

Renewable energy policy database and support – RES-LEGAL EUROPE

National profile: Hungary

Client: DG Energy

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RES-E support schemes

Summary of support schemes

Overview	In Hungary, electricity from renewable sources is supported mainly through a feed-in tariff. Additional support is provided by a subsidy programme for pilot projects on the use of renewable energy sources.
Summary of support system	**Feed-in tariff.** Grid operators are legally obliged to purchase electricity from renewable sources and pay a guaranteed price (§ 13 (1) Act No. LXXXVI of 2007). **Subsidy programme.** Public bodies, companies and non-profit organisations are entitled to apply for a grant supporting the planning and realisation of pilot projects on the use renewable energy sources (Chapter A4, B1, Call for Proposals KEOP-2011-4.3.0).
Technologies	In general, all renewable energy sources are eligible for feed-in tariffs and subsidy.
Statutory provisions	• Act No. LXXXVI of 2007 (2007. évi LXXXVI. törvény a villamos energiáról – Act No. LXXXVI of 2007 on Electric Energy) • Decree No. 389/2007 (389/2007. (XII. 23.) Korm. rendelet a megújuló energiaforrásból vagy hulladékból nyert energiával termelt villamos energia, valamint a kapcsoltan termelt villamos energia kötelezö átvételéröl és átvételi áráról – Government Decree No. 389/2007 (XII.23.) on the obligatory dispatch and purchase of electricity generated from waste or from renewable energy sources) • Call for Proposals KEOP-2011-4.3.0 (Pályázati Felhívás a Környezet és Energia Operatív Programme KEOP-2011-4.3.0 - Megújuló Energia Alapú Térségfejlesztés - Call for Proposals for the Environmental and Energy Operative Programme KEOP-2011-4.3.0 – Renewable Energy Sector Development)

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 kötelezö átvételéröl és átvételi áráról	Pályázati Felhívás KEOP-2011-4.3.0
Full name			Pályázati Felhívás a Környezet és Energia Operatív Programme KEOP-2011-4.3.0 - Megújuló Energia Alapú Térségfejlesztés
Name (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	Call for Proposals for the Environmental and Energy Operative Programme KEOP-2011-4.3.0 – Renewable Energy Sector Development
Abbreviated form	Act No. LXXXVI of 2007	Decree No. 389/2007	Call for Proposals KEOP-2011-4.3.0
Entry into force	15.10.2007	01.01.2008	10.02.2011
Last amended on	01.03.2012	01.01.2012	
Future amendments	30.09.2012		
Purpose	Regulating the electricity market	The decree establishes a framework	The Call for Proposals establishes the

		for the dispatch of and payment for electricity generated from renewable energy sources and waste.	general conditions and procedures for applying for the subsidy.
Relevance for renewable energy	One of the Act's priorities is to promote the generation of electricity from renewable energy sources and waste.	This decree promotes renewable energy only.	The subsidy programme promotes the development of green economy by subsidising pilot projects for the use of renewable energy sources in electricity generation, CHP as well as cooling and heating.
Link to full text of legal source (original language)	*http://www.njt.hu/cgi_bin/njt_doc.exe?docid=110829.213610*	*http://www.njt.hu/cgi_bin/njt_doc.exe?docid=112846.208790*	The Call for Proposal can be downloaded on the following webpage: *http://ujszechenyiterv.gov.hu/doc/2637*
Link to full text of legal source (English)	*http://www.eh.gov.hu/gcpdocs/200801/a0700086count.doc* The translation does not provide information on the latest amendment of the act.		

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		+36 1 795 67 66	ugyfelszolgalat@nfm.gov.hu
Nemzeti Fejlesztési Ügynökség – National Development Agency	http://www.nfu.hu		+36 1 474 9180	nfu@nfu.gov.hu
Magyar Energia Hivatal (MEH) - Hungarian Energy Office	http://www.eh.gov.hu		+36 145 977 77	eh@eh.gov.hu
Energia központ kht. - Energy Centre	http://www.energiakozpont.hu		+36 180 243 00	office@energiakozpont.hu

Support schemes

Subsidy

Abbreviated form of legal source(s)	• Call for Proposals KEOP-2011-4.3.0	
Summary	The subsidy programme is part of the Environmental and Energy Operative Programme financed by the European Regional Development Fund (ERDF). The subsidy programme aims at promoting pilot projects in the use of renewable energy sources in order to increase the share and efficiency of renewable energies and in order to contribute to the regional development of the country (Chapter A1, Call for Proposals KEOP-2011-4.3.0).The programme is composed of two application rounds with the first one focusing on the project preparation process and the second one focusing on the project realisation (Chapter A4, Call for Proposals KEOP-2011-4.3.0).The subsidy is valid for the whole country except the middle-Hungarian region meaning the districts of Buda and Pest (Chapter C7, Call for Proposals KEOP-2011-4.3.0).	
Eligible technologies	**General information**	In general, all technologies are eligible (Chapter C1.2., Call for Proposals KEOP-2011-4.3.0). Grants are available for the preparation and the realisation phase of research projects. Eligible costs for subsidies are for example preparation costs, construction costs and costs for materials (Chapter C 3, Call for Proposals KEOP-2011-4.3.0).
	Wind energy	On-shore wind energy plants up to 50 kW which are connected to grid and wind plants not connected to the grid without any capacity restrictions are eligible.
	Solar energy	PV-installations up to 500kW which are connected to grid and PV-installations not connected to the grid without any capacity restrictions are eligible.

	Geothermal energy	Eligible.
	Biogas	Eligible.
	Hydro-power	Traditional hydro-power plants with a capacity up to 2 MW are eligible.
	Biomass	Biomass plants up to 20MW are eligible.
Amount	The total amount of the available subsidy comprises 6 billion HUF (app. € 20.2 million). The total amount of subsidy is divided into two parts. 10% of the total amount of subsidy is intended for the 33 least developed local administrative units in the eligible regions. The remaining 90% are to be used for all eligible units as outlined in the Call for Proposals (Chapter A3, Call for Proposals KEOP-2011-4.3.0). For both application rounds the minimal amount of subsidy is 10% of the eligible costs. The maximum amount varies with regard to six different regions and six different groups of entitled parties. There is no technology-specific differentiation (Chapter A6, Call for Proposals KEOP-2011-4.3.0). • For companies the maximum subsidy amount varies among the regions between 30-50% of total eligible costs. • For medium sized companies the maximum subsidy amount varies between 40-60% of total eligible costs. • For micro and small sized companies the maximum subsidy amount varies between 50-70% of the total eligible costs. • For specific public bodies (Költségvetési szervek és Intézmények), institution of general and higher education, non-profit organisations and projects which are not implemented in least developed local administrative units the maximum subsidy amount is 85%, whereas for projects implemented in least developed local administrative units the subsidy amount is 90% of the total eligible costs. The subsidy for the project realisation amounts to min. HUF 70 million (app. € 237,000) and max. HUF 1500 million (app. €	

	5.07 million) (Chapter A6, A7, Call for Proposals KEOP-2011-4.3.0).	
Addressees	The entitled parties of the subsidy are companies, specific public bodies (kötségvetési szervek és költségvetési rend szerint gazdálkodó szervek) as well as non-profit organisations. Housing and agricultural corporations as well as parties and organisations without legal entity are not eligible for the subsidy (Chapter B1, Call for Proposals KEOP-2011-4.3.0). The obligated party is the Hungarian state represented through the Ministry of National Development and the National Development Agency.	
Procedure	**Process flow**	The application process is composed of two rounds. In the first round applicants have to submit a project proposal. The applicant will elaborate this proposal in the second round only on demand after acceptance in the first round. Those applicants being accepted in the first round are eligible, but also obliged to apply for the second round (Chapter A4.1. Call for Proposals KEOP-2011-4.3.0). <u>First round:</u> • **Application:** The applicant hands in the project proposal. The necessary documents are prescribed in the Call for Proposals. Before handing in the application an individual consultation with the competent authority is suggested. Details are outlined in the Call for Proposals (see Chapter A4.1, Call for Proposals KEOP-2011-4.3.0). • **Selection:** The applicants are selected by a commission according to certain criteria, which are outlined in the Call for Proposals (see Chapter E, Call for Proposals KEOP-2011-4.3.0). • **Awarding and conclusion of the contract:** The competent

		authority concludes a Contract of Support with the winning applicants of the first round. The applicant has to prepare a timeline for the project's preparation steps which has to be added as an annex to the Contract of Support. All expenses with regard to the project preparations can be refunded according to the prescriptions and limitations in the Call for Proposals until the deadline as prescribed by the Contract of Support (see Chapter A4.1. and C3.3, Call for Proposals KEOP-2011-4.3.0). • **Steps to be realised:** During the first round the Detailed Realisation Study (RMT – részletes megvalósíthatósági tanulmány) and the project plan have to be finalised. Further, all necessary documents and annexes for the second round of application need be prepared (Chapter A4.1, Call for Proposals KEOP-2011-4.3.0). <u>Second Round:</u> • **Application:** For the second round those applicants may apply who successfully took part in the first round and fulfilled the requirements as prescribed by Contract of Support as well as those who were affirmed to fulfil the necessary requirements for participation in the second round by the competent authority. The application needs to be submitted within 24 months after being awarded for the first round. • **Selection:** The applicants are selected by a commission according to certain criteria, which are outlined in the Call for Proposals (see Chapter E, Call for Proposals KEOP-2011-

