

Research RES LEGAL – Support system

Country: Hungary

1. Overview of support system

Overview of support system	In Hungary, electricity from renewable sources is supported mainly through a feed-in tariff.
Support schemes	Feed-in tariff. Grid operators are statutorily obliged to purchase electricity from renewable sources and pay a guaranteed price (§ 13 (1) Act No. LXXXVI of 2007 as amended by § 31 Act No. XXIX).
Promoted technologies	Basically, all renewable energy sources are eligible for feed-in tariffs.
Statutory provisions	<ul style="list-style-type: none">• Act No. LXXXVI of 2007 (2007. évi LXXXVI. törvény a villamos energiáról – Act No. LXXXVI of 2007 as amended by Act No. XXIX – Amendment to the Hungarian legislation on energy)• Decree No. 389/2007 (389/2007. (XII. 23.) Korm. rendelet – Decree No. 389/2007)

2. Basic information on legal sources

Name of legal source (original language)	2007. évi LXXXVI. törvény a villamos energiáról	389/2007. (XII. 23.) Korm. rendelet a megújuló energiaforrásból vagy hulladékból nyert energiával termelt villamos energia, valamint a kapcsoltan termelt villamos energia kötelező átvételéről és átvételi áráról	
Full name			
Name of legal source (English)	Act No. LXXXVI of 2007 on Electric Energy	Government Decree No. 389/2007 (XII.23.) on the obligatory dispatch and purchase of electricity generated from waste or from renewable energy sources, or by CHP	
Abbreviated form	Act No. LXXXVI of 2007	Decree No. 389/2007	
Entry into force	15.10.2007	01.01.2008	
Last amended on	01.04.2011		
Future amendments	An amendment to introduce green certificates in Hungary is currently being discussed.	Due to changes in the Hungarian legislation on energy, the implementing decrees, including the Decree on the dispatch and purchase of electricity, are planned to be amended.	
Purpose	Regulating the electricity market	The Decree establishes a framework for the dispatch and payment of electricity generated from renewable energy sources and waste.	
Relevance for renewable energy	One of the Act's priorities is to promote the generation of electricity from renewable energy sources or waste.	This decree promotes renewable energy only.	
Link to full text of legal source (original language)	http://www.eh.gov.hu/home/html/index.asp?msid=1&sid=0&lng=1&hkl=249	http://www.complex.hu/jr/gen/hjegy_doc.cgi?docid=A0700389.KOR	
Link to full text of legal source (English)	http://www.eh.gov.hu/gcpdocs/200801/a0700086count.doc	http://www.res-legal.de/fileadmin/translations/Ungarn_Verordnung_389_2007.pdf	

3. Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Nemzeti Fejlesztési Minisztérium – Ministry of National Development	http://www.kormany.hu/en/ministry-of-national-development/		+36 1-795-6766	ugyfelszolgalat@nfm.gov.hu
Magyar Energia Hivatal (MEH) - Hungarian Energy Office	http://www.eh.gov.hu/home/html/index.asp?msid=1&sid=0&HKL=1&lng=2	Tamás Tóth	+36 145 977 77	eh@eh.gov.hu
Energia központ kht. - Energy Agency	http://www.energiakozpont.hu/english		+36 180 243 00	office@energiakozpont.hu

