



Renewable Energy in CEE

A Practical Guide

Who we are

In 2020, we established an independent regional network of five law firms in the Czech Republic, Hungary, Poland, Romania and Slovakia – NGL Symbio.

We believe that making legal services more locally grounded offers a deeper understanding of local knowledge and issues, and ensures a better product/market fit for the client.

Our client service vision

being experts in our respective fields

in

- understanding client needs
- rapid responsiveness
- effective communication
- operating as "one firm"



Our members

CZECH REPUBLIC



HUNGARY

ERDŐS | KATONA EXPERTISE

POLAND



SLOVAKIA



ROMANIA

BIRIS/GORAN

SUPPORTED BY



Our Energy Practice

Our NGL Symbio Energy Practice has an exceptionally in-depth understanding of the energy sectors of the CEE region. Our member firms' industry experts have been involved in all recent significant developments of the region's energy markets.

Our lawyers have direct experience in dealing with the hottest energy topics in CEE, including the installation of the region's primary LNG terminal in Poland, the planning and installation of new nuclear power plant units in Czechia and Slovakia, off-shore gas exploration in Romania, or development and acquisition of subsidised solar power plants in Hungary. This involvement directly informs our know-how and expertise.

Our experts are likewise experienced in regulatory matters and domestic and cross-border energy trading issues. Our unique alliance of eminent energy law practices under the NGL Symbio alliance can provide our clients with reliable legal understanding in the industry's numerous niche fields.

Our competitive edge is based not only on our teams' expert knowledge base but also on our complex business experience from advising project developers, energy traders, professional investors, financial institutions, and government and public bodies.

in

Introduction

The Clean Energy Package ("**CEP**") is a new set of rules aimed at updating the European energy policy framework in order to facilitate the transition from fossil fuels towards cleaner energy and deliver on the EU's Paris Agreement commitments for reducing greenhouse gas emissions. LINGLSYMBIO

The new energy rule book marks a significant step towards the implementation of the energy union strategy, adopted in 2015. Based on Commission's proposal published in 2016, the package consists of 8 main legislative areas:

- 1. Energy Performance of Buildings Directive (EU) 2018/844 aims to achieve a highly energy efficient and decarbonized building stock by 2050 and create stable investment conditions to foster investments into renovation of buildings.
- 2. Renewable Energy Directive (EU) 2018/2001 sets a new binding renewable energy target of at least 32 % by 2030 which can be increased upwards, subject to revision in 2023. This directive also updates the targets for the use of renewable energy in heating and cooling as well as in the transport sector.
- 3. Energy Efficiency Directive (EU) 2018/2002 sets a binding energy efficiency target of at least 32.5 % by 2030. This directive also extends Member States' annual energy saving obligation; they have to achieve new energy savings of 0.8 % each year on annual final energy consumption for 2021 to 2030.
- 4. Governance of the Energy Union and Climate Action Regulation (EU) 2018/1999 - establishes a transparent and predictable governance mechanism to ensure the EU meets its 2030 climate targets as well as international climate commitments. This regulation applies to all five dimensions of the Energy Union:s energy security, internal energy market, energy efficiency, decarbonisation, and research, innovation and competitiveness.
- 5. Electricity Regulation (EU) 2019/943 sets out general principles for the operation of the electricity market, including market-based prices, more flexibility, customer participation and cross-border electricity flows.
- 6. Electricity Directive (EU) 2019/944 aims to complete the internal electricity market and address new market challenges.

Introduction

- 7. Regulation on Risk Preparedness in the Electricity Sector (EU) 2019/941 - aims to establish a framework to prevent, prepare for and manage electricity crises. This regulation also aims to establish an effective monitoring system for electricity supply security in the EU.
- 8. Regulation on the European Union Agency for the Cooperation of Energy Regulators (ACER) (EU) 2019/942 updates the role and functioning of ACER, as well as increases the competence of the ACER in cross-border cooperation.

The new rules bring considerable benefits for consumers, the environment, and the economy. By coordinating these changes at an EU level, the legislation also underlines EU leadership in tracking global warming and makes an important contribution to the EU's long-term strategy of achieving carbon neutrality (net-zero emissions) by 2050.

