

Research RES LEGAL – Promotion system

Country: Slovakia

1. Overview of promotion system

Overview of promotion system	In the Slovak Republic, electricity from renewable sources is promoted through price regulation based on the obligation to purchase and pay for electricity. Further incentives for the use of renewable energy sources are their exemption from consumption tax and several subsidies.
Statutory provisions	<ul style="list-style-type: none"> • Act No. 309/2009 Coll. (Zákon 309/2009 Z.z. o podpore obnoviteľných zdrojov energie – Act on the Promotion of Renewable Energy Sources) • Act No. 609/2007 Coll. (Zákon 609/2007 Z.z. o spotrebnej dani z elektriny, uhlia a zemného plynu (Act Nr. 609/2007 Coll. – Act on the Consumption Tax) • Decree No. 7/2009 (Výnos Úradu pre reguláciu sietových odvetví z 09. September 2009 c. 7/2009, ktorým sa ustanovuje regulácia cien v elektroenergetike – Decree of the regulatory authority on the electricity prices) • Implementation Document for the OPBK (Programový manuál pre Operačný program Bratislavský kraj – Implementation Document for the Operational Programme Bratislava Region) • Implementation Document for the OP KaHR (Programový manuál k Operačnému programu Konkurencieschopnosť a hospodársky rast – Implementation Document for the Operational Programme Competitiveness) • Scheme DM – 7/2008 (Schéma na podporu trvalo udržateľného rozvoja (schéma pomoci de minimis) – Scheme for the promotion of sustainable growth) • Scheme DM – 13/2008 (Schéma podpory mikro, malých a stredných podnikateľov Operačného programu Bratislavský kraj (schéma pomoci de minimis) – Scheme under the Operational Programme Bratislava Region) • Scheme No. XR 63/2008 (Schéma štátnej pomoci pre zvyšovanie energetickej efektívnosti na strane výroby aj spotreby a zavádzaní progresívnych technológií v energetike priamou formou pomoci – State aid scheme) • Scheme ŠP – 01/2009 (Schéma podpory inovácií prostredníctvom priemyselného výskumu, experimentálneho vývoja a transferu technológií pre mikro, malé a stredné podniky (schéma štátnej pomoci) – Scheme for the promotion of innovation)
Promotion system	<ul style="list-style-type: none"> • Price regulation. Grid operators are statutorily obliged to purchase and pay for electricity from renewable sources (§ 4 Par. 1 Act No. 309/2009 Coll.). • Subsidies. System operators may receive subsidies for the promotion of renewable electricity from the European Structural Fund. The detailed application requirements are specified by the respective call for applications. • Fiscal regulation mechanisms. Electricity generated from renewable sources is exempt from consumption tax.
Technologies	In general, all renewable electricity generation technologies are eligible for promotion.
Area of application	All instruments of promotion of renewable energy apply to the Slovak Republic only.

Funding	The costs of the price regulation system are borne by the end users. The cost of promotion through subsidies is borne by both the European Union's funds and national public funds. The cost of promotion through consumption tax exemption is borne by the state.
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2. Basic information on legal sources

Name of legal source (English)	Act No. 609/2007 Coll. on the consumption tax on electricity, coal and natural gas and on changes and amendments to Act No. 98/2004 Coll. on the consumption tax on mineral oil as amended.	Act No. 309/2009 Coll. on the Promotion of Renewable Energy Sources and High-efficiency Cogeneration and on Amendments to Certain Acts	Ministry of Economy of the Slovak Republic – Implementation Document for the Operational Programme Competitiveness and Economic Growth
Name of legal source (original language)	Zákon 609/2007 Z.z. o spotrebnej dani z elektriny, uhlia a zemného plynu a doplnení zákona c. 98/2004 Z.z. o spotrebnej dani z minerálneho oleja v znení neskorších predpisov	Zákon 309/2009 Z.z. o podpore obnoviteľných zdrojov energie a vysoko účinnej kombinovanej výroby a o zmene a doplnení niektorých zákonov	Ministerstvo Hospodárstva Slovenskej republiky – Programový manuál k Operačnému programu Konkurencieschopnosť a hospodársky rast
Abbreviated form	Act No. 609/2007 Coll.	Act No. 309/2009 Coll.	Implementation Document for the OP KaHR
Type of law	Act of parliament	Act of parliament	Implementation document of the Ministry of Economy
Document structure	Sections, parts, articles, letters, numbers	Articles, sections, paragraphs, letters, numbers	Chapters
Entering into force	01/01/2008	01/09/2009	01/05/2009
Latest amendment	01/08/2008		
Future amendments			
Purpose	This act establishes provisions on the levying of a consumption tax, e.g. on electricity.	Act No. 309/2009 Coll. regulates the support system for renewable energy and high-efficiency combined heat and power generation and sets out the rights and obligations of renewable energy producers.	The implementation document establishes a framework for the implementation of the measures of the Operational Programme Competitiveness and Economic Growth.
Relation to renewable energy	RES are exempt from the tax.	This Act mainly aims to promote renewable energy.	The Operational Programme Competitiveness and Economic Growth also promotes renewable energy sources through subsidies.

