the power generating sector in 2013. In comparison with 2012, a downward trend of approximately 7% of GHG emissions from companies participating in the EU-ETS scheme can be observed. More specifically, the power generating sector had emission reductions of 11.5%, while the GHG emissions from the cement sector fell by 4% and emissions of the food & drink sector increased by 4%. The reduction of the power generating sector can be
attributed to the shutdown of coal fired power plants and the increase of electricity production stemming from renewables. In relation to the other two sectors, lower production contributed to the GHG emissions reduction of the cement sector, while the GHG emissions increase of the food & drink sector is due to the growth of that sector in 2013. All in all, EPA concluded that the EU-ETS scheme is in need of “a radical structural reform” so as to motivate reductions in energy use. Dr. Maria Martin, EPA Senior Manager commented that the price of carbon should be set in a way that it can motivate EU ETS participants to reduce their energy requirements and curb effectively their GHG emissions. This is why the Commission’s proposal for the establishment of a “market stability reserve of allowances from 2021” can be as a positive development to that direction.

Read more (in English): http://www.epa.ie/newsandevents/news/name,53970,en.html#.U384tXY097Q
Italy

Transport

New incentives for efficient vehicles

Ministerial Decree of the Ministry of Economic Development of 3 April 2014 details the distribution of funds for the purchase of low-emissions vehicles in 2014, following what firstly was established by Legislative Decree 83/2012 and Law 134/2012. The total available funds are € 31,363,943 for 2014. In detail:

- 15% of the funds are devoted to all subjects for the purchase of vehicles with CO2 emissions below 50 g/km;
- 30% of the funds are devoted to all subjects for the purchase of vehicles with CO2 emissions below 95 g/km;
- 50% of the funds are devoted to companies for the purchase of vehicles with CO2 emissions below 120 g/km.

The funds have been activated in May 2014 and are available for 2014 and 2015. Contributions are provided as a discount on the purchase price up to the amounts listed below and in any case not for more than 20% of the cost of the vehicle (15% in 2015).

<table>
<thead>
<tr>
<th>Maximum grant amounts</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 Emissions &lt; 50g/km</td>
<td>€ 5,000</td>
<td>€ 3,500</td>
</tr>
<tr>
<td>CO2 Emissions &lt; 95g/km</td>
<td>€ 4,000</td>
<td>€ 3,000</td>
</tr>
<tr>
<td>CO2 Emissions &lt; 120g/km</td>
<td>€ 2,000</td>
<td>€ 1,800</td>
</tr>
</tbody>
</table>

It is not mandatory to turn in a previously owned vehicle if the newly purchased cars’ emissions remain below 95 g/km. In all other cases, it is mandatory that a vehicle of the same type of the newly acquired one, and at least 10 years old, is turned in.

Read more (in Italian):
http://www.sviluppoeconomico.gov.it/index.php?option=com_content&view=article&idmenu=1618&idarea1=0&idarea2=0&idarea3=0&andor=AND&sectionid=0&andorcat=AND&MvediT=1&cattitle1=Decreti%20ministeriali&partebassaType=0&showMenu=1&showCat=1&idarea4=0&idareaCalendario1=0&id=2030603&viewType=0
Lithuania

Renewable Energy

Invitation to submit applications for grants from the Special Programme for Climate Change

On 2 and 8 May 2014, the Lithuanian Environmental Investment Fund (LEIF) (LAAIF – Lietuvos Aplinkos Apsaugos Investiciniis Fondas) invited applications for grants from the Special Programme for Climate Change (Klimato kaitos specialioji programa). Grants are available for:

- the replacement of more than 15-years old biomass boilers with new ones;
- the modernisation of forest biomass harvesting;
- the use of renewable energy sources (except biomass) in public (e.g. schools, hospitals, etc.) and residual (for various social groups) buildings; and
- the use of renewable energy sources in a single or two apartment houses owned by natural persons.

Grants for the replacement of biomass boilers are available for district heating suppliers that own heating (transfer) infrastructure. Winning projects will be allocated LTL 7 million (approx. € 2 million) in total. The maximum amount of the subsidy per project may not exceed LTL 1.5 million (€ 428,336) and 30% of all eligible costs.