Renewable Energy Sources ("**RES**") transition refers to the global energy sector's shift from fossil fuel-based systems of energy production and consumption (including oil, natural gas and coal) to renewable energy sources like wind and solar, as well as lithium-ion batteries by the second half of this century. This transition will undoubtedly impact many aspects of life, including the environment, society, economy and governance. The foremost motivation for this transition is to limit the adverse effects of energy consumption on the environment. This includes reducing greenhouse-gas emissions and mitigating climate change.

Given the current global situation on the energy market, which is affected by the war in Ukraine, it is fair to say that the RES transition will likely accelerate. Many EU states still depend on Russian energy sources, which in the current context will surely lead decision-makers to think more about investing in RES and developing storage systems for this purpose. We believe this will cause the EU to be less dependent on Russian energy supplies and ensure that CEP goals are more achievable.

NGLSYMBIO

Czech Republic

GENERAL

The current National Action Plan for energy and the climate (from 2020) sets the following targets for the period until 2030 and beyond:

- Achieve a 22% share of renewable energy in gross final energy consumption by 2030;
- Average annual growth of 1% in the share of renewable energy in gross final energy consumption in the heating and cooling sector;
- Achieve a 14% share of renewable energy in gross final energy consumption in the transport sector by 2030;
- Increase the diversification of the energy mix; and
- Maintain import dependency at a level of no more than 65 % by 2030 and no more than 70 % by 2040.

Currently, fossil fuel-based power plants provide the bulk of energy produced in the country, while nuclear energy is another major source. Combined, these two sources provide about 80% of the country's production, although the remaining sources are very diverse.





Czech Republic

SUPPORT PROGRAMMES FOR RENEWABLES

Producers of electricity from RES can choose between three forms of financial support – the green bonus, auction bonus and feed-in tariff.

The green bonus is a financial contribution per MWh. The bonus is paid by the market operator based on the amount of electricity produced and efficiently consumed. The producer must find its own customers and agree on a price for electricity. The green bonus is generally associated with a higher return corresponding to the increased risk of selling the electricity produced compared to the purchase price. The amount of the green bonus is determined each year by the Energy Regulatory Office.

The feed-in tariff is a guarantee that the electricity produced from RES will be bought by a designated buyer appointed for this purpose. The price of electricity in this regime is determined each year by the Energy Regulatory Office. Compared to the green bonus, the feed-in tariff is generally safer but offers lower returns. The feed-in tariff does not apply to sources commissioned after 31 December 2021.

The auction bonus is a new form support for electricity from RE awarded to the producer on the bas of a competitive procedure.



Unlike the green bonus, which is automatic, the auction bonus is the result of a competitive procedure. Producers submit their price offers for the supply of a predetermined amount of electricity. Applications for support are approved from the lowest requested price until the exhaustion of money allocated for the given auction round. The auction bonus is applicable only from 1 January 2022, so it cannot be compared to other forms of support.

The choice of support programme is registered with the market operator and can be changed once a year.





Czech Republic

The (existing and planned) regulatory tools to achieve the target for the increased share of renewable energy extend beyond direct financial support and include:

- Operating aid for the construction of new electricity or heat generation plants from renewable energy sources in individual sectors;
- Support for the maintenance of existing energy-efficient electricity or heat generation plants in operation;
- Support for electricity generation from renewable energy sources thanks to the auctioning bonus for higher capacity sources;
- A new form of regulation for supported energy sources;
- Investment support for the construction of renewable energy sources using EU funds;
- Simplification, speeding up and streamlining of administrative processes for building permits;
- Introducing a framework to support and facilitate the development of the renewable energy community.





Czech Republic



Transmission and distribution network operators are obliged to connect the RES generation plants to the transmission or distribution system as a priority. An exception from priority grid connection is only possible in the event of a demonstrable lack of capacity of transmission or distribution facilities or when the safe and reliable operation of the electricity system is threatened.

REAL ESTATE ISSUES

Buildings and facilities for the production of energy from RES are positioned in accordance with legal regulations on building and planning. Electricity and heat production plants using renewables are not considered public technical infrastructure, and as a result, it is not possible to use legal exemptions for their positioning, such as the possibility to build such plants on undevelopable land. Production plants using RES cannot be defined in the land-use planning documentation as public utility buildings and land for their construction cannot be expropriated.

New support for the construction of facilities for renewables, including investment support and a simplified building permit procedure, is expected (see "Support programmes for renewables").