<p>Link to full text of legal source (original language)</p>	<p>http://www.zbierka.sk/Default.aspx?sid=15&PredpisID=207892&FileName=zz07-00609-0207892&Rocnik=2007&AspxAutoDetectCookieSupport=1</p> <p>This version does not reflect the latest amendment of the act. The latest version is subject to a charge and can be downloaded from www.zbierka.sk.</p>	<p>http://www.zbierka.sk/zz/predpisy/default.aspx?PredpisID=209127&FileName=zz2009-00309-0209127&Rocnik=2009</p>	<p>http://www.opkahr.sk/files/articles/file/Programovy_manual_OP_KaHR-aktualizacia_po_OZ.pdf</p>
<p>Link to full text of legal source (English)</p>			

Name of legal source (English)	Scheme for the promotion of sustainable growth ("De minimis" scheme)	State scheme for the promotion of energy efficiency in production and consumption and of the introduction of progressive energy technologies through direct subsidies	Implementation Document for the Operational Programme Bratislava Region
Name of legal source (original language)	Schéma na podporu trvalo udržateľného rozvoja (schéma pomoci de minimis)	Schéma štátnej pomoci pre zvyšovanie energetickej efektívnosti na strane výroby aj spotreby a zavádzaní progresívnych technológií v energetike priamou formou pomoci	Programový manuál pre Operacný program Bratislavský kraj
Abbreviated form	Scheme DM – 7/2008	Scheme No. XR 63/2008	Implementation Document for the OPBK
Type of law	Promotion directive	Promotion directive	Implementation document of the Ministry of Construction and Regional Development
Document structure	Chapters, numbers, letters	Chapters, numbers, letters	Chapters
Entering into force	12/03/2008	12/12/2008	31/03/2008
Latest amendment			03/04/2009
Future amendments			
Purpose	Scheme DM – 7/2008 and Scheme No. XR 63/2008 finalise the general implementation framework set out by the Implementation Document for the Operational Programme Competitiveness and Economic Growth.	Scheme No. XR 63/2008 and Scheme DM – 7/2008 finalise the general implementation framework set out by the Implementation Document for the Operational Programme Competitiveness and Economic Growth.	The implementation document establishes a framework for the measures under the Operational Programme Bratislava Region.
Relation to renewable energy	The Operational Programme Competitiveness and Economic Growth promotes renewable energy sources through subsidies.	The Operational Programme Competitiveness and Economic Growth promotes renewable energy sources through subsidies.	The Operational Programme Bratislava Region subsidises, among other things, renewable energy sources.
Link to full text of legal source (original)	http://www.opkahr.sk/files/articles/file/schemy_pomoci/de_minimis/2-	http://www.opkahr.sk/files/articles/file/schemy_pomoci/2-1_SP-	http://www.opbk.sk/download.php?FNAME=1238749138.upl&ANAME=Pr

language)	1_DM-v_zneni_D1.pdf	v_zneni_D1.pdf	ogramovy+manual_verzia_5_030409.zip
Link to full text of legal source (English)			

Name of legal source (English)	Aid scheme of the Operational Programme Bratislava Region for micro-enterprises and small and medium-sized enterprises ("De minimis" scheme)	Scheme for the promotion of innovation through industrial research, experimental development and technology transfer for micro-enterprises and small and medium-sized enterprises (State aid scheme)	Decree No. 7/2009 of the regulatory authority of 9 September 2009 amending and complementing Decree No. 2/2008 of the regulatory authority of 28 July 2008 on the regulation of the prices in the power grid sector
Name of legal source (original language)	Schéma podpory mikro, malých a stredných podnikateľov Operačného programu Bratislavský kraj (schéma pomoci de minimis)	Schéma podpory inovácií prostredníctvom priemyselného výskumu, experimentálneho vývoja a transferu technológií pre mikro, malé a stredné podniky (schéma štátnej pomoci)	Výnos Úradu pre reguláciu sietových odvetví z 09. September 2009 č. 7/2009, ktorým sa mení a dopĺňa výnos Úradu pre reguláciu sietových odvetví z 28. júla 2008 č. 2/2008, ktorým sa ustanovuje regulácia cien v elektroenergetike v znení neskorších predpisov
Abbreviated form	Scheme DM – 13/2008	Scheme ŠP – 01/2009	Decree No. 7/2009
Type of law	Aid scheme of the Ministry of Construction and Regional Development	Aid scheme of the Ministry of Construction and Regional Development	Decree of the regulatory authority
Document structure	Chapters, numbers, letters	Chapters, numbers, letters	Articles, sections, paragraphs, letters, numbers
Entering into force	16/01/2009	05/01/2009	20/09/2009
Latest amendment			
Future amendments			
Purpose	Scheme DM – 13/2008 and Scheme ŠP 01/2009 finalise the general implementation framework set out by the Implementation Document for the Operational Programme Bratislava Region.	Scheme ŠP 01/2009 and Scheme DM – 13/2008 finalise the general implementation framework set out by the Implementation Document for the Operational Programme Bratislava Region.	Decree No. 7/2009 of the regulatory authority sets out a price-regulation system for the electricity sector.
Relation to renewable energy	The Operational Programme Bratislava Region promotes, among other things, renewable energy sources through subsidies.	The Operational Programme Bratislava Region promotes, among other things, renewable energy sources through subsidies.	The Decree aims, among other things, to promote renewable energy through price regulation.
Link to full text of legal source (original language)	http://www.opbk.sk/download.php?FNAME=1238749147.upl&ANAME=Schema+pomoci+DM+v+zneni+Dodatku+1_z_030409.p	http://www.opbk.sk/download.php?FNAME=1232627062.upl&ANAME=Sch%C3%A9ma+%C5%A0P+OPBK.pdf	http://www.urso.gov.sk/doc/legislativa/vynos_07-2009_sk.pdf