For the modernisation of forest biomass harvesting LTL 6 million (approx. € 1.7 million) are planned to be awarded to legal entities, operating or intending to operate in forest biomass harvesting. Grants are aimed to compensate the acquisition cost of equipment for biomass production. The maximum amount of the subsidy per project may not exceed LTL 690,000 (€ 197,035) and 50% of all eligible costs.

Grant funding for projects deploying renewables in public and residual buildings amounts to LTL 20 million (approx. € 5.7 million). The Programme will cover 100% of project eligible costs.

Further LTL 3.1 million (€ 885,228) will be allocated to support the use of renewables in a single or two apartment houses. The maximum amount of the subsidy per project may not exceed LTL 50,000 (approx. € 14,272) and 30% of all eligible costs.

In addition, subsidies for the replacement of biomass boilers and modernisation of forest biomass harvesting are subject to an environmental performance criterion, i.e. the subsidy may not exceed LTL 0.5 (approx. € 0.14) per one reduced kilogramme of CO2 equivalent.

Applications for the replacement of biomass boilers may be submitted until 20 June 2014. Applications for the modernisation of forest biomass harvesting and the use of renewable energy sources in buildings may be submitted until the overall budget is exhausted.

Energy Efficiency

Grants from the Special Programme for Climate Change available

On 12 May 2014, the Lithuanian Environmental Investment Fund (LEIF) (LAAIF – Lietuvos Aplinkos Apsaugos Investicinis Fondas) invited applications to receive grants from the Special Programme for Climate Change (Klimato kaitos specialioji programa) financing refurbishment of a single or two apartment houses owned by natural persons. Winning projects will be allocated LTL 3.47 million (€ 990,884). The maximum amount of the subsidy per project may not exceed LTL 500,000 (€ 142,779) and 30% of all eligible costs. The applications may be submitted until the overall budget is exhausted.


Amendments to the Law on State Support for the Acquisition or Rent of Housing and for the Renovation of Multifamily Buildings of the Republic of Lithuania approved by the Government

On 22 May 2014, the Ministry of Environment announced that the Government approved amendments to the Law on State Support for the Acquisition or Rent of Housing and for the Renovation of Multifamily Buildings of the Republic of Lithuania (Valstybės paramos būstui įsigyti ar išsinuomoti ir daugiabučiams namams atnaujinti (modernizuoti) įstatymas). If approved by the Parliament, financial support for modernisation would not only be linked with the building’s energy efficiency class, but also with the saving of thermal energy. Currently, support is available for projects resulting in energy efficiency class D. According to the proposed amendments, projects will also have to demonstrate that upon modernisation thermal energy consumption is reduced by at least 20%.

Read more (in Lithuanian): http://www.am.lt/VI/index.php#a/14658

Energy Networks

“NordBalt” undersea power cable laying successfully proceeding

On 13 May 2014, the Lithuanian electricity transmission system operator “Litgrid” announced that the first 100 km of the undersea power cable between Lithuania and Sweden (strategic project “NordBalt”) have already been successfully laid down. In a few weeks, the construction of further 50 km will be initiated.

The “NordBalt” power interconnection cable will be approximately 450 km long and have a capacity of 700 MW. It will be the world’s third-longest undersea power cable. By the end of September 2014, up to 250 km of connection are expected to be placed on the bottom of the Baltic Sea. The “Nordbalt” power link is expected to be operational by the end of 2015 (see MPU Issues 1/2013, 2/2013, and 13/2014).

Construction of the power link between Lithuania and Poland officially launched

On 5 May 2014, the launch of the construction of the power link between Lithuania and Poland (LitPol Link) has been officially announced. The construction work of the high voltage overhead power line shall start this year. By the end of 2015, LitPol Link is planned to be operational.

The project is part of the Baltic Energy Market Interconnection Plan (BEMIP) that aims to connect energy systems of the Baltic Sea region countries and thus eliminate "energy islands" in the European Union.

The three key components of the LitPol Link project are:

- transformer substations at both ends of the link (in Alytus (Lithuania) and in Elk (Poland));
- a high-voltage, direct current (HVDC) back-to-back converter station in Alytus (Lithuania); and
- a high voltage overhead power line in length of 163 km (51km in Lithuania and 112 km in Poland).