ELECTRICITY MARKETS FOR RENEWABLES

Guarantees of origin (green certificates) are tradable and sold either to the trader purchasing the electricity produced or separately on the basis of a contract for the transfer of the relevant quantity of guarantees of origin. The transaction can be carried out within the Czech Republic, as well as within the Member States of the European Union, whose administrative bodies responsible for the administration of guarantees of origin are part of the AIB.

No centralised trading platform for green energy and certificates is planned in the Czech Republic in the foreseeable future.



Czech Republic

PROSUMERS AND ON-SITE ELECTRICITY PRODUCTION OF CONSUMERS

The Czech Republic supports so-called prosumers as there are several advantages for smaller producers of energy for their own consumption incorporated into the Czech Energy Act. There are some exceptions from the general provisions of the law, e.g. from the obligation to obtain a licence if the production serves the purpose of supplying a recharging station or the production of heat for a single consumer (i.e. for the producer's own needs).

Ongoing implementation of Directive (EU) 2019/944 of the European Parliament, intended to further support (mainly renewable sources of) self-generated energy and decentralise such production could prove beneficial for "prosumers". The active consumer is currently legally able to produce and in theory directly supply energy based upon the Czech Energy Act provisions. However, such supplier is bound by the same requirements as an electricity trader, and these are still rather difficult to meet for smaller producers.



Hungary

GENERAL

By of the end of 2021, Hungary had adopted certain key legislations, strategies and action plans to achieve its climate goals. In accordance with the European Union's Clean Energy Package ("CEP"), Hungary has also recently adopted a new Climate Protection Act (Act XLIV of 2020 on climate protection), committed to increasing the share of renewable energy sources in the gross energy consumption mix to 21% by 2030 and achieve net zero emissions by 2050.

The National Energy and Climate Plan adopted in February 2020 envisages a new electricity generation mix that builds extensively on nuclear and solar energy while continuing to use gas fired power plants to compensate for imbalances in the grid caused by weather-dependent energy sources.

While the ongoing crisis in Ukraine and hardening relations with Russia may likely require changes in Hungary's long-term plans with respect to (Russian designed) nuclear energy and gas, Hungary's commitment to achieve an installed solar capacity of 6,500 MW by 2030 seems to be assured. Wind energy plays only a marginal role in Hungary's current renewable electricity production and current legislation does not favour further developments in the field.





Hungary

SUPPORT PROGRAMMES FOR RENEWABLES

Since 2017, the main Hungarian renewable energy subsidy scheme ("METÁR") has been based on a Contract for Difference (CfD) type of subsidy (replacing the former fee-in-tariff support regime). Since its introduction in 2017, the Hungarian Energy Agency ("HEA") has conducted four METÁR tenders with the fifth procedure ongoing. The METÁR tenders have proven to be highly competitive procedures resulting in constantly decreasing bidding prices.



GRID CONNECTION

The increasing saturation of the Hungarian electricity grid has led to significant changes in the requirements for grid connection. Pursuant to the latest relevant amendment of the Hungarian Electricity Act, free connection capacities may only be awarded to a party (including RES facilities) through regulated capacity distribution procedures managed by the grid operators, in exchange for application and capacity reservation deposits in the amount of approx. EUR 12,000 / MVA. RES electricity generators are generally prioritized when allocating available connection capacities on the grid, but there are also technical limitations set up by grid operators regarding the total capacity of weather dependent electricity generators.

REAL ESTATE ISSUES

In Hungary, special rules apply to greenfield projects, including renewable energy projects. Pursuant to the relevant laws, the sale and purchase of agricultural properties is subject to reclassification of the agricultural land to non-agricultural, which, in the case of greenfield projects, can only occur once the facility is completed. Due to such regulations, greenfield developers, including most renewable developers, must secure their rights and title to the properties during the development phase by various other legal means.

As of 2021, regulation of so-called agrovoltaic systems has been introduced, enabling investors to develop small-scale power plants (with a nominal capacity not exceeding 0.5 MW) on agricultural properties through a simplified administrative procedure if the property remains suitable for certain agricultural activities.

Renewable projects are also subject to more favourable rules related to the installation of production cables on private properties owned by third parties.