	df		
Link to full text of legal source (English)			

3. Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Ministerstvo Hospodárstva Slovenskej Republiky (MH SR) – Ministry of Economy	http://www.economy.gov.sk/index/index.php?lang=en		+421 248 541 111	info@economy.gov.sk
Regulatory Office for Network Industries (URSO) – regulatory authority	http://www.urso.gov.sk/en/about-us		+421 258 100 411	urso@urso.gov.sk
Slovak Innovation and Energy Agency (SIEA)	http://www.sea.gov.sk/english/index.htm		+421 258 248 111	office@siea.gov.sk

4. Means of promotion

4.1. Subsidy I (Operational Programme Competitiveness and Economic Growth)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • Implementation Document for the OP KaHR • Scheme DM – 7/2008 • Scheme No. XR 63/2008
Country-specific promotion system	Measure 2.1. – "Increasing efficiency in energy production and consumption and providing progressive energy technologies" of the Operational Programme Competitiveness and Economic Growth of the European Structural Fund - gives enterprises the opportunity to receive investment grants for projects in the field of renewable energy. Grants are awarded through calls for applications under either the de-minimis scheme (Scheme DM - 7/2008) or the state aid scheme (Scheme No. XR 63/2008). The current call under the state aid scheme is open from 26/10/2009 to 22/02/2010.
Promoted technologies	Whether or not a renewable electricity generation technology is eligible depends on the scheme applied under Measure 2.1. – "Increasing efficiency in energy production and consumption and providing progressive energy technologies" (Opatrenie 2.1 – "Zvyšovanie energetickej efektívnosti na strane výroby aj spotreby a zavádzanie progresívnych technológií v energetike") and the respective call for applications. The basic provisions stipulated by the implementation document allows for the promotion of all technologies except wind energy generation (Chapter 1.2.1.4. Implementation Document for the OP KaHR).
Wind energy	
Solar energy	Eligible.
Geothermal energy	Eligible.
Biogas	<p>Eligible under the following conditions:</p> <ul style="list-style-type: none"> ▪ De-minimis scheme: Only small systems whose capacity does not exceed 2 MW are eligible (Letter F Number 3 Scheme DM – 7/2008). ▪ State aid scheme: Only systems that generate between 50 kW and 30 MW are eligible (Letter F Scheme No. XR 63/2008).
Biomass	<p>Eligible under the following conditions:</p> <ul style="list-style-type: none"> ▪ De-minimis scheme: Only systems that generate between 50 kW and 10 MW are eligible (Letter F Number 3 Scheme DM – 7/2008). ▪ State aid scheme: Only systems that generate between 50 kW and 10 MW are eligible (Letter F Scheme No. XR 63/2008).

Hydro-electricity	<p>Eligible under the following conditions:</p> <ul style="list-style-type: none"> De-minimis scheme: Only small hydro-power stations whose capacity does not exceed 10 MW are eligible (Letter F Number 3 Scheme DM – 7/2008). State aid scheme: Only small hydro-power stations whose capacity does not exceed 10 MW are eligible (Letter F Scheme No. XR 63/2008). 	
Area of application	National	All projects in Slovak regions that come under the convergence objective are eligible. These regions are areas whose gross domestic product per inhabitant, which was calculated on the basis of community data collected during the period 2000 to 2002, was lower than 75% of the average gross domestic product per inhabitant within the EU 25 during the same period of time. Eligibility does not depend on the applicant's place of residence but rather on the region in which the project is implemented. According to the definition given above, the convergence objective of the Slovak Republic covers regions in Central Slovakia (Banskobystrický kraj, Žilinský kraj), Eastern Slovakia (Košický kraj, Prešovský kraj) and Western Slovakia (Trnavský kraj, Trenčiansky kraj, Nitriansky kraj) (Chapter 1.2.1.5. Implementation Document for the OP KaHR).
	International	Projects implemented outside Slovakia are not eligible.
Legal basis for a claim/addressees	() statutory basis (X) contractual basis	Statutory law does not provide a basis for entitlement to the subsidy (Letter L Number 10 Scheme DM - 7/2008 & Letter M Number 28 Scheme No. XR 63/2008). The Slovak Energy Agency concludes agreements on the subsidy with the persons entitled (Letter L Number 7 Scheme DM – 7/2008 & Letter M Number 24 Scheme No. XR 63/2008).
	Entitled Party	The persons entitled to the subsidy are entrepreneurs pursuant to § 2 Par. 2 Commercial Code (Obchodný zákonník) that are registered in the Slovak Republic (Chapter 1.2.1.7. Implementation Document for the OP KaHR). The de minimis scheme applies to SMEs only (Letter E Scheme DM – 7/2008).
	Obligated Party	The provider of funds is the Ministry of Economy, as it is in charge of the implementation of the Operational Programme Competitiveness and Economic Growth. The Slovak Energy Agency (Slovenská inovačná a energetická agentúra) is the implementing and mediating institution of the Ministry of Economy (Chapter 1.2.1.1. Implementation Document for the OP KaHR).
Amount	<p>The amount of subsidy is determined for each call for applications. Statutory law limits the payment as follows:</p> <ul style="list-style-type: none"> De-minimis scheme: <ul style="list-style-type: none"> The subsidy must be at least 20,000 EUR and no higher than 200,000 EUR (Letter I Number 3 Scheme DM – 7/2008). The subsidy period is 24 months (Letter I Number 1 Scheme DM – 7/2008). State aid scheme: <ul style="list-style-type: none"> The subsidy must be at least 60,000 EUR and no higher than 6 m EUR (Letter I Number 3 Scheme No. XR 63/2008). 	