Construction work will cost 288 million LTL (approx. €83 million). The preliminary value of the LitPol Link project being implemented by Lithuania and Poland is LTL 1.2 billion (approx. €346 billion) (see MPU Issues 1/2013 and 9/2013).


Transport

Support for inland waterway transport launched

On 7 May 2014, the Lithuanian Environmental Investment Fund (LEIF) (LAAIF – Lietuvos Aplinkos Apsaugos Investicinis Fondas) invited applications for grants from the Special Programme for Climate Change (Klimato kaitos specialioji programa) financing the inland waterway transport as well as the development of inland waterway infrastructure in order to reduce passenger vehicles traffic.

The applications may be submitted by the legal entities providing inland public transport services or engaged in inland waterways infrastructure maintenance. Winning projects will be allocated in total LTL 300,000 (approx. € 85,667) and 100% of project eligible costs will be covered by the Programme. Applications may be submitted until 30 June 2014.


Waste

Mandatory deposit system for cans and PET bottles to be introduced in February 2016

On 8 May 2014, the Parliament approved the Law Amending the Packaging and Packaging Waste Management Law (No. XII-864), which introduces a mandatory deposit system for cans and PET bottles in Lithuania beginning in February 2016 (see MPU Issues 7/2013 and 10/2014). All stores selling drinks in cans and/or PET bottles with a sales area over 300 m²
are responsible for implementing the system, while the implementation of deposit system by smaller stores is optional.

Read more (in Lithuanian): http://www.am.lt/VI/index.php?a/14599
Read more (in Lithuanian): http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc i?p_id=471208&p_query=Pakuo%E8i%F8%20ir%20paku%E8i%F8%20atliek %F8%20tvarkymo%20%E1statymas&p_tr2=2

3,600 containers for the collection of WEEE will be placed across Lithuania

On 23 May 2014, the Ministry of Environment announced that by 1 July 2014 over 3,600 containers for the collection of waste of electrical and electronic equipment (WEEE) will be placed across the country. New containers will be able to collect electronic equipment, batteries and discharge bulbs. Each municipality will receive around 60 of such containers. For the purchase of containers the Lithuanian Environmental Investment Fund (LEIF) allocated LTL 450,000 (€130,204).

Read more (in Lithuanian): http://www.am.lt/VI/index.php?a/14665
Latvia

Energy Generation

51% of the electricity generated in Latvia is produced in cogeneration

On 19 May 2014, according to the provisional data of the Central Statistical Bureau of Latvia there were 166 active CHP plants in Latvia in 2013, with total capacity of 1,251 MW. This is 19% more than in 2012. In 2013, CHP plants produced 3,170 GWh of electricity. This equals 51% of the total amount of electricity generated in Latvia. Furthermore, they produced 5,038 GWh of heat which amounts to 69% of the total amount of heat produced. Last year the number of installed CHP plants increased by 33 to 166 in total. 1,059 MW or 85% of installed capacity was produced in the capital city Riga (an increase of 17% in contrast to 2012). The highest increase of installed capacity (53,9 MW or 52% more than in 2012) was observed in the southern region of Latvia - Zemgale. For the production of electricity and heat in cogeneration, 93.3% of natural gas, 4.2% of biogas and 1.7% of fuel wood is used.

Luxemburg

Renewable Energy

*Annual review of the utility Enovos Luxembourg S.A*

On 14 May 2014, Enovos Luxembourg SA presented its annual review for the year 2013 during a press conference in Esch-sur-Alzette. The utility company was able to consolidate its growth in 2013, partly thanks to its investment in electricity grids and electricity production plants from renewable energy sources. Enovos has concentrated its efforts in 2013 to expand the growth of its assets on the basis of onshore wind plants, biomass plants as well as solar panels. According to the annual review, the total renewable energy capacity of the utility increased by 510 GWh in 2013 (+34% compared to 2012). Net installed capacity of renewable power plants also increased in the same period, namely from 243 MW to 290 MW.