		4.3.0). • **Awarding and conclusion of the contract:** The competent authority concludes another Contract of Support with the winning applicants of the second round for the realisation of the project. Further, all expenses with regard to the fulfilment of the Contract of Support of the first round and with regard to the realisation of the project can be refunded according to the prescriptions and limitations in the Call for Proposals (see Chapter A4.1. and C3.3, Call for Proposals KEOP-2011-4.3.0).
	Competent authority	The National Development Agency (Nemzeti Fejlesztési Ügynökség) is responsible for the programme on Renewable Energy Sector Development. However, within the National Development Agency the Environmental Protection Programs' Management Authority (Környezetvédelmi Programok Irányító Hatósága) is responsible for the programme's implementation and the administrative work linked to the programme.
Flexibility mechanism		
Distribution of costs	**State**	According to National Development Agency, the Hungarian state is carrying app. 15% of the Environmental and Energy Operative Programme and thus of this subsidy programme.
	Consumers	

	Plant operator	
	Grid operator	
	European Union	According to the National Development Agency, the European Union is carrying app. 85% of the costs of the Environmental and Energy Operative Programme and thus of this subsidy programme.
	Distribution mechanism	

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

Abbreviated form of legal source(s)	• Act No. LXXXVI of 2007 • Decree No. 389/2007	
Summary	In Hungary, electricity generated from renewable energy sources is promoted through 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). The feed-in tariffs are fixed and depend on the time of day.	
Eligible technologies	**General information**	All renewable energy generation technologies are eligible (§ 1 (1) a), (3) b c) Decree No. 389/2007). CHP based on renewable energy sources may benefit from feed-in-tariffs as well.
	Wind energy	Eligible; the feed-in tariff is awarded through calls for applications (§ 3 (2) (4) Act No. LXXXVI of 2007; § 1 (5) Decree No. 389/2007).
	Solar energy	PV-installations with an installed capacity of more than 50kW are eligible. Smaller, household sized PV-installations are not supported.
	Geothermal energy	Eligible.
	Biogas	Eligible.
	Hydro-power	Eligible.
	Biomass	Eligible.
Amount	**General information**	There are three different tariff rates depending on the time of day (peak time, mid-peak time, off-peak time). These time periods are

		defined by law, depend on the area the electricity is generated in and vary for weekdays and weekends/holidays as well as for summer and winter time. There are three tariff areas according to the areas of operation of the six distribution grid operators (Annex 3 Decree No. 389/2007). The tariff level also depends on a plant's installed capacity and the generation technology employed. In addition, the tariffs differ for plants approved by the Energy Office prior to 01.01.2008 (§ 4 (1) Decree No. 389/2007) and plants approved after this date (§ 4 (2), (3) Decree No. 389/2007). This tariff difference according to the date of approval does not apply to hydro-power plants with an installed capacity of more than 5 MW and other plants whose capacity exceeds 50 MW (§ 4 (4) Decree No. 389/2007). Plants containing used parts receive specific tariffs which are the same as for plant with capacity of more than 50 MW (§ 4 (6) Decree No. 389/2007): The basic tariffs are set by law (Annex 1 Decree No. 389/2007). At the end of each year, the Energy Office sets the tariffs for the individual technologies for the next year according to the calculation procedure outlined in Annex 5 Decree No. 389/2007, based on the basic tariffs (§ 3 (3) Decree No. 389/2007). The tariffs for 2012 are listed below.
	Wind energy	**Plants approved after 01/01/2008 :** • Plants below 20 MW: ○ peak time: HUF 34.31 per kWh ○ mid-peak time: HUF 30.71 per kWh ○ off-peak time: HUF 12.53 per kWh

		Plants approved after 30/11/2008:
		
		• Plants between 20 and 50 MW:
		  ○ peak time: HUF 34.31 per kWh
		  ○ mid-peak time: HUF 30.71 per kWh
		  ○ off-peak time: HUF 12.53 per kWh
		
		According to the Energy Office, no new wind power plants have been approved since 2006. Thus, this tariff has not yet been applied.
		Plants of more than 50 MW (the date of approval irrelevant):
		
		• peak time: HUF 21.34 per kWh
		• mid-peak time: HUF 13.66 per kWh
		• off-peak time: HUF 13.66 per kWh

	Solar energy	**Plants approved after 01/01/2008:** HUF 30.71 per kWh; No difference between peak and off-peak hours. **Plants of more than 50 MW (date of approval irrelevant):** • peak time: HUF 21.34 per kWh • mid-peak time: HUF 13.66 per kWh • off-peak time: HUF 13.66 per kWh

	Geothermal energy	**Plants approved after 01/01/2008:**
		
		• Plants below 20 MW:
		  ○ peak time: HUF 34.31 per kWh
		  ○ mid-peak time: HUF 30.71 per kWh
		  ○ off-peak time: HUF 12.53 per kWh
		• Plants between 20 and 50 MW:

		○ peak time: HUF 27.45 per kWh ○ mid-peak time: HUF 24.57 per kWh ○ off-peak time: HUF 10.02 per kWh **Plants of more than 50 MW (date of approval irrelevant):** • peak time: HUF 21.34 per kWh • mid-peak time: HUF13.66 per kWh • off-peak time: HUF 13.66 per kWh
	Biogas	**Plants approved after 01/01/2008:** • Plants below 20 MW: ○ peak time: HUF 34.31 per kWh ○ mid-peak time: HUF 30.71 per kWh ○ off-peak time: HUF 12.53 per kWh • Plants between 20 and 50 MW: ○ peak time: HUF 27.45 per kWh ○ mid-peak time: HUF 27.45 per kWh ○ off-peak time: HUF 10.02 per kWh **Plants of more than 50 MW (date of approval irrelevant):** • peak time: HUF 21.34 per kWh • mid-peak time: HUF 13.66 per kWh • off-peak time: HUF 13.66 per kWh
	Hydro-power	**Plants approved after 01/01/2008:** • Plants below 5 MW: ○ peak time: HUF 34.31 per kWh ○ mid-peak time: HUF 30.71 per kWh

		○ off-peak time: HUF 12.53 per kWh • Plants of more than 5 MW (date of approval irrelevant): ○ peak time: HUF 21.34 per kWh ○ mid-peak time: HUF 13.66 per kWh ○ off-peak time: HUF 13.66 per kWh
	Biomass	**Plants approved after 01/01/2008:** • Plants below 20 MW: ○ peak time: HUF 34.31 per kWh ○ mid-peak time: HUF 30.71 per kWh ○ off-peak time: HUF 12.53 per kWh • Plants between 20 and 50 MW: ○ peak time: HUF 27.45 per kWh ○ mid-peak time: HUF 24.57 per kWh ○ off-peak time: HUF 10.02 per kWh **Plants of more than 50 MW (date of approval irrelevant):** • peak time: HUF 21.34 per kWh • mid-peak time: HUF 13.66 per kWh • off-peak time: HUF 13.66 per kWh
Degression	**General information**	The tariffs for plants for which an application was submitted after 1 January 2008 will annually increase by the rate of inflation of the previous year minus 1%. The tariffs for plants for which an application was submitted prior to 1 January 2008 will annually increase by the inflation rate of the previous year (Annex No. 5 Decree No. 389/2007).

	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Hydro-power	
	Biomass	
Cap	There is no fixed upper limit on annual RES-E production or installed capacity.	
Eligibility period	The eligibility period is set out by Energy Office according to provisions in the implementing decrees and shall not exceed the pay-off period of the plant (§§ 11 3) and 4) Act No. LXXXVI of 2007).	
Addressees	**Entitled party:** The persons entitled are the plant operators. A claim for a feed-in tariff arises at the date of commencement of commercial activity (§ 10 (1) e) Act No. LXXXVI of 2007). **Obligated party:** Electricity traders are obliged to purchase electricity from renewable sources and enter into a contract with the transmission grid operator (§ 13 (1) Act No. LXXXVI of 2007).	
Procedure	**Process flow**	Plant 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: • To enforce a claim for a feed-in tariff, a 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	The Energy Office may act as a supervising body and inflict penalties in cases of violations of the law (§ 9 Decree No. 389/2007).
Flexibility Mechanism		
Distribution of costs	**State**	
	Consumers	In the end, the consumers bear the costs of the feed-in tariff scheme (§ 13 (1) Act No. LXXXVI of 2007).
	Plant operator	
	Grid operator	The grid operator pays the feed-in tariff to the plant operators, but also receives payments from the electricity suppliers (§ 13 (1) Act No LXXXVI of 2007).
	European Union	

	Distribution mechanism	• **Plant operator – grid operator/electricity trader:** Electricity traders are obliged to purchase electricity from renewable sources and enter into a contract with the grid operator. The grid operator pays the feed-in-tariff to the plant operators (§ 13 (1) Act No. LXXXVI of 2007). • **Electricity trader – final consumer:** In the end, the consumer bears the costs through the electricity price.