	<ul style="list-style-type: none"> ○ The subsidy period is 36 months (Letter I Number 1 Scheme No. XR 63/2008). ▪ In the regions of Central Slovakia (Stredné Slovensko) and Eastern Slovakia (Východné Slovensko), the total amount of both schemes shall not exceed 50% of eligible project costs, in Western Slovakia (Západné Slovensko) it shall not exceed 40% (Letter I Number 6 Scheme DM – 7/2008 and Letter I Number 7 Scheme No. XR 63/2008). Subsidies are paid on a regular basis and are allocated after the applicant has submitted a financial report that provides evidence for the eligible investments (Letter I Number 1 Scheme DM - 7/2008 and Letter I Number 1 Scheme No. XR 63/2008). <p>The current call for proposals (26/10/2009 to 22/02/2010) offers subsidies of at least 100,000 EUR.</p>	
Procedure	<ul style="list-style-type: none"> ▪ Application. The Ministry of Economy publishes the call for proposals (Letter L Number 1 Scheme DM - 7/2008 in connection with Letter M Number 1 Scheme No. XR 63/2008). <ul style="list-style-type: none"> ○ <u>De-minimis scheme:</u> Applications have to be in line with the requirements set out in the handbook for applicants and comply with the terms and conditions of the respective call for applications (Letter L Number 3 Scheme DM – 7/2008). ○ <u>State aid scheme:</u> Applications must be submitted to the Energy Agency within the period specified in the call for applications (Letter M Number 5 Scheme No. XR 63/2008). ▪ Selection procedure. The selection procedure starts with the submission of an application to the Energy Agency and consists of the following steps (Letter L Number 4 Scheme DM – 7/2008 in connection with Letter M Numbers 7,8,15, Scheme No. XR 63/2008): <ul style="list-style-type: none"> ○ Acceptance ○ Registration ○ Approval: <ul style="list-style-type: none"> ▪ The applications are checked for formal compliance. ▪ The applications are assessed by an expert. ▪ Applications are selected. ▪ Granting of a subsidy. <ul style="list-style-type: none"> ○ <u>De-minimis scheme:</u> The Energy Agency decides on whether or not a subsidy is granted (Letter L Number 5 Scheme DM – 7/2008). ○ <u>State aid scheme:</u> The selection procedure is completed with a final report which contains a list of the successful projects (Letter M Number 19 Scheme No. XR 63/2008). ▪ Contract. The Slovak Energy Agency concludes agreements on the subsidy with the successful applicants (Letter L Number 7 Scheme DM – 7/2008 & Letter M Number 24 Scheme No. XR 63/2008). 	
Funding	State	The costs of the subsidy are partly covered by national public funds (please also see distribution mechanism).
	Consumers	
	System operator	
	Grid operator	

	Distribution mechanism	<ul style="list-style-type: none"> • ERDF – Ministry of Economy. The Subsidies awarded under the Operational Programme Competitiveness and Economic Growth, of which measure 2.1. – "Increasing efficiency in energy production and consumption and providing progressive energy technologies" – is part, is funded by the ERDF (European Regional Development Fund), which provides financial resources of 772,000,000 EUR, and by national public funds of 136,235,295 EUR. These funds are managed by the Ministry of Economy.
Control mechanisms	<ul style="list-style-type: none"> • Financial auditing is subject to the standards of the European community and the laws of the Slovak Republic (Letter O Number 1 Scheme DM - 7/2008 in connection with Letter P Number 1 Scheme No. XR 63/2008). • The provider of funds and the Energy Agency monitor compliance with the conditions under which the subsidies are granted (Letter O Number 3 Scheme DM – 7/2008 in connection with Letter P Number 3 Scheme No. XR 63/2008). 	