Malta

Renewable Energy

*Feed in tariff issued after nine-month delay*

The Energy Ministry has issued new feed-in tariffs for PV after the old tariffs expired already at the end of September 2013. The new tariffs will be active until the end of April 2015, although the amount will change again from the beginning of November 2014. Until the end of October, €ct 16.5 is granted for installations with a capacity of less than 40 kW. For larger plants, €ct 16 are granted. Between November 2014 and April 2015 the tariff will be lowered to €ct 15.5 and €ct 15.


Transport

*Scrappage scheme budget for 2014 taken up*

On 13 May 2014, Transport Malta announced that the 2014 budget of the Scrappage scheme has been used up completely. It was originally allocated € 300,000 for 2014, but due to its success it was extended in April with another € 200,000. Altogether 656 vehicles have benefitted from € 500,000 grant payments allocated by the Government. The scheme aimed at a further increase of the use of newer eco-friendly vehicles by disposing old vehicles with high emission levels.

Through this scheme vehicle owners were entitled to a payment between € 500 and € 900 upon the purchase of a new motor vehicle M1 whilst at the same time de-registering a vehicle in the same category.

The Netherlands

Energy Generation

_The share of renewables in gross final energy consumption remains stable in 2013_

On 20 May 2014, Statistics Netherlands (Centraal Bureau voor de Statistiek) published that in the year 2013 the share of renewable energy in gross final energy consumption (4.5%) did not increase relative to the year 2012. It has also been noted that from 2012-2013 renewable heat consumption increased, while the use of renewable electricity decreased, each accounting for 43% of total renewable energy consumption (of nearly 100PJ). Waste incineration plants played a big role in increasing the use of the renewable heat consumption by 10% in 2013 to 43 PJ. Consumption of renewable electricity went down by 5% in 2013 due to less biomass being co-fired in power stations. In contrast, the amount of wind power generated increased due to the addition of new wind turbines, but the increase was not enough to offset the decline in biomass. The numbers for the use of biofuels for transport in 2012 remained stable (13 PJ) relative to 2013.

Poland

No important developments identified in May 2014 regarding climate or energy policies.
Portugal

Taxation

*Increase in the VAT rate proposed in the Fiscal Strategy Document for 2014-2018*

The government published on 30 April 2014 its Fiscal Strategy Document for the period 2014-2018 (*Documento de Estratégia Orçamental 2014-2018 - DEO*) and an increase of 0.25% in the normal VAT rate was proposed, which would also affect the rate on electricity. Previously, Portugal had increased the VAT rate on electricity, which went in 2011 from 6% (reduced rate) to 23% (normal rate). It is worth mentioning that Bill 525/XII/3a and Bill 542/XII/3a (Projetos de Lei No. 525/XII/3a e 542/XII/3a) from April 2014 proposed a return to the reduced 6% VAT rate for electricity (see MPU Issue 13/2014). The bills and the Fiscal Strategy Document are still under discussion in the Assembly of the Republic.


Waste

*WEEE Directive 2012/19/EU transposed into national legislation in Portugal.*

The Directive 2012/19/EU on Waste Electrical and Electronic Equipment (WEEE) was transposed into national legislation through Decree-law 67/2014 of 7 May 2014. The DL 67/2014 sets national targets (Art. 5) based on categories of WEEE (Art. 2), responsibilities for waste management (Art. 17), a registry for WEEE producers (Art. 32), and provides for the establishment of a compensation mechanism between waste management institutions (Art. 28). With regards to the national targets, until 2015 the country has to collect a certain amount of waste based on the number of inhabitants. Afterwards, the amount to be collected is calculated based on the average weight of WEEE placed in the market. The targets can be summarised as follows:

a) Until December 2015: at least 4kg of collected waste per inhabitant/year or the average of WEEE collected in the previous three years;

b) From 2016 until 2019: 45% of the average weight of WEEE placed in the market in the previous three years. A gradual evolution should be accomplished annually;

c) From 2019 onwards: 65% of the average weight of WEEE placed in the market in the previous three years, or, alternatively, 85% of WEEE generated in Portugal.