RES-E grid issues

Overview

Overview of grid issues	The Act on Electric Energy (Act No. LXXXVI of 2007) gives priority grid connection and access to electricity generated from renewable energy. Furthermore, it imposes restrictions on electricity imports to the benefit of renewable energy. The costs for the connection of renewable energy plants to and the expansion of the grid are borne either by the plant operator or by the grid operator, depending on certain criteria.
Connection to the grid	Plant operators are contractually entitled to connection to the grid. Renewable energy plants shall be given priority connection. The costs arising from the connection of a plant to the grid are borne by the grid operator.
Use of the grid	Plant operators are contractually entitled to use the grid. Electricity from renewable sources shall be given priority transmission.
Grid development	The grid shall be expanded in such a way as to meet the political objective of promoting the generation of electricity from renewable sources. Electricity from renewable sources is not given priority as regards the expansion of the grid. The grid operator shall bear the costs of grid expansion works for the benefit of renewable energy plants, provided that certain conditions are met.
Statutory provisions	• Act No. LXXXVI 2007 as amended by Act No. XXIX of 2011 • Government Decree No. 273/2007 (X. 19.) • Decree No. 76/2011. (XII.21.) • Decree No. 64/2011. (XI. 30.)

Basic information on legal sources

Name of legal source (original language)	2007. évi LXXXVI. törvény a villamos energiáról	273/2007. (X. 19.) Korm. rendelet a villamos energiáról szóló 2007. évi LXXXVI. törvény egyes rendelkezéseinek végrehajtásáról	76/2011. (XII.21) NFM rendelet a közcélu villamos hálózatra csatlakozás pénzügyi és műszaki feltételeiről
Full name			
Name (English)	Act No. LXXXVI of 2007 on Electric Energy	Government Decree No. 273/2007 (X. 19.) on the Implementation of Act No. LXXXVI of 2007 on Electric Energy	Decree of the National Development Ministry No. 76/2011. (XII.21) on the Financial and Technical Terms and Conditions for Connection to the Public Electricity Network
Abbreviated form	Act No. LXXXVI of 2007	Government Decree No. 273/2007 (X. 19.)	Decree No. 76/2011 (XII.21)
Entry into force	15.10.2007	19.10.2007	01.02.2012
Last amended on	01.03.2012	01.07.2011	
Future amendments	30.09.2012		
Purpose	Regulating the electricity market	The government decree regulates the implementation of the Act on Electric Energy.	Establishing the financial and technical terms and conditions for connection to the public electricity network
Relevance for renewable energy	One of the act's priorities is to promote the generation of electricity from renewable	The government decree regulates the implementation of the incentive scheme	The use of renewable energy sources may be rewarded with a reduction in the connection

	energy sources and waste.	for renewable energy generation.	charges. The decree sets different amounts of connection charges according to the proportion of renewable energy used. Plants that generate electricity from a primary source of energy and for which there is evidence that they produce at least a. 70% of their electricity from renewable energy sources, the connection charges are reduced by 30%. b. 90% of their electricity from renewable energy sources, the connection charges are reduced by 50%. (§ 6 (3) Decree No. 76/2011)
Link to full text of legal source (original language)	*http://www.complex.hu/jr/gen/hjegy_doc.cgi?docid=A0700086.TV*	*http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0700273.KOR&celpara=#lbj21param*	*http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100076.NFM&celpara=#xcelparam*
Link to full text of legal source (English)	*http://www.eh.gov.hu/gcpdocs/200801/a0700086count.doc* The translation does not provide information on the latest amendment of the act.		

Name of legal source **(original language)**	64/2011. (XI.30) NFM rendelet a villamos energia rendszerhasználati díjak megállapításánk és alkalmazásának szabályairól		
Full name			
Name (English)	Decree of the National Development Ministry No. 64/2011 (XI.30) on the Determination and Application of Grid Use Charges		
Abbreviated form	Decree No. 64/2011 (XI.30)		
Entry into force	01.12.2011		
Last amended on	01.01.2012		
Future amendments			
Purpose	This decree determines the amount and composition of the charges for the use of the electricity grid.		
Relevance for renewable energy	The charges set by the decree also apply to the operators of renewable energy plants.		
Link to full text of legal source	*http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?do*		

(original language)	*cid=A1100064.NFM&celpara=#xcelpar am*		
Link to full text of legal source (English)			

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/hu/nemzeti-fejlesztesi-miniszterium		+36 1 795 67 66	ugyfelszolgalat@nfm.gov.hu
Magyar Energia Hivatal (MEH) – Hungarian Energy Office	http://www.eh.gov.hu/		+36 145 977 77	eh@eh.gov.hu
Energia központ kht. – Energy Centre	http://www.energiakozpont.hu		+36 180 243 00	office@energiakozpont.hu
Új Széchényi Terv – New Széchényi Plan/ National Development Agency	http://www.nfu.hu/		+ 36 1 40 638-638	ujszechenyiterv@nfu.gov.hu
MAVIR – Magyar Villamosenergia-ipari Átviteli Rendszerirányító Zártkörüen Müködö Részvénytársaság – Hungarian transmission grid operator	http://www.mavir.hu/web/mavir/home		+36-1/304-1000	info@mavir.hu

Grid issues

Connection to the grid

Abbreviated form of legal sources	• Act No. LXXXVI of 2007 • Government Decree No. 273/2007 (X. 19.) • Decree No. 76/2011 (XII.21) • Decree No. 64/2011 (XI.30)	
Overview	Plant operators are contractually entitled to connection to the grid. The grid operator is obligated to enter into grid connection agreements (§§ 35 (1), 58 (1) and (2) Act No. LXXXVI 2007). These agreements shall be in line with the grid operator's terms and conditions and the conditions and procedures stipulated by law (§ 58 (1) Act No. LXXXVI 2007). **Entitled party:** All potential grid users are entitled to connection to the grid (§ 56 (1) Act No. LXXXVI 2007). A grid user is defined as an entity which, for the purpose of exporting or using electricity, is directly or indirectly connected to the public grid (§ 3 item 50 Act No. LXXXVI of 2007). This definition also covers the operators of renewable energy plants. **Obligated party:** The persons obligated are the grid operators and the operators of private electricity networks (§§ 3 (22), 15, 16 (n), 35 (1), 58 (1) and (2) Act No. LXXXVI of 2007).	
Procedure	**Process flow**	A claim for connection to the grid arises on the date on which a grid user meets the conditions set out in the grid connection agreement. • The grid connection process for plants for private use (up to 50 kW) involves the following steps: ○ **Application for connection by the plant operator:** A given plant operator shall submit his application for connection to the grid operator. Having received the application, the grid operator is obliged to connect the plant to the grid (§ 4 Government Decree No. 273/2007 (X.19)).

		○ **Plant operator's obligation to provide information:** The plant operator is obliged to inform the grid operator in writing of the technical data of his plant (§ 5 (3) Government Decree No. 273/2007). Moreover, when applying for an operating licence, the plant operator is obliged to inform the competent authority whether or not the electricity produced is to be exported to the grid. If the electricity is to be exported, the grid operator shall take this into account when determining the conditions for connection to the grid (§ 5 (4) Government Decree No. 273/2007 (X.19)). • The grid connection process for micro-plants not subject to licensing (50 kW – 500 kW) and small-scale plants (500 kW – 50 MW) includes the following steps: ○ **Application for connection:** A plant operator shall submit to the grid operator an application for connection in the required format (Annex 2, 2.1. and 2.3. Government Decree No. 272/2007(X.19)). The documents and data to be included in an application for connection are defined by law (Annex 2, 2.4. Government Decree No. 273/2007 (X.19)). ○ **Provision of information and draft agreement on connection to and use of the grid:** Having received an application for connection, the grid operator is obliged to inform the plant operator on all relevant requirements for grid connection and use. In addition, the grid operator is obliged to make well-founded suggestions on how the plant could be connected to and use the grid. These suggestions shall include a grid connection point and a cost estimate for the connection works. The draft agreement shall be free of charge. If the plant operator has not provided all the documents and information required for connection to or use of the grid, the grid operator shall inform the plant operator that the application is incomplete (Annex 2, 2.5. and 2.6. Government Decree No. 273/2007 (X.19)). The content requirements for draft agreements are defined by law (Annex 2, 2.8.