4.2.Subsidy II (Operational Programme Bratislava Region)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • Implementation Document for the OPBK • Scheme DM – 13/2008 • Scheme ŠP – 01/2009
Country-specific promotion system	Measure 2.1. "Innovation and technology transfer" (Opatrenie 2.1 Inovácie a technologické transfery) is a sub-programme of the Operational Programme Bratislava Region, which awards grants to projects in the field of renewable energy. Grants are awarded through calls for applications under either the de-minimis scheme (Scheme DM - 13/2008) or the state aid scheme (Scheme ŠP – 01/2009). At the moment, all calls for applications are closed.
Promoted technologies	Whether or not a renewable electricity generation technology is eligible depends on the scheme applied under Measure 2.1. "Innovation and technology transfer" (Opatrenie 2.1 Inovácie a technologické transfery), and the respective call for applications. The basic provisions stipulated by the implementation document allow for the promotion of all technologies (Chapter 1.2.1.3. Implementation Document for the OPBK).
Wind energy	Eligibility depends on the scheme applied: <ul style="list-style-type: none"> ▪ De-minimis scheme: Ineligible. ▪ State aid scheme: Eligible (Chapter F3 Letter c) Scheme ŠP – 01/2009).
Solar energy	Eligibility depends on the scheme applied: <ul style="list-style-type: none"> ▪ De-minimis scheme: Eligible (Chapter F1 Number 2 Letter d) Scheme DM – 13/2008). ▪ State aid scheme: Ineligible.
Geothermal energy	Eligibility depends on the scheme applied: <ul style="list-style-type: none"> ▪ De-minimis scheme: Eligible (Chapter F1 Number 2 Letter e) Scheme DM – 13/2008). ▪ State aid scheme: Ineligible.
Biogas	Eligible with the following restrictions: <ul style="list-style-type: none"> ▪ De-minimis scheme: Only small systems whose capacity does not exceed 5 MW are eligible (Chapter F1 Number 2 Letter b) Scheme DM – 13/2008). ▪ State aid scheme: Only systems that generate between 5 kW and 10 MW are eligible (Chapter F3 Letter b) Scheme ŠP – 01/2009).
Biomass	Eligible with the following restrictions: <ul style="list-style-type: none"> ▪ De-minimis scheme: Only small systems whose capacity does not exceed 5 MW are eligible (Chapter F1 Number 2 Letter b) Scheme DM – 13/2008). ▪ State aid scheme: Only systems that generate between 5 kW and 10 MW are eligible (Chapter F3 Letter b) Scheme ŠP – 01/2009).
Hydro-electricity	Eligible with the following restrictions: <ul style="list-style-type: none"> ▪ De-minimis scheme: Only small systems whose capacity does not exceed 5 MW are eligible (Chapter F1 Number 2 Letter a) Scheme DM – 13/2008). ▪ State aid scheme: Only systems that generate between 5 kW and 10 MW are eligible (Chapter F3 Letter a) Scheme ŠP – 01/2009).

Area of application	National	All projects implemented within "Bratislava Region" (→ Bratislava districts I - V, Malacky, Pezinok, Senec) are eligible (Chapter E Number 6 Scheme DM – 13/2008 & Chapter E Number 8 Scheme ŠP – 01/2009). Eligibility does not depend on the applicant's place of residence but rather on the region in which the project is implemented (Chapter 1.2.1.4. Implementation Document for the OPBK).
	International	Projects implemented outside Slovakia are not eligible.
Legal basis for a claim/addressees	() statutory basis (x) contractual basis	Statutory law does not provide a basis for entitlement to the subsidy (Chapter L Number 28 Scheme DM - 13/2008 & Chapter M Number 28 Scheme ŠP – 01/2009). The legal basis for the subsidy is a contract (Chapter L Number 18 Scheme DM - 13/2008 & Chapter M Number 18 Scheme ŠP – 01/2009).
	Entitled Party	Small and medium-sized enterprises pursuant to § 2 Par. 2 Commercial Code (Obchodný zákonník) are eligible if registered in the Slovak Republic (Chapter 1.2.1.7. Implementation Document for the OPBK).
	Obligated Party	The Ministry of Construction and Regional Development manages and implements the Operational Programme Bratislava Region (Chapter D Scheme DM – 13/2008 & Chapter D Scheme ŠP – 01/2009).
Amount	<p>The amount of subsidy is determined for each call for applications. Statutory law limits the payment as follows:</p> <ul style="list-style-type: none"> ▪ De-minimis scheme: <ul style="list-style-type: none"> ○ The maximum subsidy is 20,000 EUR per project (Letter I Number 2 Scheme DM – 13/2008). ▪ State aid scheme: <ul style="list-style-type: none"> ○ The maximum subsidy is 660,000 EUR per project (Letter I Number 3 Scheme ŠP – 01/2009). ○ The subsidy must not exceed 45% of the eligible costs (Chapter I Number 8 Scheme ŠP – 01/2009). 	
Procedure	<ul style="list-style-type: none"> ▪ The application procedure is the same for both schemes. ▪ Application. Applications must be submitted prior to project implementation (Chapter J Number 3 Scheme DM – 13/2008 in connection with Chapter J Number 3 Scheme ŠP – 01/2009). ▪ Selection procedure. The body in charge examines each application for formal compliance (Chapter L Number 10 Scheme DM - 13/2008 in connection with Chapter M Number 10 Scheme ŠP – 01/2009). Applications complying with the formal requirements are submitted to an expert for assessment (Chapter L Number 11 Scheme DM – 13/2008 in connection with Chapter M Number 11 Scheme ŠP – 01/2009). ▪ Granting of a subsidy. The body in charge informs all applicants in writing on whether or not their application has been approved. When a subsidy is granted, the written notice also indicates the amount of subsidy granted (Chapter L Number 17 Scheme DM – 13/2008 in connection with Chapter M Number 17 Scheme ŠP – 01/2009). ▪ Contract. The body in charge submits to each successful applicant a model contract on the granting of a subsidy for signing (Chapter L Number 18 Scheme DM - 13/2008 in connection with Chapter M Number 18 Scheme ŠP – 01/2009). ▪ Payment. Subsidies are paid either on a regular basis after the applicant has submitted evidence to the eligible investments or in the form of a once-only grant after the project has been implemented (Chapter I Number 7 Scheme DM – 13/2008 in connection with Chapter I Number 4 Scheme ŠP – 01/2009). 	