4. Support schemes

4.1. Feed-in tariff (Act No. LXXXVI of 2007)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> Act No. LXXXVI 2007 as amended by Act No. XXIX of 2011 Decree No. 389/2007 	
Country-specific support system	In Hungary, electricity generated from renewable energy sources is promoted through a price-regulation system based on feed-in tariffs. The eligibility period and the maximum amount of eligible electricity are set out in implementing decrees (§ 11 (3) Act No. LXXXVI of 2007 as amended by § 29 Act No. XXIX of 2011). The feed-in tariffs are fixed and depend on the time of day.	
Promoted technologies	General information	Basically, all renewable energy generation technologies are eligible (§ 1 (1) a), (3) b c) Decree No. 389/2007).
	Wind energy	Eligible; subsidies are awarded through calls for applications (§ 1 (5) Decree No. 389/2007).
	Solar energy	Eligible.
	Geothermal energy	Eligible.
	Biogas	Eligible.
	Biomass	Eligible.
	Hydro-electricity	Eligible.
Amount	General information	<p>The amount of payment varies according to the time of day (solar and wind energy are subject to one standard tariff). There are peak, mid-peak and off-peak periods. These periods are defined by law, depend on the area the electricity is generated in and differ for weekdays and weekends/holidays. There are three areas according to the areas of operation of the six distribution grid operators. The peak, mid-peak and off-peak periods vary according to summer and winter time (Annex 3 Decree No. 389/2007). In addition, the tariffs differ for systems/plants approved by the Energy Office prior to 01.01.2008 and systems/plants approved after this date (§ 4 (6) Decree No. 389/2007). Hydro-power plants with an installed capacity of more than 5 MW and other plants whose capacity exceeds 50 MW are not eligible for a feed-in tariff.</p> <p>The basic tariffs are set by law (Annex 1 Decree No. 389/2007). At the end of each year, the Energy Office determines the tariffs for the individual technologies for the next year, based on the basic tariffs (§ 3 (3) Decree No. 389/2007). The following tariffs apply in 2011:</p>
	Wind energy	<p>Plants approved prior to 01.01.2008: HUF 30.71 per kWh No differentiation between peak and off-peak hours.</p> <p>Plants approved after 30.11.2008:</p> <ul style="list-style-type: none"> Plants below 20 MW: <ul style="list-style-type: none"> peak time: HUF 33.35 per kWh

		<ul style="list-style-type: none"> ○ mid-peak time: HUF 29.84 per kWh ○ off-peak time: HUF 12.18 per kWh • Plants between 20 and 50 MW: <ul style="list-style-type: none"> ○ peak time: HUF 33.35 per kWh ○ mid-peak time: HUF 29.84 per kWh ○ off-peak time: HUF 12.18 per kWh <p>According to the Energy Office, no new wind power plants have been approved since 2006. Thus, this tariff has not yet been applied.</p>
	Solar energy	<p>Systems approved prior to 01.01.2008: HUF 30.71 per kWh No differentiation between peak and off-peak hours.</p> <p>Systems approved after 01.01.2008: HUF 29.84 per kWh No differentiation between peak and off-peak hours.</p>
	Geothermal energy	<p>Plants approved prior to 01.01.2008:</p> <ul style="list-style-type: none"> • peak time: HUF 34.31 per kWh • mid-peak time: HUF 30.71 per kWh • off-peak time: HUF 12.54 per kWh <p>Plants approved after 01.01.2008:</p> <ul style="list-style-type: none"> • Plants below 20 MW: <ul style="list-style-type: none"> ○ peak time: HUF 33.35 per kWh ○ mid-peak time: HUF 29.84 per kWh ○ off-peak time: HUF 12.18 per kWh • Plants between 20 and 50 MW: <ul style="list-style-type: none"> ○ peak time: HUF 26.67 per kWh ○ mid-peak time: HUF 23.88 per kWh ○ off-peak time: HUF 9.74 per kWh
	Biogas	<p>Plants approved prior to 01.01.2008:</p> <ul style="list-style-type: none"> • peak time: HUF 34.31 per kWh • mid-peak time: HUF 30.71 per kWh • off-peak time: HUF 12.54 per kWh <p>Plants approved after 01.01.2008:</p> <ul style="list-style-type: none"> • Plants below 20 MW: <ul style="list-style-type: none"> ○ peak time: HUF 33.35 per kWh ○ mid-peak time: HUF 29.84 per kWh ○ off-peak time: HUF 12.18 per kWh • Plants between 20 and 50 MW: <ul style="list-style-type: none"> ○ peak time: HUF 26.67 per kWh ○ mid-peak time: HUF 23.88 per kWh ○ off-peak time: HUF 9.74 per kWh
	Biomass	<p>Plants approved prior to 01.01.2008:</p> <ul style="list-style-type: none"> • peak time: HUF 34.31 per kWh