Hungary



ELECTRICITY MARKETS FOR RENEWABLES. GUARANTEES OF ORIGIN

As a result of the general increase of energy prices on the free market, it is gradually becoming profitable in Hungary to develop and invest in non-subsidised renewable projects, under corporate or utility power purchase agreements ("PPAs").

A major regulatory barrier hampering the competitiveness of fully market-based renewable projects is that all energy producers in Hungary are subject to the special income tax of energy suppliers. The special tax is practically an after-profit tax of 31%, payable on top of the generally applicable corporate income tax. However, subsidized renewable producers with a generation capacity not exceeding 50 MW are exempted from the tax.

renewable electricity producers Hungarian are generally entitled to transferable guarantees of origin proportionately to the volume of electricity they generate from renewable sources. As market demand for green electricity is still low in Hungary, the green certificates' market is also still somewhat immature. To enhance the liquidity of this market, in 2021 Hungary started to build an auction market for guarantees of origin. The market will open in 2022 for renewable electricity producers still participating in the former feed-in-tariff regime, and may ultimately be expanded to all producers using renewable sources.

in



PROSUMERS AND ON-SITE ELECTRICITY PRODUCTION OF CONSUMERS

In accordance with the CEP, Hungary adopted regulations for new types of market stakeholders, such as active consumers (prosumers), energy communities and aggregators. However, beyond the transposition of the general legal background, the detailed implementation of the legal status of these actors is still ongoing.



in

Poland

GENERAL

The Polish economy is still largely based on fossil fuel-based generation sources. In view of constantly rising prices for CO² emission allowances and the necessity of incurring significant modernisation and investment expenditures, this situation is not favourable for the domestic industry (including particularly energy-intensive industries) and household consumers. In accordance with the Draft of National Plan for Reconstruction and Enhanced Resilience, the share of coal in the electricity mix in Poland has been steadily declining, but at the end of 2019 was still over 70%. In the national electricity system, as of the end of 2019, the gross installed capacity of electricity amounted to almost 47 GW, of which more than 36.5 GW were large utility power plants based primarily on hard coal and lignite, and to a lower extent on natural gas and old units of so-called large hydropower plants. Renewable energy source capacity, especially the older wind turbines, represented only about 7.5 GW.

The national document in the area of transformation strategy - the Energy Policy of Poland until 2040 (EPP 2040), adopted by the government on 2 February, 2021, contains a comprehensive plan within the scope of energy transformation, and its provisions will be detailed and implemented, inter alia, in the adopted legislation. As a result of the EPP 2040 implementation, it is planned to build a fundamentally new energy system in Poland in the next two decades. As assumed, the energy transition will be progressive. The first objective is that in 2030 no more than 56% of the raw material used to generate electricity will be coal (in a scenario with high CO2 emission allowance prices, the share of coal may even fall to 37%), and in gross final energy consumption at least 23% will be covered by renewable energy sources. Primary energy consumption in 2030 should decrease by 23% compared to 2007 projections.

Electricity production 2020

Electricity generation from renewables

Electricity generation



in

Poland

SUPPORT PROGRAMMES FOR RENEWABLES

Since 2016, Poland has been operating a hybrid support system. New renewable power plants can receive support in an auction system based on Contracts for Differences ("CfD"), while old power plants are still covered by the green certificate system (up to 15 years from the date of commencement of electricity generation). The green certificate system is based on certificates of origin issued for electricity from RES installations and the obligation to acquire and present them for redemption by obliged market entities. Property rights resulting from certificates of origin are traded on the Property Rights Market (operated by Towarowa Giełda Energii S.A.). It is possible to migrate from the green certificate system to the CfD after winning an auction.

The CfD auction system in Poland is fragmented in comparison to other European countries. In the Polish auction system, the auction baskets are separated by three main features: technology, size (separate auctions for power plants with a capacity of less than and more than 1 MW) and whether the power plant is a new or an existing source that intends to migrate from the green certificate system to the CfD system.



NGLSYMBIO

Poland

The way RES auctions are resolved in Poland has also evolved over several years. The 2018 amendment to the law introduced a new rule, the so-called forcing competition rule. According to current provisions, the auction is won by those participants who have offered the lowest energy sale price and whose bids in total did not exceed 100% of the value or quantity of energy specified in the auction announcement and 80% of the quantity of electricity covered by all submitted bids.