		Government Decree No. 273/2007 (X.19)). ○ **Connection agreement:** If the plant operator accepts the draft agreement on connection, he shall sign it and send it back to the grid operator within the period set by the grid operator. The agreement will take effect on the date on which the grid operator receives the signed agreement (Annex 2, 4.1. Government Decree No. 273/2007(X.19)). If the plant operator does not accept the draft agreement, he shall suggest amendments, sign the amended agreement and send it back to the grid operator. The agreement shall take effect only if the grid operator accepts the amendments, signs the amended agreement and sends it back to the plant operator. The agreement will take effect on the date agreed on by the involved parties (Annex 2, 4.2. Government Decree No. 273/2007 (X.19)). The standard terms of a connection agreement are set out by law. However, the format and further provisions of such an agreement are stipulated in the grid operator's terms and conditions (Annex 2, 6.1. Government Decree No. 273/2007 (X.19)). ○ **Grid use agreement:** The plant operators are entitled to request grid use agreements. Having received such a request, the grid operator is obliged to sign a grid use agreement and send it to the plant operator. The rules and requirements for grid use agreements are the same as for connection agreements (Annex 2, 7.1. Government Decree No. 273/2007 (X.19)). The standard terms of a grid use agreement are set out by law (Annex 2, 8.1. Government Decree No. 273/2007 (X.19)). ○ **Connection to the grid:** After all the above-mentioned steps have been taken, the grid operator is obliged to connect the plant to the grid as soon as possible (§ 3 (1) Regulation No. 117/2007 (XII.29)). ○ **Export of electricity to the grid:** The amount of energy for which the feed-in-tariff can be claimed and the amount that may be exported to the grid are set out in the below-mentioned government decree. The

		procedure and the conditions for the purchase of electricity are set by the Energy Office (§ 11 (3) Act No. LXXXVI of 2007). • Connection of wind power plants: ○ Prior to the connection process, a wind power plant must be authorised in a tendering procedure which is developed and implemented by the Energy Office (§ 7 (2) (4) Act No. LXXXVI of 2007).
	Deadlines	Exact timelines and deadlines regarding access to the grid are laid down in the statutory provisions on electricity supply (§ 35 (2) Act No. LXXXVI of 2007). The following timelines apply to the connection of micro-plants not subject to authorisation (50 kW - 500 kW) and small-scale plants (500 kW – 50 MW): • In cases where an on-site assessment is not necessary, the grid operator is obliged to produce a cost estimate and a draft agreement on connection within 8 days after receipt of an application (Annex 2, 2.5. Government Decree No. 273/2007 (X.19)). • If the plant operator has not submitted all the required documents and data related to his application, the grid operator shall inform the plant operator within 15 days after receipt of the application that the application is incomplete and shall indicate the missing or deficient sections (Annex 2, 2.6. Government Decree No. 273/2007 (X.19)). • If the application as well as the supplements do not specify whether or not grid developing measures will be necessary prior to plant connection, the grid operator shall conduct an on-site assessment. If grid development measures are not required, the grid operator shall provide the plant operator with a cost estimate and a draft agreement within 15 days. If grid development measures are necessary, the grid operator shall submit a draft agreement including a cost estimate to the plant operator within 30 days (Annex 2, 2.7. Government Decree No. 273/2007 (X.19)).

		• If a plant operator requests a grid use agreement to be concluded, the grid operator shall send a draft agreement to the plant operator within 15 days (Annex 2, 7.1. Government Decree No. 273/2007 (X.19)) • If a plant operator proposes amendments to the grid operator's draft connection or draft use agreement and the grid operator accepts these amendments, the grid operator is obliged to sign the agreement and send it back to the plant operator within 15 days after receipt (Annex 2, 4.2. & 7.1. Government Decree No. 273/2007(X.19)).
	Obligation to inform	The grid operator is obliged to make sure that the connection procedure is transparent (§§ 15, 30 Act No. LXXXVI of 2007). During the connection process, the grid operator is obliged to inform the plant operator in advance of the connection requirements and of the costs of the connection works (Annex 2, 2.5. Government Decree No. 273/2007 (X.19)). The information to be provided and the content of the draft agreements on connection to and use of the grid are defined by law (Annex 2, 2.8. Government Decree No. 273/2007 (X.19)).
Priority to renewable energy **(qualitative criteria)**	(x) Priority to renewable energy ( ) Non-discrimination	Renewable energy plants shall be given priority connection (§ 35 (3) Act No. LXXXVI of 2007 in conjunction with § 4 (10) Decree No. 76/2011). Furthermore, the Energy Office shall give priority to renewable energy plants when authorising new plants (§ 78 Act No. LXXXVI 2007).
Capacity limits **(quantitative criteria)**	The grid operators may refuse to connect a plant to the distribution or transmission grid for technical reasons. However, when refusing to connect a plant, they are obliged to specify the conditions under which connection will be granted. If technically possible, they shall provide for another connection point (§ 27 (2), (3) Act No. LXXXVI 2007). The grid operators are not allowed to refuse to connect a plant to the grid because of expected capacity shortage. Furthermore, they are not allowed to refuse connection in cases where they will incur costs because the connection of a plant to a nearby connection point requires the grid to be expanded and reinforced (§ 27 83a) Act No. LXXXVI 2007).	

Distribution of costs		
	State	
	Consumers	The additional costs incurred to the grid operator for expansion works required to connect a renewable energy plant are included in the grid use charges, which are set by the Energy Office (§ 7 (5) Act No. LXXXVI of 2007). The grid operators can pass on these costs to the end consumers.
	Grid operator	The grid operators shall bear the cost of connection of a new renewable energy plant to the grid (§ 7 (5) Act No. LXXXVI of 2007).
	Plant operator	Ministerial Decree No. 76/2011 establishes the conditions under which the connection costs are set and defines the proportion of the costs to be borne by the plant operator. The composition of the connection charges varies according to the voltage level the plant is supposed to be connected to. The connection charges for connection to the low-voltage grid include the basic connection charge, a charge for the extension of the grid from the connection point to the plant, and a charge for extension works beyond the connection point (§ 7 Decree No. 76/2011). The connection charges for connection to the medium-voltage grid include the basic connection charge and a charge for extension works beyond the connection point only (§ 7 (2) Decree No. 76/2011). The operators of household-sized plants are not obligated to pay the basic connection charge (§ 8 (2) Decree No. 76/2011). If the connection of a plant requires the grid to be extended from the plant to the connection point or beyond and the length of the required line exceeds the limit set in the decree, the plant operator shall pay extra charge. If the length of the line is below this limit, the grid operator shall not charge the plant operator for the extension of the grid from the plant to the connection point or beyond (§ 9, 10 Decree No. 76/2011). The grid connection charges for plants connected to the grid for a maximum of one year and for plants connected to the high-voltage grid differ from the charges specified above

		(§§ 4 (4), 6 (1) Decree No. 76/2011). In these cases, the connection charges for plants that generate electricity from a primary source of energy and for which there is evidence that they produce at least • 70% of their electricity from renewable sources shall not exceed 70% of the charges specified in the decree. • 90% of their electricity from renewable sources shall not exceed 50% of the charges specified in the decree (§ 6 (3) Decree No. 76/2011).
	European Union	
	Distribution mechanism	