Read more (in Portuguese): [http://dre.pt/pdf1sdip/2014/05/08700/0267002692.pdf](http://dre.pt/pdf1sdip/2014/05/08700/0267002692.pdf)
Energy Networks

Portugal to be connected with the wholesale electricity market in Europe in May

According to REN (Rede Eléctrica Nacional S.A.), manager of the national grid, Portugal will be able to sell electricity to 17 European countries in the wholesale market from 13 May 2014 onwards. Previously, the country was only able to trade with Spain. The daily markets of Northwestern (NWE) and Southwest Europe (SWE) represent about 2,400TWh of annual consumption.

Read more (in Portuguese):
http://www.jornaldenegocios.pt/empresas/detalhe/portugal_alarga_mercado_de_venda_de_electricidade_a_toda_a_europa.html
Romania

Energy Generation

Romania continues to focus on nuclear energy for its national energy mix

On 14 May 2014, Minister-delegate for Energy Razvan Nicolescu, assured that after a first revision of Romania’s energy strategy nuclear power will remain a priority of Romania’s energy policy. Consequently, the construction of the new reactors 3 and 4 of the Cernavoda nuclear power plant in south-eastern Romania is supposed to start as soon as possible. The government is focusing on finding suitable partners for the construction project, e.g. the Chinese company General Nuclear Power Corporation. Nicolescu also stressed that reinforcing the electricity transport lines needs to be another focus for investments in Romania’s energy system. The Minister-delegate urged the Romanian transmission system operator, Transelectrica, to include the construction and reinforcement of transmission lines from Cernavoda nuclear power plant to the rest of the country into its ten year development plan. Nuclearelectrica, the plant operator of the Cernavoda nuclear power plant, estimates that this would require transmission network investments of at least € 100 million. Furthermore, Nicolescu pointed out that the Romanian government will lobby in Brussels in favor of European funding “to finance research in the improvement of operation standards in nuclear units and as regards nuclear fuel storage”. The president of the National Agency for Radioactive Waste (ANDR), Florin Tatar, also announced that a new nuclear waste storage unit will be built in Saligny, near the Cernavoda power plant. Initial investment costs are estimated at € 40 million. However, a concrete timeline for construction has not yet been presented.


Renewable Energy

Project applications for a subsidy programme supporting renewables in buildings still under evaluation

On 20 May 2014, the Ministry for the Environment and Climate Change published a press release informing about current developments with the subsidy programme “CASA VERDE”. The programme provides financial support for the installation of heating systems using renewable energy sources in residential buildings. The last call for applications took place from 1 June to 15 July 2011. During this period nearly 24,000 applications had been handed in. The applications for financial support have been under evaluation ever since. The annual budget of 2012 was used to finance projects on the waiting list from 2011. In the meantime, 14,162 project applications have been evaluated of which 11,509 received a positive result for being funded. Funding contracts for 5,674 projects were signed in 2011 and 2012, while the remaining 5,835 projects are contracted starting as of 19 May 2014. 9,776 applications from 2011 still require assessment. Altogether 13,000 projects from the 2011 application
round should be contracted in the course of this year. Timing and funding conditions for a
new call for applications will be decided after evaluating all applications from 2011. Thus, it
remains unclear if there will a new call for applications in 2014.
Read more (in Romanian): http://mmediu.ro/new/wp-content/uploads/2014/05/2014-
20_INFORMARE_PRESA_Conferinta_CASA_VERDE.pdf

Energy Efficiency

Application period for a subsidy programme on improving energy efficiency in SMEs ends

On 9 May 2014, the application period for the subsidy programme on improving energy
efficiency in SMEs in the industrial sector (Eficienta Energetica in Industrie pentru IMM-uri)
ended. 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 from the Financing
Mechanism of the European Economic Area 2009-2014 and an additional € 1,411,765 co-
funding from the state budget. As regards the future of the programme, the Ministry of
Economic Affairs and the Ministry of European Funds will discuss funding conditions for a
new round of applications under this programme after having evaluated the current
applications.
Read more (in Romanian):

Transport

Successful start for subsidy programme on stimulating the modernisation of the national car
fleet