The provision in this form prevents a situation when all bids win the auction, even if the volume or value of electricity of the bids submitted does not fill the volume or value limits indicated in the announcement. The 2018 amendment introduces, among others, also new additional forms of support for electricity generation from smaller renewable energy sources, i.e. the Feed-in-Tariff system (for installations using exclusively biogas, biomass or hydro installations with an installed electrical capacity of less than 500 kW) and the Feed-in Premium system (for installations with a total installed electrical capacity of no less than 500kW and no more than 1MW for biomass and no more than 2.5MW for biogas and hydropower).

The European Commission has found that Poland's notified auction support scheme for renewable energy producers, which will apply from 2022-27 (extension of the current system), is in line with EU law. As a result, within five vears investors will be able to receive support in the form of potential subsidies (CfD) for the price of energy offered at auctions in a total amount of almost PLN 44 billion.



According to the estimates of the Ministry of Climate and Environment, the extension of the auction system will enable the creation of approximately 9 GW of new RES capacity in the next 5 years.



in



Poland

GRID CONNECTION

Transmission and distribution systems operators are obliged to conclude a grid connection agreement with entities applying for grid connection on an equal treatment basis and to connect, as a priority, a renewable energy source installation if the technical and economic conditions for grid connection exist.

However, due to technical limitations (lack of new connection capacities and capacity reservation for offshore wind farms), connection refusals are becoming more frequent. Any disputes in this area are settled by the President of the Energy Regulatory Office. An amendment to the national legislation is being prepared for the possible simplification of the use of the direct line.



REAL ESTATE ISSUES

Since 2016 Poland has had a law restricting the possibility to carry out new investments in the area of onshore wind energy. A minimum distance has been introduced, for onshore wind power plant from residential buildings, buildings with a mixed function (which includes a residential function) and from various statutory forms of nature conservation. This distance is now to be equal to or greater than ten times the height of the wind turbine measured from ground level to the highest point of the structure, including technical elements, in particular the rotor with blades. Due to the relatively high dispersion of residential development in Poland, a significant part of the most promising investment areas has been excluded. Despite the announced amendment to this law, work in this area has not yet been completed. Because of the current situation in Ukraine, discussion and work in this area may intensify.

The fastest growing area of renewable energy sources in Poland is currently the photovoltaic energy sector, however, due to additional restrictions on the marketing of agricultural land and lack of available connection capacities in many areas of Poland, new major investments may face obstacles. In the coming years, offshore wind installations will be built in the Baltic Sea. There is also increasing discussion of investment in small nuclear units and wider use of biogas and hydrogen.



Romania

GENERAL

Technical, economic and political conditions have changed and the Romania government is recognizing the need to increase electricity production capacity. In this respect, the regulatory framework for the production of energy from renewable sources is constantly improving.

Even so, Romania's current electricity production make-up shows that renewable energy makes up for more than 24% of total energy production in Romania, which means that Romania exceeded its objective set for 2020 by Directive 2009/28/EC.

Currently, Romania has set a new goal for renewable energy production with the aim of ensuring that 30.7% of Romania's total energy mix is obtained from renewable sources until 2030, according to the 2021-2030 National Plan for Energy and Climate Change.





Romania

SUPPORT PROGRAMMES FOR RENEWABLES

Law no. 220/2008 on establishing a system for promoting energy from renewable sources is the main legislative enactment concerning renewable energy incentivization in Romania. Producers of energy from wind, solar, micro-hydro and biomass facilities were given the right to claim a number of green certificates each month, proportional to the size of their production delivered to the network.

After its enactment, the scheme led to a surge of new renewable energy source productions being authorized and developed in Romania. Due to various imbalances and imperfections in how the green certificate trading mechanism functioned in practice, as well as its financial impact on final consumers, the incentivization scheme lost steam after 2013.

Currently, the state aid scheme for supporting investments in new solar and wind renewable projects as part of the PNRR programme (the National Recovery and Resilience Plan) is accepting applications with a deadline of 31 May 2022. This state aid scheme is intended to lead to new wind and solar powered capacities with a total output of 950 MW. In order to be eligible, projects must have an output of at least 0.2 MW (from wind or solar sources) and investments must be finalized (including connection to the grid) no later than the second quarter of 2024. The maximum value of granted state aid per installed MW shall not exceed:

- i. for wind powered projects, EUR 1,300,000/MW for installed capacities from 0.2MW to 1MW and EUR 650,000/MW, for capacities exceeding 1MW
- ii. for solar powered projects, EUR 725,000/MW, for installed capacities from 0.2MW to 1MW and EUR 425,000/MW for capacities exceeding 1 MW. The value of requested state aid shall not exceed 15,000,000 per applicant, per investment project.