Use of the grid

Abbreviated form of legal sources	• Act No. LXXXVI of 2007 • Government Decree No. 273/2007 (X. 19.) • Decree No. 64/2011. (XI.30)	
Overview	The plant operators are contractually entitled to use the grid. They are also entitled to the guaranteed purchase and the transmission of their electricity (§§ 9 (2), 58 (1) Act No. LXXXVI of 2007). The grid operator is obliged to enter into agreements on the use of the grid (§ 58 (2) Act No. LXXXVI of 2007). **Entitled party:** The persons entitled to use the grid are the grid users. Grid users shall be all entities directly or indirectly connected to the public grid for the purpose of exporting or using electricity (§ 3 item 50 Act No. LXXXVI of 2007). This definition includes the operators of renewable energy plants. **Obligated party:** The entities obligated to grant access to the grid are the grid operators, including the operators of private electricity lines (§ 58 (2) Act No. LXXXVI of 2007).	
Procedure	**Process flow**	The claim for use of the grid arises on the date on which the grid use agreement is concluded and the plant operator complies with the conditions specified therein. To conclude a grid use agreement for a micro-plant not subject to authorisation (50 kW – 500 kW) or a small-scale plant (500 kW – 50 MW), the following steps must be taken: • **Grid use agreement:** The plant operators are entitled to apply for a grid use agreement. Upon receipt of an application, the grid operator is obliged to sign a grid use agreement and send it to the plant operator. The rules and requirements for grid use agreements are the same as for connection agreements (Annex 2, 7.1. Government Decree No. 273/2007 (X.19)). The standard terms of a grid use agreement are set out by law. (Annex 2, 8.1. Government Decree No. 273/2007 (X.19)). • **Export of electricity to the grid:** The amount of energy for which the feed-in-tariff can be claimed and the amount that may be exported to the grid are set

		out in Government Decree No. 273/2007. The procedure and the conditions for the purchase of electricity are set by the Energy Office (§ 11 (3) Act No. LXXXVI of 2007). After entering into a grid use agreement, the grid operator is obliged to enable the use of the grid and grant access to the grid to the plant operator by the date stipulated in the grid use agreement (Annex 2, 9.1. Government Decree No. 273/2007 (X.19)).
	Deadlines	Exact deadlines regarding access to the grid are laid down in the statutory provisions on electricity supply (§ 35 (4) Act No. LXXXVI of 2007). The following timelines apply to the use of the grid by micro-plants not subject to authorisation (50 kW - 500 kW) and small-scale plants (500 kW – 50 MW): • If a plant operator requests a grid use agreement to be concluded, the grid operator shall send a draft agreement to the plant operator within 15 days (Annex 2, 7.1. Government Decree No. 273/2007 (X.19)). • If a plant operator proposes amendments to the grid operator's draft use agreements and the grid operator accepts these amendments, the grid operator is obliged to sign the agreement and send it back to the plant operator within 15 days after receipt (Annex 2, 4.2. and 7.1. Government Decree No. 273/2007 (X.19)).
	Obligation to inform	The grid operator is obliged to make sure that access to the grid is transparent (§§ 15, 30 Act No. LXXXVI of 2007). The information to be provided and the content of a draft agreement on use of the grid are defined by law (Annex 2, 2.8. Government Decree No. 273/2007 (X.19)).
Priority to renewable energy	(x) Priority to renewable energy	The operators of renewable energy plants are entitled to priority use of the grid (§ 35 (3) Act No. LXXXVI of 2007). Furthermore, services are limited for imports to the benefit of

(qualitative criteria)	( ) Non-discrimination	electricity generated from renewable energy (§ 36 (1) Letter g) Act No. LXXXVI of 2007).
Curtailment	Curtailment may be applied in the event of grid disturbances and emergencies as set out in the specific legislation. In such a case, a grid use agreement may be limited or even revoked (§ 36 (1) (2) Act No. LXXXVI of 2007). Priority grid use by renewable energy plants shall not be granted if grid stability is at risk (§ 35 (2) Act No. LXXXVI of 2007) There are no further specific provisions on the curtailment of renewable generation.	
Distribution of costs		
	State	
	Consumers	
	Grid operator	
	Plant operator	The plant operator shall cover the costs for grid use (§ 142 Act No. LXXXVI of 2007) by paying grid use charges. The grid use charges shall cover the grid operator's costs (§ 142 (6) Act No. LXXXVI of 2007). The composition and application of the grid use charges are set out in Decree No. 64/2011.
	European Union	
	Distribution mechanism	

Grid development

Abbreviated form of legal source	• Act No. LXXXVI of 2007 • Government Decree No. 273/2007 (X. 19.) • Decree No. 76/2011 (XII.21)	
Overview	A plant operator may be contractually entitled against the grid operator to the expansion of the grid if the expansion is necessary to satisfy a claim for connection to the grid. The grid operator is obliged to enter into connection contracts. He is expressly obliged to guarantee the connection of all plants within his territory to the grid (§ 8 (1) Government Decree No. 273/2007 (X.19)). Apart from that, the transmission grid operators are generally obliged to guarantee the smooth operation and provide for the maintenance of the grids (§ 14 Act No. LXXXVI of 2007). **Entitled party:** The entitled persons are the grid users (§ 5 (1) Decree No. 76/2011). **Obligated party:** The obligated entities are the grid operators (§ 9 (2) Decree No. 76/2011).	
Procedure	**Process flow**	The development plans for the transmission grid shall be in line with the energy policy target of promoting renewable energy (§ 25 (3) Act No. LXXXVI of 2007). Priority for renewable energy is not explicitly prescribed by law. According to the DSO, the expansion works necessary to connect a plant are carried out after a grid connection agreement has been concluded.
	Enforcement of claims	The circumstances in which a claim for the expansion of the grid arises and the enforcement of such a claim depend on the agreement between the grid operator/company and the grid user (e.g. plant operator), (§ 8 (3) Government Decree No. 273/2007 (X.19)).
	Deadlines	Statutory law does not provide any deadlines for the expansion of the grid. The legislative provisions on electricity supply establish a binding legal framework, within which the grid operators, the owners of grid elements and real estate owners shall

		conclude contracts. Agreements between a grid operator/company and the grid users (e.g. plant operators) may stipulate deadlines regarding the possible expansion of the grid. The grid connection charges having been paid, the grid operator is obliged to enable connection to and use of the grid and carry out all necessary operations (§ 4 (1) Decree No. 76/2011).
	Obligation to inform	
Regulatory incentives for grid development and innovation		
Distribution of costs		
	State	
	Consumers	
	Grid operator	The grid operators shall bear the costs for expansion works carried out to connect a new renewable energy plant to the grid (§ 7 (5) Act No. LXXXVI of 2007).
	Plant operator	When calculating the grid use charges, the Energy Office shall include, to a reasonable extent, the costs for connection to and the expansion of the grid which were borne by the grid operators (§ 7 (5) Act No. LXXXVI of 2007). A plant operator shall pay the charge for the expansion of the grid beyond the grid connection point only if the length of the required line exceeds the limit set out in the Decree. If the length of the line is below this limit, the grid operator shall not impose charges for expansion works beyond the connection point (§§ 9, 10 Decree No. 76/2011).

	European Union	
	Distribution mechanism	When setting the grid use charges, the Hungarian Energy Office considers the grid operator's expenses. • **Grid operator – grid user (energy supply companies).** The costs of the expansion of the grid are initially borne by the grid operator. He may collect the costs for expansion works in advance by including them in the grid use charges. Thus, he may pass on these costs to the energy supply companies (§ 7 (5) Act No. LXXXVI of 2007). • **Grid user (energy supply company) – final consumers.** The energy supply companies may pass on the costs for the expansion of the grid, which they bear through the grid use charges, to the final consumers through the electricity price.
Grid studies	Information in Hungarian: Mavir 2010 Grid Development Plan (A Magyar Villamosenergia-rendszer Hálózatfejlesztési Terve 2010). http://www.mavir.hu/c/document_library/get_file?uuid=3dd80445-53b8-4975-ad05-02f1e425d1f6&groupId=10258 Information in English is not available.	

RES-H&C support schemes

Summary of support schemes

Overview	Support is provided by a subsidy programme for pilot projects on the use of renewable energy sources for generating heat.
Summary of support schemes	**Subsidy programme**. Public bodies, companies and non-profit organisations are entitled to apply for a grant supporting the planning and realisation of pilot projects on the use renewable energy sources in heating sector (Chapter A4, B1, Call for Proposals KEOP-2011-4.3.0).
Technologies	In general all technologies except aerothermal installations are eligible for the subsidy.
Statutory provisions	• Call for Proposals KEOP-2011-4.3.0 (Pályázati Felhívás KEOP-2011-4.3.0)

Basic information on legal sources

Name of legal source **(original language)**	Pályázati Felhívás KEOP-2011-4.3.0		
Full name	Pályázati Felhívás a Környezet és Energia Operatív Programme KEOP-2011-4.3.0 - Megújuló Energia Alapú Térségfejlesztés		
Name (English)	Call for Proposals for the Environmental and Energy Operative Programme KEOP-2011-4.3.0 – Renewable Energy Sector Development		
Abbreviated form	Call for Proposals KEOP-2011-4.3.0		
Entry into force	10.02.2011		
Last amended on			
Future amendments			
Purpose	The Call for Proposals establishes the general conditions and procedures for applying for the subsidy.		
Relevance for renewable energy	The subsidy programme promotes the development of green economy by		

	subsidising pilot projects for the use of renewable energy sources in electricity generation, CHP as well as cooling and heating.		
Link to full text of legal source (original language)	The Call for Proposal can be downloaded on the following webpage: *http://ujszechenyiterv.gov.hu/doc/2637*		
Link to full text of legal source (English)			

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		+36 1 795 67 66	ugyfelszolgalat@nfm.gov.hu
Nemzeti Fejlesztési Ügynökség – National Development Agency	http://www.nfu.hu		+36 1 474 9180	nfu@nfu.gov.hu
Magyar Energia Hivatal (MEH) - Hungarian Energy Office	http://www.eh.gov.hu		+36 145 977 77	eh@eh.gov.hu
Energia központ kht. - Energy Centre	http://www.energiakozpont.hu		+36 180 243 00	office@energiakozpont.hu