Funding	State	The costs arising from the subsidy are partly covered by national public funds (please also see distribution mechanism).
	Consumers	
	System operator	
	Grid operator	
	Distribution mechanism	<ul style="list-style-type: none"> ▪ ERDF – Ministry of Construction and Regional Development. Measure 2.1. "Innovations and technology transfer", which is a sub-programme of the Operational Programme Bratislava Region, is funded by the ERDF (European Regional Development Fund), which provides 20,113,060 EUR, and by national public funds amounting to 3,549,364 EUR (Chapter 3.1. Implementation Document for the OPBK). The national funds are managed by the Ministry of Construction and Regional Development.
Control mechanisms	<ul style="list-style-type: none"> ▪ Financial auditing is subject to the standards of the European community and the laws of the Slovak Republic (Letter O Number 1 Scheme DM - 13/2008 in connection with Chapter P Number 1 Scheme ŠP – 01/2009). ▪ The Ministry and the Energy Agency monitor compliance with the conditions under which the subsidies are granted (Chapter O Number 3 Scheme DM – 13/2008 in connection with Chapter M Number 3 Scheme ŠP – 01/2009). ▪ In pursuance of § 24 of the Act on the state scheme, the Ministry of Finance may check whether the subsidy is actually paid out by the provider of funds (Chapter O Number 5 Scheme DM – 13/2008). 	

4.1. Price regulation.

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • Act No. 309/2009 Coll. • Decree No. 7/2009
Country-specific promotion system	In the Slovak Republic, electricity from renewable sources is promoted mainly through price regulation based on the obligation to purchase electricity and pay a fixed feed-in tariff. The feed-in tariff consists of the price for electricity to cover grid losses and an additional payment of the difference between the price for electricity to cover grid losses and the fixed feed-in tariff (§ 3 Par. 1 in connection with § 6 Par. 1 Act No. 309/2009 Coll.).
Promoted technologies	<p>In general, all renewable electricity generation technologies are eligible (§ 3 Par. 1 in connection with § 2 Par. 1 Letter a) Act No. 309/2009 Coll.). However, the system capacity is restricted:</p> <ul style="list-style-type: none"> ▪ Only systems whose total capacity does not exceed 125 MW are eligible (§ 3 Par. 3 Letter a) Act No. 309/2009 Coll.). ▪ Only systems whose total installed capacity does not exceed 10 MW are eligible for the additional payment (§ 3 Par. 4 Letter a) Act No. 309/2009 Coll.). Wind energy systems are eligible for the additional payment only if their