By 19 May 2014, after only one month, the subsidy programme on stimulating the
modernization of the national car fleet 2014 (Programul de stimulare a innoirii Parcului auto
national - RABLA), administered by the Administration of the Environmental Fund, registered
5,720 reservations for vouchers from private persons. Thus, almost 30% of the available
vouchers for private persons have been allocated. The subsidy programme subsidizes the
purchase of a new vehicle and the disposal of the old one 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). For private persons altogether 17,000 vouchers will be
granted of which 11,280 are still available. In addition, 3,000 vouchers are allocated to legal
persons and public institutions (see MPU Issues 12/2014 and 13/2014).
Slovakia

Energy Generation

New National Energy Policy approved by Economic and Social Council

On 12 May 2014, the Economic and Social Council of the Slovak Republic approved a new Strategy for a National Energy Policy for the next 20 years (Stratégia energetickej politiky štátu na obdobie 20 rokov). Among other things, the strategy envisages the construction of a third reactor at Bohunice nuclear power plant as well as the construction of an oil pipeline from Bratislava to Schwechat (Austria). The Bratislava-Schwechat pipeline is among the European Union’s Projects of Common Interest.

Slovenia

Horizontal Measures

*The final retail electricity price for households increased by app. 7% in 2013, the RES-levy tripped*

On 14 May 2014 the Energy Directorate of the Ministry of Infrastructure published an annual report titled "Analysis of the price of electricity for household customers according to the chosen supplier for 2013". The report looks at the monthly electricity costs for electricity consumers and the characteristics of the electricity market in Slovenia and compares these with figures from 2012.

The report shows that the final retail price of electricity at the national level for the average Slovenian consumer opting for the “double-tariff,” - a tariff that differentiates between electricity usage in the evening and on weekends as opposed to usage during weekday-daytime - amounted to €159.41/MWh and was 7.3% higher than in 2012. For the average consumer on the "single-tariff," the price amounted to €183.64/MWh, an increase of 8.3% compared to 2012.

The report also reflects the changes in the electricity market in Slovenia in 2013. In January 2013, the national market regulator changed the network-use surcharge, leading to an average price reduction of 0.7%. As of February 2013 the surcharge for ensuring a reliable supply of electricity using indigenous primary energy sources was abolished, while the surcharge to support the production of electricity from high-efficiency cogeneration and renewable sources (RES-levy) increased by 310.9% compared to the levels in 2012. The levy to increase Energy Efficiency (EE-levy) remained at the same level as in 2012.

Read more (in Slovene):
Read more (in Slovene):

*Decree on RES and CHP Support Levy adopted*

At its session on 22 May 2014 the Government of Slovenia adopted a Decree on the setting and levying of contributions to support the production of electricity from RES and CHP. The Decree provides the basis for the introduction of a state aid scheme in the form of a reduced RES-surcharge for energy-intensive businesses. The Government argues that the scheme follows the new Guidelines for State Aid for Environmental Protection and Energy of the European Commission.

The Government also ordered the Energy Agency to prepare detailed analyses of the required funds for the new support scheme mechanism introduced with the new Energy Act by 31 December 2014. The new Energy Act (EZ-1) states that the funds for the support scheme for RES and CHP need to be fully financed by the RES-levy (i.e. the burden falls on the final consumer of electricity, natural gas, other solid and liquid fossil fuels and district heating).
Energy Efficiency

New Public tender for energy savings (E3)

Following a line of public tenders promoting Energy savings among end-users the Company E3 (a 100 % state-owned company) published a new public call on 19 May 2014. The public call grants financial incentives for energy savings measures. Eligible measures include the installation of heat pumps, the refurbishment of indoor and outdoor lighting, the replacement of boilers for all types of fuels, the modernization of heating and cooling systems and the installation of energy-efficient electric drives. The deadline for applications is 6 June 2014 or until funds have been depleted. The overall amount of available funds is € 400,000.

Read more (in Slovene): http://www.e3.si/podjetje/podjetje- javni-razpisi/leto-2014/

Renewable Energy

Data on RES and CHP support published; Insufficient funding for RES support scheme

According to the Centre for RES and CHP Support – Borzen, which published first-quarter data on 15 May 2014, subsidized electricity production amounted to 263.1 GWh in the first quarter of 2014, representing a 27 % increase compared to the same period in 2013. Altogether 3667 production facilities are now included in the support scheme with a total generation capacity of 512 MW. The overall financial support paid also increased by 30% compared to 2013.