Support schemes

Subsidy (Megújuló Energia Alapú Térségfejlesztés)

Abbreviated form of legal source(s)	• Call for Proposals KEOP-2011-4.3.0	
Summary	The subsidy programme is part of the Environmental and Energy Operative Programme financed by the European Regional Development Fund (ERDF). The subsidy programme aims at promoting pilot projects in the use of renewable energy sources in order to increase the share and efficiency of renewable energies and in order to contribute to the regional development of the country (Chapter A1, Call for Proposals KEOP-2011-4.3.0). The programme is composed of two application rounds with the first one focusing on the project preparation process and the second one focusing on the project realisation (Chapter A4, Call for Proposals KEOP-2011-4.3.0). The subsidy is valid for the whole country except the middle-Hungarian region meaning the districts of Buda and Pest (Chapter C7, Call for Proposals KEOP-2011-4.3.0).	
Eligible technologies	**General information**	In general, all technologies are eligible except aerothermal installations (Chapter C1.2., Call for Proposals KEOP-2011-4.3.0). Grants are available for the preparation and the realisation phase of research projects. Eligible costs for subsidies are for example preparation costs, construction costs and costs for materials (Chapter C 3, Call for Proposals KEOP-2011-4.3.0).
	Aerothermal	
	Hydrothermal	Eligible
	Biogas	Eligible.
	Biomass	Solid and liquid biomass is eligible for plants up to 40MWth.

	Geothermal energy	Shallow and deep geothermal energy is eligible.
	Solar Thermal	Eligible.
Amount	The total amount of the available subsidy comprises 6 billion HUF (app. € 20.2 million). The total amount of subsidy is divided into two parts. 10% of the total amount of subsidy is intended for the 33 least developed local administrative units in the eligible regions. The remaining 90% are to be used for all eligible units as outlined in the Call for Proposals (Chapter A3, Call for Proposals KEOP-2011-4.3.0). For both application rounds the minimal amount of subsidy is 10% of the eligible costs. The maximum amount varies with regard to six different regions and six different groups of entitled parties. There is no technology-specific differentiation (Chapter A6, Call for Proposals KEOP-2011-4.3.0). • For companies the maximum subsidy amount varies among the regions between 30-50% of total eligible costs. • For medium sized companies the maximum subsidy amount varies between 40-60% of total eligible costs. • For micro and small sized companies the maximum subsidy amount varies between 50-70% of the total eligible costs. For specific public bodies (Költségvetési szervek és Intézmények), institution of general and higher education, non-profit organisations and projects which are not implemented in least developed local administrative units the maximum subsidy amount is 85%, whereas for projects implemented in least developed local administrative units the subsidy amount is 90% of the total eligible costs. The subsidy for the project realisation amounts to min. 70 million HUF and max. 1500 million HUF (Chapter A6, A7, Call for Proposals KEOP-2011-4.3.0).	
Addressees	The entitled parties of the subsidy are companies, specific public bodies (kötségvetési szervek és költségvetési rend szerint gazdálkodó szervek) as well as non-profit organisations. Housing and agricultural corporations as well as parties and organisations without legal entity are not eligible for the subsidy (Chapter B1, Call for Proposals KEOP-2011-4.3.0). The obligated party is the Hungarian state represented through the Ministry of National Development and the National Development Agency.	

Procedure	**Process flow**	The application process is composed of two rounds. In the first round applicants have to submit a project proposal. The applicant will elaborate this proposal in the second round only on demand after acceptance in the first round. Those applicants being accepted in the first round are eligible, but also obliged to apply for the second round (Chapter A4.1. Call for Proposals KEOP-2011-4.3.0). First round: • **Application**: The applicant hands in the project proposal. The necessary documents are prescribed in the Call for Proposals. Before handing in the application an individual consultation with the competent authority is suggested. Details are outlined in the Call for Proposals (see Chapter A4.1, Call for Proposals KEOP-2011-4.3.0). • **Selection:** The applicants are selected by a commission according to certain criteria, which are outlined in the Call for Proposals (see Chapter E, Call for Proposals KEOP-2011-4.3.0). • **Awarding and conclusion of the contract**: The competent authority concludes a Contract of Support with the winning applicants of the first round. The applicant has to prepare a timeline for the project's preparation steps which has to be added as an annex to the Contract of Support. All expenses with regard to the project preparations can be refunded according to the prescriptions and limitations in the Call for Proposals until the deadline as prescribed by the Contract of Support (see Chapter A4.1. and C3.3, Call for Proposals KEOP-2011-4.3.0).

		• **Steps to be realised**: During the first round the Detailed Realisation Study (RMT – részletes megvalósíthatósági tanulmány) and the project plan have to be finalised. Further, all necessary documents and annexes for the second round of application need be prepared (Chapter A4.1, Call for Proposals KEOP-2011-4.3.0). <u>Second Round:</u> • **Application**: For the second round those applicants may apply who successfully took part in the first round and fulfilled the requirements as prescribed by Contract of Support as well as those who were affirmed to fulfil the necessary requirements for participation in the second round by the competent authority. The application needs to be submitted within 24 months after being awarded for the first round. • **Selection:** The applicants are selected by a commission according to certain criteria, which are outlined in the Call for Proposals (see Chapter E, Call for Proposals KEOP-2011-4.3.0). • **Awarding and conclusion of the contract**: The competent authority concludes another Contract of Support with the winning applicants of the second round for the realisation of the project. Further, all expenses with regard to the fulfilment of the Contract of Support of the first round and with regard to the realisation of the project can be refunded according to the prescriptions and limitations in the Call for Proposals (see Chapter A4.1. and C3.3, Call for Proposals

		KEOP-2011-4.3.0).
	Competent authority	The National Development Agency (Nemzeti Fejlesztési Ügynökség) is responsible for the programme on Renewable Energy Sector Development. However, within the National Development Agency the Environmental Protection Programs' Management Authority (Környezetvédelmi Programok Irányító Hatósága) is responsible for the programme's implementation and the administrative work linked to the programme.
Flexibility mechanism		
Distribution of costs	**State**	According to National Development Agency, the Hungarian state is carrying app. 15% of the Environmental and Energy Operative Programme and thus of this subsidy programme.
	Consumers	
	Plant operator	
	Grid operator	
	European Union	According to the National Development Agency, the European Union is carrying app. 85% of the costs of the Environmental and Energy Operative Programme and thus of this subsidy programme.
	Distribution mechanism	

RES-T support schemes

Summary of support schemes

Overview	In Hungary, the main support scheme for the promotion of renewable energy sources in the transport sector is a quota system. This support scheme obliges fuel retailers to ensure that biofuels and hydrogen make up a certain percentage of their monthly sales. Further, a tax reimbursement applies to certain biofuels in case of engine development projects and vehicles used in the mining industry and in water management. The amount of biofuels used in these cases cannot be taken into account for quota fulfilment.
Summary of support schemes	• **Tax regulation mechanism:** there is a reimbursement of excise duty in place for E85, bioethanol and biodiesel in case of engine development projects and vehicles used in the mining industry and in water management (§ 55, 57/A Act No. CXXVII). • **Biofuels quota:** there is a target for biofuels, determined as the share of pure biofuels and biofuels added to conventional fuels in the total quantity of petrol placed in the market (§ 5 (1) Act No. CXVII of 2010). Only certified biofuels satisfying specific sustainability criteria can be taken into account for fulfilling the prescribed quota (§§ 2, 3 Decree No. 343/2010).
Technologies	In the case of biofuel quota biofuels as well as hydrogen are eligible, whereas tax reimbursement applies to certain biofuels only.
Statutory provisions	• 2010. évi CXVII. Törvény • 343/2010. (XII. 28.) Korm. Rendelet • 2003. évi CXXVII. Törvény

Basic information on legal sources

Name of legal source **(original language)**	2010. évi CXVII. Törvény	343/2010. (XII. 28.) Korm. Rendelet	2003. évi CXXVII. Törvény
Full name	2010. évi CXVII. törvény a megújuló energia közlekedési célú felhasználásának előmozdításáról és a közlekedésben felhasznált energia üvegházhatású gázkibocsátásának csökkentéséről	343/2010. (XII. 28.) Korm. Rendelet a fenntartható bioüzemanyag-termelés követelményeiről és igazolásáról	2003. évi CXXVII. törvény a jövedéki adóról és a jövedéki termékek forgalmazásának különös szabályiról
Name (English)	Act No. CXVII of 2010 on the promotion of renewable energy in the transport sector and the reduction of greenhouse gases in the transport sector	Government Decree No. 343/2010 on the conditions and certification of sustainable biofuel production	Act No. CXXVII of 2003 on the excise duty and the rules of excise goods' sales
Abbreviated form	Act No. CXVII of 2010	Decree No. 343/2010	Act No. CXXVII
Entry into force	05.12.2010	01.04.2011	01.05.2004
Last amended on	14.04.2012	15.03.2012	01.07.2012
Future amendments			
Purpose	This act's general purpose is to contribute to the reduction of greenhouse gas emissions in the transport sector.	The government decree regulates the implementation of the act on the promotion of renewable energies in the	This act sets the general framework for excise duty and defines the tax level for different product groups.