	<p>total installed capacity does not exceed 15 MW (§ 3 Par. 4 Letter d) Act No. 309/2009 Coll.).</p> <ul style="list-style-type: none"> Systems whose total installed capacity exceeds 10 MW and wind energy systems whose total installed capacity exceeds 15 MW are eligible for a payment of the proportion of 10 (or 15) MW to the total installed capacity (§ 3 Par. 4 Letter c) and e) Act No. 309/2009 Coll.). All electricity produced above the maximum installed capacity of 10 or 15 MW will be purchased at the price for electricity to cover grid losses (§ 3 Par. 3 and 4 Act No. 309/2009 Coll.). 	
Wind energy	Eligible (§ 3 Par. 1 in connection with § 2 Par. 1 Letter a) Act No. 309/2009 Coll.).	
Solar energy	Eligible (§ 3 Par. 1 in connection with § 2 Par. 1 Letter a) Act No. 309/2009 Coll.).	
Geothermal energy	Eligible (§ 3 Par. 1 in connection with § 2 Par. 1 Letter a) Act No. 309/2009 Coll.).	
Biogas	Biogas, landfill gas, sewage gas and bio-methane are eligible (§ 3 Par. 1 in connection with § 2 Par. 1 Letters a), e) and f) Act No. 309/2009 Coll.).	
Biomass	Eligible (§ 3 Par. 1 in connection with § 2 Par. 1 Letters a) and d) Act No. 309/2009 Coll.).	
Hydro-electricity	Eligible except electricity generated by pumped-storage facilities (§ 3 Par. 1 in connection with § 2 Par. 1 Letters a) and b) Act No. 309/2009 Coll.).	
Area of application	National	Only electricity generated by systems within the territory of Slovakia is eligible.
	International	Electricity generated outside Slovakia is not eligible.
Legal basis for a claim/addressees	() statutory basis (x) contractual basis	The regional distribution grid operator is obliged to enter into "agreements on electricity supply to cover the losses in the distribution grid" with the electricity producers (§ 5 Par. 6 Letter a) Act No. 309/2009 Coll.). The distribution grid operator is obliged to take all electricity entitled to the price for electricity to cover grid losses (§ 5 Par. 6 Letter b) Act No. 309/2009 Coll.).
	Entitled Party	The persons entitled are those electricity producers that comply with the terms and conditions for support pursuant to § 3 Act No. 309/2009 Coll. (§ 4 Par. 1 Act No. 309/2009 Coll.).
	Obligated Party	The regional distribution grid operator is obliged to pay feed-in tariffs (§ 5 Par. 6 Letters a) and b) Act No. 309/2009 Coll.).
Payment structure	Bonus	
	Guaranteed payment	<p>Electricity from renewable sources is promoted through a fixed payment consisting of three elements:</p> <ul style="list-style-type: none"> the feed-in tariff for electricity from renewable sources determined by regulatory authority URSO (§ 6 Par. 1 Letter a) Act No. 309/2009 Coll.) the price for electricity to cover losses, which is the arithmetic average of the prices of electricity to cover losses of all regional distribution grid

		<p>operators and is calculated by regulatory authority URSO (§ 6 Par. 1 Letter b) Act No. 309/2009 Coll.)</p> <ul style="list-style-type: none"> the additional payment, which is defined as the difference between the price for electricity to cover losses and the fixed feed-in tariff (§ 6 Par. 1 Letter c) Act No. 309/2009 Coll.). <p>Depending on the capacity of his system (cf. "promoted technologies"), a given system operator receives either the entire feed-in tariff (consisting of the price of electricity to cover losses and the additional payment) or the price for electricity to cover losses (§ 3 Par. 3 and 4 Act No. 309/2009 Coll.). Electricity producers are entitled to the additional payment even if they do not claim their right to electricity off-take at the price of electricity to cover losses (§ 4 Par. 1 Letter c) Act No. 309/2009 Coll.).</p>
	Criteria for amount of payment	<p>When calculating the electricity price, the regulatory authority takes into account</p> <ul style="list-style-type: none"> the renewable energy source used, the technology employed, the date on which the system in question was put into operation or the date of the reconstruction and upgrade of the system, the installed capacity of the system (§ 6 Par. 2 Act No. 309/2009 Coll.).
	Adjustment mechanisms	<ul style="list-style-type: none"> The feed-in tariff, on which the additional payment is based, is equal to the price applicable in the year in which the system was put into operation and applies to the entire obligation period (§ 6 Par. 3 Act No. 309/2009 Coll.). The regulatory authority may increase the feed-in tariff by the core inflation coefficient and by a coefficient which takes into account the technology used (§ 6 Par. 4 Act No. 309/2009 Coll.). The feed-in tariff for new systems is determined by the regulatory authority for a period of no more than three years and must not be lower than 90% of the tariff applicable in the period in which the price was set (§ 6 Par. 6 Act No. 309/2009 Coll.).
	Limitations/deadlines	<p>The obligation period for all eligible technologies is limited to 15 years and starts in the year in which a system is put into operation or in the year of reconstruction or upgrade. Operators of systems whose total installed capacity does not exceed 1 MW are entitled to the payment of the price of electricity to cover losses during the entire lifetime of their systems (§ 3 Par. 6 Act No. 309/2009 Coll.).</p>
	Amount	<p>The amount of tariff differs according to the source of energy used (for further information please see Decree No. 7/2009). The tariffs are calculated by regulatory authority URSO. The tariffs for 2010 are as follows:</p> <ul style="list-style-type: none"> Wind energy: 8.091 €ct/kWh. Solar energy (photovoltaic generation): 42.512 – 43.072 €ct/kWh (depending on the capacity of the system). Geothermal energy: 19.584 €ct/kWh.