Romania

GRID CONNECTION

An output of less than 50 MW requires connection to the grid at the distribution network level. If the output will be of more than 50 MW, the transport system operator shall approve the connection. The process starts with determination of the technical grid connection solution, which is formalized in a written document, the technical connection permit that serves as an offer of connection terms to the applicant.

If the applicant wishes to accept the connection terms included in the technical connection permit, then it concludes a connection agreement with the network operator and the connection works commence. Once all works are finalized, the connection certificate is issued by the network operator. Power plants from renewable sources have the highest priority when connecting to the grid.



Since 2021, connection capacity to the grid publicly available on the website of the transmission system operator (here: Harti Capacitati de Racordare Disponibile (transelectrica.ro)).

REAL ESTATE ISSUES

Regarding the development of renewable projects, we should mention a specific situation pertaining to real estate law. As a general rule, lands located outside of city limits can't be developed (specific exceptions exist, but they are limited to certain agricultural improvements, not to renewable energy projects). Therefore, in order to be usable for a renewable energy project, land outside of city limits must be "brought" within city limits.

Currently, a legislative proposal is pending in the Romanian Parliament whereby an exception for renewable projects would be provided to the prohibition on building on agricultural lands outside city limits. If this legislative proposal is enacted, renewable energy capacities such as production capacities, storage capacities, substations and other forms of infrastructure will be allowed on low yield agricultural lands located outside of city limits, provided that such lands do not exceed 50 ha.

in



Romania

MARKETS FOR RENEWABLES

The trading framework for renewables in Romania is ensured by OPCOM SA, as operator of the electricity market, pursuant to ANRE regulations. Green certificates are publicly traded on the centralized green certificate market, as well as on the green certificate bilateral agreement market. There is another centralized market where producers can sell electricity and green certificates through the same contract.

Nevertheless, starting December 2021, bilateral power purchase agreements are allowed for any producer, regardless of the size of its production capacity.

PROSUMERS

In Romania, prosumers are defined as the final customer who owns installations for the production of electricity, including cogeneration, whose specific activity is not the production of electricity, who consumes and can store and sell electricity from renewable sources produced in their building, including an apartment building, a residential area, a shared service location, commercial, industrial or the same closed distribution system, provided that, in the case of non-self-employed consumers of renewable energy, these activities do not constitute their primary commercial or professional activity. At this time, there are only regulations for installations up to 400 kW and the surplus energy can only be sold to a chosen supplier with whom the final customer has concluded a power purchase contract.



Slovak Republic

GENERAL

Based on the fact that the Slovak Republic's the commitment to the European Union's Clean Energy Package ("CEP"), the country introduced a national plan known as the Integrated National Energy and Climate Plan of the Slovak Republic ("NECP"), which basically states the main goals for the following 10 years and further defines the programmes and tools for achievement.

The main quantified targets of the NECP within the Slovak Republic by 2030 are as follows:

- to reduce greenhouse gas emissions for non-ETS sectors by 20% (the share was increased from the originally declared level of 12%);
- the use of renewable energy sources ("RES") for final energy consumption is set at 20.2%;
- the elaborated measures for achieving the national contribution of the Slovak Republic in the field of energy efficiency features values that are slightly lower (30.3%) than the European target of 32.5%;
- the interconnection of electrical systems is already above 50% and will continue to be so in 2030, so the target of at least 15% will be met.

The Slovak Republic estimates an increase in the use of RES in the heating and cooling sector to 19%, in the area of electricity production to 27.3%, and in the field of transport to 14.0%, which represents the total share of the increase in the use of RES to 19.2%.