		transport sector.	
Relevance for renewable energy	To this end, the act focuses on the promotion of biofuels by introducing a quota system.	The decree establishes a framework for promoting the use of biofuels by a quota system in the transport sector.	The Act defines excise duty reductions for different biofuels in specific contexts.
Link to full text of legal source (original language)	*http://www.complex.hu/jr/gen/hjegy_doc.cgi?docid=A1000117.TV*	*http://www.complex.hu/jr/gen/hjegy_doc.cgi?docid=A1000343.KOR&kif=bio%C3%BCzemanyag**	*http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0300127.TV*
Link to full text of legal source (English)			

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		+36 1 795 67 66	ugyfelszolgalat@nfm.gov.hu
Nemzetgazdasági Minisztérium – Ministry of National Economy	http://www.kormany.hu/hu/nemzetgazdasagi-miniszterium		+36-1-474-1168	hmugyfelszolgalat@hm.gov.hu
Magyar Energia Hivatal (MEH) - Hungarian Energy Office	http://www.eh.gov.hu		+36 145 977 77	eh@eh.gov.hu
Nemzeti Adó-és Vámhatóság - National Tax and Customs Administration (NAV)	http://nav.gov.hu/			

Support schemes

Tax regulation mechanism

Abbreviated form of legal source(s)	• Act No. CXXVII	
Summary	There is a reimbursement of excise duty in place for E85, bioethanol and biodiesel in case of engine development projects and vehicles used in the mining industry and water management (§ 55, 57/A Act No. CXXVII).	
Eligible technologies	**General information**	Only certain biofuels are eligible including biodiesel, bioethanol and E85 (§ 55 (4), 57/A (1) Act No. CXXVII).
	Biofuels	In case of engine development projects E85, bioethanol and biodiesel are eligible in the context of fuel consumption during the test stage. Further, for vehicles used in the mining industry and water management only biodiesel is eligible. The latter refers to vehicles not driving in public traffic (§ 55 (4), 57/A (1) Act No. CXXVII).
	Electricity	
	Hydrogen	
Amount	For vehicles used in the mining industry and water management not driving in public traffic a reimbursement of app. € 0.26 per litre is granted (55 (4) Act No. CXXVII). In comparison, the rate of excise duty on biodiesel amounts to app. € 0.37 (52 (1) d), (2) a) Act No. CXXVII). In case of engine development projects excise tax can be reimbursed for 25% of the total expenses on biofuels (§ 57/A (2) Act No. CXXVII).	
Addressees	**Entitled party:** Engine developers and the consumers in the mining sector and in water management are the entitle parties.	

Procedure	**Process flow**	
	Competent authority	The Ministry for National Economy and the State Secretariat for Public Finance are the responsible authorities for this support scheme.
Flexibility Mechanism		
Distribution of costs	**State**	The costs of the tax exemption are borne by the state, which receives lower tax revenue.
	Consumers	
	Plant operator	
	Grid operator	
	European Union	
	Distribution mechanism	

Biofuel quota

Abbreviated form of legal source(s)	• Act No. CXVII of 2010 • Decree No. 343/2010	
Summary	There is a target for biofuels, determined as the share of pure biofuels and biofuels added to conventional fuels in the total quantity of petrol placed in the market (§ 5 (1) Act No. CXVII of 2010). Only certified biofuels satisfying specific sustainability criteria can be accounted into fulfilling the prescribed quota (§§ 2, 3 Decree No. 343/2010).	
Eligible technologies	**General information**	Biofuels and hydrogen are eligible technologies. However, only certified biofuels satisfying specific sustainability criteria can be accounted into fulfilling the prescribed quota. The sustainability criteria for biofuels as well as the procedure for certification are regulated by law (§§ 2, 3, 8 - 11 Decree No. 343/2010 and § 3 (1) Act No. CXVII of 2010). Likewise, biofuel profiting from tax reduction is not eligible (§ 5 (2) b) Decree No. 343/2010).
	Biofuels	In § 1 par 4. Decree No. 343/2010 eligible biofuels are defined as • Biobutanol produced from biomass • Biodiesel produced from vegetable or animal oil • BioDME produced from biomass • Bioethanol produced from biomass from within the European Union • Bio-ETBE on the base of bioethanol • Biogas produced from biomass or organic waste • Biomethanol produced from biomass • Bio-MTBE on the base of biomethanol • Bio- TAEE on the base of bioethanol

		• Synthetic biofuels produced from biomass
	Electricity	
	Hydrogen	Hydrogen produced with energy from biomass or other renewable sources is eligible (§1 par 4. g) Decree No. 343/2010).
Amount	**Amount of quota and period of application**	The quota is determined as the share of pure biofuels and biofuels added to conventional fuels in the total quantity of petrol placed in the market (§ 5 (1) Act No. CXVII of 2010). The quota fulfilment has to be accounted for by the fuel retailer on a monthly basis. Exceeding the quota in one month can be credited within the same year to reduce the necessary quota in another month by the same amount (§ 5 (1) (2) Decree No. 343/2010). §5 (3) (4) Decree No. 343/2010 prescribes the following quotas: Bio-quota until 31.12.2013: For petrol: 3.1% For diesel: 4.4% Bio-quota from 01.01.2014: 4.9% for both petrol and diesel
	Adjustment of quotas	The quotas are defined by government decree. New quotas will be defined three years in advance for one year (§ 5 (3) Decree No. 343/2010).
	Fees and penalty charges	Fuel retailers will be penalised in case they do not fulfil the quota obligation. The difference between the required quota and the

		actually marketed biofuels is expressed in MJ. The penalty charge amounts to HUF 35 per MJ (app. € 0.12 per MJ). The penalisation can be reduced in case that the supplier of biofuels was responsible for missing or invalid sustainability certifications on the obtained biofuel when that was the reason for not meeting the required quota. The penalisation will be reduced according to this amount of biofuel (§§ 7 (2) (3) Act No. CXVII of 2010). Further, penalty charge of HUF 100,000 – 1,000,000 (app. € 340 – 3,440) falls due in case that the fuel retailer does not hand in the monthly documentation of quota fulfilment to the competent authority (§§ 7 (4), 9 (4) (5) Act No. CXVII of 2010).
Addressees	**Obligated party:** Fuel retailers are obliged to fulfil the required quotas on a monthly basis (§ 5 (1) Act No. CXVII of 2010). Fuel retailers are persons marketing fuels inland as well as abroad including import activities from EU member states (§ 1 par 18. Act No. CXVII of 2010).	
Procedure	**Process flow**	• Biofuels taken into account for quota fulfilment need to be certified according to specific sustainability criteria. The sustainability criteria for biofuels as well as the procedure for certification are regulated by law (§§ 2, 3, 8 - 11 Decree No. 343/2010 and § 3 (1) Act No. CXVII of 2010). • The fuel retailer has to account for the quota fulfilment on a monthly basis, which has to be handed in at the customs authority (§ 5 (1) Decree No. 343/2010 and § 6 (1) Act No. CXVII of 2010).
	Competent authority	The agricultural administrative agency (mezőgazdasági igazgatási

		szerv) controls all activities regarding biomass production, processing and retailing. Further, the customs authority (vámhatóság) is acting as a supervising body for fuel retailers and their obligation with regard to the quota (§ 15 Decree No. 343/2010 and §3 (2) (3) Act No. CXVII of 2010).
Flexibility Mechanism		
Distribution of costs	**State**	
	Consumers	The costs are borne by the customers.
	European Union	
	Others	
	Distribution mechanism	