In the period January-March 2014, 89 new power plants with a total output of 12.3 MW entered the support scheme. Of these 54 were solar power plants and 30 CHP plants. The trend of support increasing continues in 2014. The average paid support in January-March 2014 amounted to €123.11/MWh, which is an increase of 2.7%, compared to 2013.

Compared with the first quarter of 2013 a drastic decrease in share of payments to CHP units using fossil fuels was reported. At the same time an increase of support payments for solar power plants in the first quarter of 2014 was reported.

On 5 May 2014 Borzen also published a conclusion on insufficient funding for the support scheme for 2014. As of 29 April 2014 the support scheme will no longer cover electricity produced in excess of ex ante assessments for the coming year. The discrepancy between the ex ante planned volumes of electricity production and the actually produced electricity ex post may no longer exceed + / -15 % per annum to qualify for support, This decision applies to all devices included in the support system for which the participant posted the planned production quantities in advance, with the exception of production facilities up to 50 kW rated power. Electricity produced in excess of this threshold will be purchased at market prices.

Adaptation

The Ministry of Agriculture and the Environment to promote efficient use of resources

The State Secretary at the Ministry of Agriculture and Environment, Miss Andreja Jerina, participated in the 2nd Professional Environment Green Forum Slovenia – under the title “Development with fewer losses of materials and energy” held on 7 May 2014 in Ljubljana.

In her speech Miss Jerina highlighted that Slovenia’s economy is still highly resource inefficient; resource consumption per produced unit of GDP is still much higher than the average in the EU, which in long term creates an extremely precarious situation in terms of competitiveness. The reason for this lies, according to Ms Jerina, in the linear way of thinking in the economy (dig, make, use, dispose), which needs to be rethought. A good idea would be to introduce the concept of resource circulation as is found in the natural cycle. Through the implementation of the circular economic system we will be one step closer to making environmental policy be considered a key development opportunity, as opposed a limit to growth, and putting environmental policies into the “mainstream” of policies.

In light of this it is important to note that the Ministry of Agriculture and the Environment has been running a media project promoting short supply-chains as a means of following the proposed changes. The State Secretary Tanja Strniša highlighted this as one of the key measures as she attended the 10th Regional Conference on the theme of short supply-chains in Ptuj. Ms Strnisa stated that public institutions and consumers are increasingly aware of the importance of locally produced quality food, and their demand for this type of food is constantly rising, reflecting the fact that Slovenia has seen major shifts in thinking and behavior of people who recognize and appreciate Slovenian food as high quality food. She concluded that this brings not only positive effects to the environment but also to a wider socio-economic spectrum via job creation and the promotion of local economies.

Read more (in Slovene):
Read more (in Slovene):
http://www.mko.gov.si/si/medijsko_sredisce/novica/browse/2/article/12447/7389/6f2b643f302f5a4a5a69c4a157c2107e/

Land use, land use change and forestry

Residents of Senožeče vote against wind farm, National Spatial Plan being drafted

The Government adopted a Decision on the preparation of the National Spatial Plan for the wind park “Senožeška brda” at its session on 15 May 2014. The draft is to be published on the website of the Ministry for Infrastructure and Spatial Planning. The Government also appointed a working group for the preparation of the National Spatial Plan for the wind park. The planned spatial arrangement of the wind park – extending in the area between Razdrto and Senožeče – foresees the construction of 40 wind turbines with a total installed capacity of 120 MW. The future of the project may now be called into question as more than 58% of local residents opposed the placement of wind turbines in Senožeče in a consultative (not binding), referendum on 25 May 2014.