		<ul style="list-style-type: none"> ▪ Biogas: 9.636 – 15.985 €/kWh (depending on the source of energy used). ▪ Biomass: 11.310 – 12.598 €/kWh (depending on the source of energy used). ▪ Hydro-electricity: 6.172 – 10.908 €/kWh (depending on the capacity of the system). <p>If a given system operator receives funding from a state programme, the amount of tariff is reduced as follows (§ 6 Par. 5 Act No. 309/2009 Coll.):</p> <ul style="list-style-type: none"> ▪ Grant of 30% of the purchase cost: reduction by 4% ▪ Grant of up to 40% of the purchase cost: reduction by 8% ▪ Grant of up to 50% of the purchase cost: reduction by 12% ▪ Grant of more than 50% of the purchase cost: reduction by 16%.
Funding	State	
	Consumers	The costs of the price regulation system are borne by the consumers. There is no specific provision allowing for the costs to be passed on to the consumers.
	Grid operator	
	System operator	
	Distribution mechanism	When determining the prices, the regulatory authority must take into account the costs incurred by the regional distribution grid operator in connection with the support system (§ 5 Par. 1 Act No. 309/2009 Coll.).
Control mechanisms	<ul style="list-style-type: none"> • Guarantees of origin. System operators are obligated to submit to the regional distribution grid operator certificates of origin (§ 4 Par. 2 Act No. 309/2009 Coll.). • Monitoring by the authorities. Compliance with Act No. 309/2009 Coll. is monitored by the State Energy Inspection Board (§ 15 Act No. 309/2009 Coll.). • Fixed penalty offences. § 16 Act No. 309/2009 Coll. specifies several administrative offences that are subject to a penalty. 	

4.4. Fiscal regulation mechanisms (exemption from consumption tax)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> Act No. 609/2007 Coll. 	
Country-specific promotion system	In Slovakia, electricity is subject to a consumption tax (Section 1 Part 1 § 1 Act No. 609/2007 Coll.). The use of renewable energy is encouraged by exempting it from this tax (Section 1 Part 2 § 7 Par. 1 Act No. 609/2007 Coll.).	
Promoted technologies	All renewable electricity generation technologies are eligible (Section 1 Part 2 § 7 Paragraph 1 Letter e Act No. 609/2007 Coll.).	
Wind energy	Eligible.	
Solar energy	Eligible.	
Geothermal energy	Eligible.	
Biogas	Eligible.	
Biomass	Eligible.	
Hydro-electricity	Eligible.	
Area of application	National	Only electricity generated by systems within the territory of the Slovak Republic is eligible (Section 1 Part 1 § 1 in connection with Section 1 Part 1 § 2 Par. 1 Letter e Act No. 609/2007 Coll.).
	International	Electricity generated outside Slovakia is ineligible (Section 1 Part 1 § 1 in connection with Section 1 Part 1 § 2 Par. 1 Letter e Act No. 609/2007 Coll.).
Legal basis for a claim/addressees	(x) statutory basis () contractual basis	There is a statutory claim for exemption of electricity from renewable sources from tax (Section 1 Part 2 § 7 Par. 1 Act No. 609/2007 Coll.). Exemption from consumption tax applies to electricity from renewable sources directly delivered to the final consumers and electricity consumed by the producers (Section 1 Part 2 § 7 Par. 1 Letter e Act No. 609/2007 Coll.).
	Entitled party	Every legal entity or natural person entitled to use tax-exempt electricity is entitled to the tax relief (Section 1 Part 2 § 8 Par. 1 Act No. 609/2007 Coll.). Interested parties shall submit a separate application for the use of tax-exempt electricity.
	Obligated party	The obligated party is the state.

Amount	The amount of subsidy equals the amount of tax entitled persons are exempt from. The amount of tax is calculated on the basis of the amount of electricity in kWh and the corresponding tariff (Section 1 Part 2 § 5 Act No. 609/2007 Coll.). From 01/07/2008 to 31/12/2009, the tax on electricity amounts to 0.02 SKK/kWh. From 01/01/2010 onwards, the amount of tax will amount to 0.04 SKK/kWh (Section 1 Part 2 § 6 Act No. 609/2007 Coll.).	
Procedure	<p>Legal entities and natural persons that intend to use tax-exempt electricity shall apply in writing to the customs authority for registration as authorised consumers (Section 1 Part 2 § 8 Par. 1 Act No. 609/2007 Coll.).</p> <ul style="list-style-type: none"> Persons that intend to use tax-exempt electricity they produce themselves shall have an independent reception device that receives tax-exempt electricity only and must apply in writing to the customs authority for authorisation to receive tax-exempt electricity (Section 1 Part 2 § 8 Par. 2 Act No. 609/2007 Coll.). In pursuance of § 13, persons that do not have such a device may claim the refund of the tax (Section 1 Part 2 § 8 Par. 2 Act No. 609/2007 Coll.). <p>The customs authority checks the information given in the applications and carries out the registration and authorisation if the information proves right (Section 1 Part 2 § 8 Par. 7 Act No. 609/2007 Coll.).</p>	
Funding	State	The costs of tax exemption are borne by the state, which receives lower tax revenue.
	Consumers	
	Grid operator	
	System operator	
	Distribution mechanism	
Control mechanisms	<ul style="list-style-type: none"> The local tax authority conducts tax audits in pursuance of a separate regulation (Section 1 Part 5 § 41 Par. 1 Act No. 609/2007 Coll.). 	