Electricity production 2020

 02°

Electricity generation from renewables Electricity generation



in

Slovak Republic

SUPPORT PROGRAMMES FOR RENEWABLES

The Slovak Republic has introduced many programmes and strategies on a national level also aimed at increasing RES usage in industry. The various nature of national strategies and programmes cover many fields which together form a concrete national plan to increase the use of RES:

- The Environmental policy strategy of the Slovak Republic until 2030 In addition to the environmental goals and strategies such as air and soil protection, this strategy also features a preference for the energy production from renewable sources, which by nature do not burden the environment. The tools to achieve these goals will be set out in the near future.
- The Low-carbon development strategy of the Slovak Republic ("LDS SR") until 2030 with a view to 2050 In 2019, the Ministry of the Environment of the Slovak Republic completed a cooperation project with the World Bank. The main output of the project was a document entitled "Low-Carbon Growth Study for Slovakia: implementing the EU 2030 climate and energy policy framework". This study is the main background document in the preparation of the LDS SR. The LDS SR will feature effective and cost-effective measures in the industry, energy, transport, agriculture, forestry and waste management sectors. Representatives of official entities and the public are involved in the process of preparing the LDS SR (relevant ministries, departmental organizations, and other interested organizations and institutions).





in

Slovak Republic

GRID CONNECTION

Plant operators are contractually entitled by the grid operator to connect renewable energy plants to the grid. Transmission and distribution system operators are legally obliged to enter into these contracts. RES electricity producers must comply with the conditions for support set out in the RES Act. Renewable energy plants must meet the grid operator's technical requirements further specified in the RES Act and Energy Act.

After a plant operator has paid the connection fee for his plant, the distribution system operator is obliged to connect the plant to its grid if it complies with the technical requirements and the terms and conditions for connection to the grid, if the connection of the plant to the grid is technically feasible, if the grid is most closely located to the plant and if connecting the plant to a different grid is neither technically nor economically more feasible.



REAL ESTATE ISSUES

The Ministry of Economy of the Slovak Republic will proceed with calls to apply for the construction of new facilities for direct electricity production from the sun and wind, for the use of geothermal energy, biomass, biogas, landfill gas and wastewater treatment plants for electricity production through cogeneration. In the case of repowering, projects to modernize existing hydropower plants for electricity generation, biomass, biogas, landfill gas and wastewater treatment plants for electricity generation through cogeneration and biomethane production can apply for support. The third area that will be supported is increasing system flexibility. Specifically, these will be projects for the construction of electricity from RES) and for facilities for the production of hydrogen by electrolysis using electricity from RES and for its storage. These projects will receive financial support from the state or in the form of European Union funds.

This financial support will take the form of green bonuses, guaranteed feed-in tariffs, green auctions, etc. The government has not introduced any special measures to make administrative processes related to building or other permits easier.

NGLSYMBIO

Slovak Republic

ELECTRICITY MARKETS FOR RENEWABLES. GUARANTEES OF ORIGIN

From 1 January 2020, the electronic issuance, transfer, application and cancellation of guarantees of origin has been implemented in accordance with the standards of the European Platform of Issuing Bodies ("AIB") in the electronic system of OKTE, a.s. (short-term electricity market organizer).

This implementation will also ensure the recognition of guarantees of origin issued in another EU Member State, as well as the organization of auctions for guarantees of origin for electricity for which the right to a supplement or surcharge has been exercised.

PROSUMERS AND ON-SITE ELECTRICITY PRODUCTION OF CONSUMERS

Operators of small renewable installations up to 10 kW or so-called prosumers are entitled to few advantages arising from the Energy Act and Act on the RES. These installations are not considered to be producers of electricity under the Energy Act as they produce energy for their own needs.

They are entitled to a simplified grid connection procedure. These producers shall be guaranteed a free connection to the distribution grid at existing delivery points and distribution system operators shall provide free installation of the meter, which counts the amount of electricity taken from and fed into the grid between phases in real time. Moreover, these small renewable installations are not required to undergo functional tests.



Contact



Balázs Várszeghi PARTNER, NGL SYMBIO ENERGY TEAM LEADER T: +36 70 708 4038 M: balazs.varszeghi@erdoskatona.com

HUNGARY



Vilém Podešva PARTNER T: +420 602 236 173 M: podesva@rowan.legal



CZECH REPUBLIC

Krzysztof Wiater PARTNER T: +48 601 579 760 M: krzysztof.wiater@ngllegal.com

POLAND



Martin Kluch PARTNER T: +421 905 885 085 M: mkluch@hkv.sk

SLOVAKIA



Dana Dunel-Stancu OF COUNSEL T: +40 723 558 442 M: ddunel@birisgoran.ro

ROMANIA