Read more (in Slovene):
Read more (in Slovene):
http://www.rtvslo.si/lokalne-novice/vecina-krajanov-senoec-proti-vetnicam/337731#comments
Read more (in English): http://www.rtvslo.si/news-in-english/residents-of-senozece-vote-against-wind-farm/337796
Spain

No important developments identified in May 2014 regarding climate or energy policies.
Sweden

No important developments identified in May 2014 regarding climate or energy policies.
United Kingdom

Energy Generation

*Important agreement for the construction of the new power plant at Moorside, West Cumbria*

On 1 May 2014, the Department for Energy and Climate Change (DECC) together with the Prime Minister's Office announced that the Nuclear Decommissioning Authority has agreed key commercial terms with Toshiba and its partner GDF Suez to manage the land for the construction of three new nuclear power reactors at Moorside, West Cumbria, England. The reactors are planned to be operational from 2024. They will generate 3.4GW of new nuclear capacity and will provide power for up to 6 million households. The project is expected to result in 14,000 jobs during the construction of the three reactors and around 1,000 permanent jobs over the lifetimes of reactors.


Renewable Energy

*DECC launches consultations to maintain investment in renewable technologies*

To further accelerate growth of renewables in the UK, the Department of Energy and Climate Change (DECC) launched the following consultations on 13 May 2014:

- Consultation on changes to financial support for solar PV;
- Support for community energy projects under the Feed-in Tariffs Scheme (FiTs);
- Electricity Market Reform: Further consultation on allocation of Contracts for Difference (CfDs).

With regards to financial support for solar PV, DECC proposes reducing tariffs for building-mounted solar panels at a slower rate than for ground-mounted solar panels. In addition, DECC suggests closing the Renewables Obligation (RO) to new solar PV capacity above 5MW from 1 April 2015. Such projects will be able to apply for the new CfDs. For projects under 5MW (not eligible for CfDs) the RO would be kept.

Furthermore, DECC consults on the possibility of increasing the maximum capacity for community projects (anaerobic digestion (AD), hydro onshore wind and solar PV) under the FiTs scheme from 5MW to 10MW and investigates the possibility of combining FiTs payments with grants for community projects not exceeding 5MW.

On 13 May 2014, DECC also revealed new details with regards to CfDs. The budget for CfDs will be divided among (a) established technologies and (b) less established technologies. While established technologies will have to compete with each other for support, less established technologies will have to participate in auctions only in case there are more applicants than affordable within the budget. Established technologies cover onshore wind and solar PV, both greater than 5MW; energy from waste with combined heat and power (CHP); hydro between 5MW and 50MW; landfill and sewage gas. Less established technologies include offshore wind; wave and tidal stream; advanced conversion technologies; anaerobic digestion; dedicated biomass with combined CHP and geothermal.
DECC proposes to treat biomass conversions as a separate technology group, and Scottish Islands onshore wind projects as either part of the “less established” technology group, or as a separate technology group.


**Energy Efficiency**

*Support from the Green Deal Home Improvement Fund available from June 2014*

On 1 May 2014, the DECC announced that from June 2014, people in England and Wales will be able to get up to £7,600 (approx. €9,330) to offset the cost of energy efficiency improvements on their home back through a new Green Deal Home Improvement Fund (GDHIF). Under GDHIF householders can get:

- up to £1,000 (approx. €1,227) for installing two measures from an approved list (e.g. condensing gas boiler (on mains gas), double glazing (replacing single glazing), secondary glazing, replacement doors, cavity wall insulation, etc.) ; and/or
- up to £6,000 (approx. €7,366) for installing solid wall insulation; and
- up to £100 (approx. €122) refunded for the Green Deal Assessment.

For one and the same installation, GDHIF cannot be combined with funding from the Energy Company Obligation (ECO), the Green Deal Communities Scheme or the existing Cashback scheme. However, households having previously benefited from Green Deal Cashback or ECO are eligible under GDHIF for further energy efficiency improvements.


**Adaptation**

*The Flood Reinsurance Scheme introduced by the Water Act 2014*

On 14 May 2014, the Water Act 2014 received Royal Assent. The act introduces a Flood Reinsurance Scheme (also called “Flood Re”) - a levy-funded reinsurance scheme to ensure affordable flood insurance for households in areas of high flood risk. Under the new scheme, insurers will transfer the premium they receive for the flood risk into a common pool. The gathered funds will then be used to pay claims of people in high-risk homes. The premiums will be linked to Council Tax bands.

The Flood Reinsurance Scheme is expected to be implemented by summer 2015.