Policies

Summary of policies

Overview	The following policies aim at promoting the installation, usage and distribution of RES-installations in Hungary. There are vocational trainings with limited relevance for RES-installations. Furthermore, there is a recommendation in place for considering the use renewable energy sources in new buildings with a surface of more than 1000m². Policies on certification programmes for RES installation, on the exemplary role of public authorities and on the support of RES-H infrastructure are currently not available due to exhausted funds of the related subsidy programmes.
Summary of policies	• There are no specific **training programmes for RES installers** so far, but a specific vocational training programme will be initiated in autumn 2012. Currently, there are a number of vocational training programmes with limited relevance for the installation and maintenance of RES installations. • According to the Energy Office there is no level for **RES-H building obligations** defined so far. However, for new building projects with a surface of more than 1000 m² Decree No. 7/2006 recommends the consideration of using renewable energy sources for decentralised energy supply in the planning process. • Policies on certification programmes for RES installation, on the exemplary role of public authorities and on the support of RES-H infrastructure are not in place anymore due to exhausted funds of these subsidy programmes.
Statutory provisions	• Decree No. 8/2006 (8/2006. (III. 23.) OM rendelet a szakképzés megkezdésének és folytatásának feltételeiről, valamint a térségi integrált szakképző központ tanácsadó testületéről - Education Ministry Decree No. 8/2006. (III. 23.) on the requirements for initiating vocational trainings as well as information points of regional integrated vocational training centres) • Decree No. 20/2007 (20/2007. (V. 21.) SZMM rendelet a szakmai vizsgáztatás általános szabályairól és eljárási rendjéről - Ministry for Social and Labour Issues Decree No. 20/2007. (V. 21.) on the general

	exam rules and procedures for vocational trainings) • Decree No. 7/206 (7/2006. (V. 24.) TNM rendelet az épületek energetikai jellemzőinek meghatározásáról - Ministry without Portfolio Decree No. 7/2006. (V.24.) on the determination of buildings' energy performance)

Basic information on legal sources

Name of legal source **(original language)**	8/2006. (III. 23.) OM rendelet	20/2007. (V. 21.) SZMM rendelet	7/2006. (V. 24.) TNM rendelet
Full name	8/2006. (III. 23.) OM rendelet a szakképzés megkezdésének és folytatásának feltételeiről, valamint a térségi integrált szakképző központ tanácsadó testületéről	20/2007. (V. 21.) SZMM rendelet a szakmai vizsgáztatás általános szabályairól és eljárási rendjéről	7/2006. (V. 24.) TNM rendelet az épületek energetikai jellemzőinek meghatározásáról
Name (English)	Education Ministry Decree No. 8/2006. (III. 23.) on the requirements for initiating vocational trainings as well as information points of regional integrated vocational training centres	Ministry for Social and Labour Issues Decree No. 20/2007. (V. 21.) on the general exam rules and procedures for vocational trainings	Ministry without Portfolio Decree No. 7/2006. (V.24.) on the determination of buildings' energy performance
Abbreviated form	Decree No. 8/2006	Decree No. 20/2007	Decree No. 7/206
Entry into force	01.04.2006	24.05.2007	29.05.2006
Last amended on	15.06.2008	18.01.2009	
Future amendments			
Purpose	The decree stipulates requirements and procedures referring to the initiation of vocational trainings and institutions	The decree defines rules and the general procedures for exams under	The decree defines mechanisms and criteria for determining buildings'

	responsible for these trainings.	vocational trainings.	energy performance.
Relevance for renewable energy	The procedures and requirements stipulated by this decree refer to vocational trainings with relevance for the installation and maintenance of renewable energy installations as well.	The exam rules and procedures established by the decree refer to vocational trainings with relevance for the installation and maintenance of renewable energy installations as well.	The decree elaborates on questions and surrounding conditions to be taken into account when considering the integration of renewable energy sources in new buildings.
Link to full text of legal source (original language)	*http://www.njt.hu/cgi_bin/njt_doc.exe?docid=101875.142381*	*http://www.njt.hu/cgi_bin/njt_doc.exe?docid=109378.154446*	*http://www.njt.hu/cgi_bin/njt_doc.exe?docid=101820.142278*
Link to full text of legal source (English)			

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/hu/nemzeti-fejlesztesi-miniszterium		+36 1 795 67 66	ugyfelszolgalat@nfm.gov.hu
Nemzeti Fejlesztési Ügynökség – National Development Agency	http://www.nfu.hu		+36 1 474 9180	nfu@nfu.gov.hu
Magyar Energia Hivatal (MEH) - Hungarian Energy Office	http://www.eh.gov.hu		+36 145 977 77	eh@eh.gov.hu
Nemzeti Munkaügyi Hivatal. Szak-és Felnőttképzési Igazgatóság – National Labor Agency. Professional and Adult Educatin Authority	https://www.nive.hu/		+36 1 431-6528	szakkepzes@lab.hu

Policy categories

Training programmes for Installers

Abbreviated form of legal source(s)	• Decree No. 8/2006 • Decree No. 20/2007
Description	According to the NREAP it is intended to create standard national training systems in the vocational specialisation courses of e.g. • renewable energy manager, • renewable energy consultant, • green industry. These vocational training programmes are still under construction and have not been implemented so far. However, according to the Hungarian Chamber of Building Engineers a vocational training programme for renewable energy installations will be initiated in autumn 2012. There are a number of vocational training programmes referring amongst others to the installation and maintenance of RES installations. Relevant vocational training programmes are the following ones: • building services technician, • cooling and air conditioning equipment repairman and serviceman, • air engineering system repairman, • electric machinery and equipment repairman, • heavy-current electrician. These vocational training programmes are listed in the National Qualification Register (Országos Képzési Jegyzék – OKJ). The exam requirements and general provisions regarding vocational training programmes are regulated by law.
Addressees	The training programmes currently in place are either vocational trainings or advanced trainings. Thus, the programmes address applicants with already accomplished vocational trainings in related fields or applicants with accomplished school

	education.	
Competent authority	The Professional Chambers (Hungarian Chamber of Engineers – MMK, Hungarian Chamber of Building Engineers – MÉGSZ, Association of Cooling and Climate Technology Companies – HKVSZ, etc.) are responsible for implementing the above listed vocational training programmes.	
Further information	The National Labour Office provides further information on the different vocational training programmes: https://www.nive.hu/index.php The National Qualification Register can be downloaded (OKJ) here: https://www.nive.hu/index.php?option=com_content&view=article&id=297	
Distribution of costs	**State**	
	Private Financing	According to the Hungarian Chamber of Building Engineers, these vocational trainings have to be financed privately or by the company the participant is working at.
	European Union	Participants of vocational trainings may apply for a subsidy programme for supporting vocational trainings. The subsidy programme is administered by the National Development Agency and can be found here: http://www.nfu.hu/doc/3438
	Others	

Certification Programmes for RES installations

Abbreviated form of legal source(s)		
Description	The Environment and Energy Operational Programme (EEOP) defines some technical and quality requirements for RES installations under the tender EEOP-4.2.0/A "Satisfying local heating and cooling demand from renewable energy sources". However, this tender has been terminated due to exhausted funds. Further, the Green Investment Scheme Energy Efficiency Sub-Programme defines technical and quality requirements for RES installations similar to those requirements under EEOP. This programme has been terminated as well due to exhausted funds.	
Addressees		
Competent authority		
Further information		
Distribution of costs	**State**	
	Industry	
	System Producers	
	European Union	
	Others	

Exemplary role of public authorities in accordance with Art. 13 Abs, 5 RES Directive

Abbreviated form of legal source(s)	
Description	The exemplary role of public authorities was supported by the Environment and Energy Operational Programme (EEOP) under the tender EEOP-2011-4.9.0. "Energy modernisation of buildings combined with renewable energy utilisation". However, this programme has been terminated due to exhausted funds.
Addressees	
Competent authority	
Further information	

RES-H building obligations

Abbreviated form of legal source(s)	• Decree No. 7/2006
Description	For new building projects with a surface of more than 1000 m² Decree No. 7/2006 recommends the consideration of using renewable energy sources for decentralised energy supply in the planning process (§ 5 Decree No. 7/2006). Nevertheless, this is a recommendation rather than obligation. Further, the NREAP envisages obligations for minimum levels of renewable energy in new and newly refurbished buildings. However, according to the Energy Office such obligations have not been in place so far.
Addressees	According to the Hungarian Energy Office, the use of renewable energy sources in new buildings recommended by Decree No. 7/2006 might be considered in the course of the building licensing process. Thus, the recommendation is addressed to the applicant for a building licence.
Competent authority	The Ministry of National Development and the Minister of State for Climate Change and Energy are responsible for the implementation of this regulation.
Further information	Further information on which aspects should be considered for the use of renewable energy sources in new buildings can be found in annex 4 of Decree No. 7/2006: http://www.njt.hu/cgi_bin/njt_doc.exe?docid=101820.142278
Also obligation on regional level?	No.

Support of RES-H infrastructure

Abbreviated form of legal source(s)	
Description	The Environment and Energy Operational Programme (EEOP) refers to RES-H infrastructure development by the means of two different tenders EEOP-2011-4.2.0/B "Satisfying local heating and cooling needs through renewable energy sources" and EEOP-2011-4.4.0 "Renewable-based electricity generation, heat and electricity cogeneration and biomethane production". However, both programmes have been terminated due to exhausted funds.
Addressees	
Competent authority	
Further information	