		<ul style="list-style-type: none"> • mid-peak time: HUF 30.71 per kWh • off-peak time: HUF 12.54 per kWh Plants approved after 01.01.2008: <ul style="list-style-type: none"> • Plants below 20 MW: <ul style="list-style-type: none"> ○ peak time: HUF 33.35 per kWh ○ mid-peak time: HUF 29.84 per kWh ○ off-peak time: HUF 12.18 per kWh • Plants between 20 and 50 MW: <ul style="list-style-type: none"> ○ peak time: HUF 26.67 per kWh ○ mid-peak time: HUF 23.88 per kWh ○ off-peak time: HUF 9.74 per kWh
	Hydro-electricity	Plants approved prior to 01.01.2008: <ul style="list-style-type: none"> ○ peak time: HUF 34.31 per kWh ○ mid-peak time: HUF 30.71 per kWh ○ off-peak time: HUF 12.54 per kWh Plants approved after 01.01.2008: <ul style="list-style-type: none"> ○ Plants below 5 MW: <ul style="list-style-type: none"> ○ peak time: HUF 33.35 per kWh ○ mid-peak time: HUF 29.84 per kWh ○ off-peak time: HUF 12.18 per kWh ○ Plants of more than 5 MW are ineligible for the feed-in tariff (§ 4 (1) Decree No. 389/2007).
Degression	General information	The tariffs are recalculated and adjusted for the rate of inflation every year (Annex Nr. 13 Decree Nr. 389/2007).
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Biomass	
	Hydro-electricity	
Cap		
Eligibility period	The eligibility period is set by the implementing decrees and shall not exceed the pay-off period of the system (§§ 11 3) and 4) Act No. LXXXVI of 2007 as amended by § 29 Act No. XXIX 2011).	
Beneficiaries	Entitled party: The persons entitled are the system and plant operators. A claim for a feed-in tariff arises at the date of commencement of commercial activity (§ 10 (1) Act No. LXXXVI of 2007). Obligated party: Electricity traders are obliged to purchase electricity from renewable sources and enter into a contract with the grid operator (§ 13 (1) Act No. LXXXVI of 2007).	

Procedure	Procedure	<p>System operators are entitled by law to payment for their electricity (§ 13 (1) Act No. LXXXVI of 2007). § 6 Decree No. 389/2007 prescribes the following application process:</p> <ul style="list-style-type: none"> ▪ To enforce a claim for a feed-in tariff, a system or plant operator shall submit an application to the Energy Office (§ 6 (1) Decree No. 389/2007). ▪ Application deadlines, and the documents to be submitted together with an application are defined by law (§ 6 (2)-(4) Decree No. 389/2007). ▪ The Energy Office sets the eligibility period for the feed-in tariff and the maximum amount of electricity for which the tariff may be received (§ 6 (6) Decree No. 389/2007). ▪ Where a plant operator receives other subsidies or grants for his plant, the Energy Office will take into account the total amount of grants received when calculating the eligibility period for the feed-in tariff (§ 6 (8) Decree No. 389/2007).
	Competent authority	<ul style="list-style-type: none"> • The Energy Office may act as a supervising body and inflict penalties in cases of violations of the law (§ 9 Decree No. 389/2007). • Guarantees of origin. Electricity vendors may apply for certificates of origin for electricity from renewable sources. These certificates shall contain certain information as specified by law (§ 8 Decree No. 389/2007). The certificate system aims to protect consumers from wrong information on the origin of the electricity they purchase.
Flexibility Mechanism		
Funding	State	
	Consumers	In the end, the consumers bear the costs of the feed-in tariff (§ 3 (1) Act No. LXXXVI of 2007).
	Grid operator	The grid operator pays the feed-in tariff to the plant operator, but also receives payments from the electricity suppliers (§ 3 (1) Act No. LXXXVI of 2007).
	System operator	
	Distribution mechanism	Electricity traders are obliged to purchase electricity from renewable sources and enter into a contract with the grid operator (§ 13 (1) Act No. LXXXVI of 2007 as amended by § 31 Act No. XXIX of 2011).