

# Energy transition

## Estonia

### Country Report

*Justice and Environment 2013*

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#### Country Report on Energy Transition ESTONIA

*The status report is aimed at presenting how the aspects of energy transition appear in the national legislation and policies in the areas of renewable energy production and of decreasing in energy consumption (including energy efficiency).*

#### I. Promotion of the use of energy from renewable sources

- 1. Does the national legislation contain binding or indicative targets of increasing the share of energy from renewable energy sources?**

National legislation does not contain targets of increasing share of energy from renewable sources. Such targets, however, are contained in the [Renewable Energy Development Plan until 2020 \(REDP\)](#). According to REDP, the overall share of renewable in total energy consumption should be 25%.

- 1. Has a National Renewable Energy Action Plan (NREAP) been adopted in your country? Does the NREAP cover all the details required by the Art 4 par (1) of the Directive 2009/28/EC (hereinafter: Directive)? Which are main measures to achieve the national targets for the share of energy from renewable sources set out in the NREAP?**

Previously referred REDP is the Estonian Renewable Energy Action Plan, adopted by the Government of the Republic on 26 November 2010.

- 2. Has the existing national regulation been amended or has new regulation been introduced into the national procedural legislation in order to fulfill Art 13 par 1<sup>1</sup> of the Directive?**

No changes have been made to national regulation to fulfill Art 13 par 1.

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<sup>1</sup> Art 13 par 1 of the Directive Member States shall ensure that any national rules concerning the authorisation, certification and licensing procedures that are applied to plants and associated transmission and distribution network infrastructures for the production of electricity, heating or cooling from renewable energy sources, and to the process of transformation of biomass into biofuels or other energy products, are proportionate and necessary

- 3. Have any technical specifications - which must be met by renewable energy equipment and systems in order to benefit from support schemes – been clearly defined in the national legislation<sup>2</sup>?**

There are no specific rules on technical specifications on the national level, i.e. all equipment and systems that can be put on the market in EU can be used to benefit from support schemes.

- 4. Do any policy document and/or legislative measure recommend to local and regional administrative bodies to ensure equipment and systems are installed for the use of electricity, heating and cooling from renewable energy sources and for district heating and cooling when planning, designing, building and renovating industrial or residential areas?**

District heating is regulated by the District Heating Act in Estonia. According to the Act (Art 5(2)), local municipalities are entitled to assign areas for district heating in their (municipal) comprehensive plans (spatial plans of a municipality).

In such areas, district heating should be used as a rule for new buildings and buildings reconstructed. Conditions for exceptions should be determined by local municipalities. In addition to heat from district heating systems, persons within the district heating areas are free to buy heating energy that is produced from renewable sources (art 5(3-5) of the District Heating Act).

Suppliers of district heating energy should prefer heat produced from renewable sources, energy created by means of efficient co-generation of electricity and heat or waste if possible (Art 14.1(1) of the District Heating Act).

- 5. Does the national legislation encourage local and regional administrative bodies to include heating and cooling from renewable energy sources in the planning of city infrastructure?**

No such specific legislation has been adopted.

- 6. Have legislative measures been introduced in the national building regulations and codes in order to increase the share of energy from renewable sources in the building sector<sup>3</sup>?**

Amendments to Building Act adopted in May 2012 authorize Minister of Economic Affairs and Communications to adopt Regulations on conditions for use of renewable energy in buildings; however, this Regulation has not been adopted yet.

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<sup>2</sup> Art 13 par 2 of the Directive

<sup>3</sup> Regarding the questions No. 5-7. see: Art 13 par 3 of the Directive

- 7. In case of biomass, which national legislation or policy documents promote the conversion technologies that achieve a conversion efficiency of at least 85 % for residential and commercial applications and at least 70 % for industrial applications<sup>4</sup>?**

There are no legislative measures to promote such conversion technologies. Subsidies are paid for electricity produced by means of co-generation of electricity and heat if the technology either has an annual net conversion rate of 40% or the rate is lower but conditions of a Regulation of Government of Republic are followed (Regulation No 105 of 29 July 2010 "Guidelines for cogeneration of electricity from biomass").

- 8. Does the national legislation provide that information on support measures<sup>5</sup> as well as on the net benefits, cost and energy efficiency of equipment and systems for the use of heating, cooling and electricity from renewable energy sources<sup>6</sup> are made available?**

No specific legislative measures have been taken to ensure availability of such information. In practice, some of the above-mentioned information is readily available (on support measures), whereas there is hardly any systematic information on net benefits, cost and energy efficiency of equipment and systems for the use of heating, cooling and electricity from renewable energy sources provided by national authorities.

- 9. How were the certification schemes laid down in Art 14 par 3 of the Directive made available by 31 December 2012?**

No legislative measures to introduce such schemes have been adopted as of July 2013.

- 10. Where and when have guidelines<sup>7</sup> - helping to consider the optimal combination of renewable energy sources, of high-efficiency technologies and of district heating and cooling - been published?**

According to REDP, need for such guidelines should constantly be assessed. In practice, no such guidelines have been published by public authorities.

- 11. Have any policy documents or legislative action been taken in order to develop guidance or training programs informing citizens of the benefits and practicalities of developing and using energy from renewable sources<sup>8</sup>?**

Same as above.

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<sup>4</sup> Art 13 par 6 subpar 2 of the Directive

<sup>5</sup> Art 14 par 1 of the Directive

<sup>6</sup> Art 14 par 2 of the Directive

<sup>7</sup> Art 14 par 5 of the Directive

<sup>8</sup> Art 14 par 6 of the Directive

**12. Does the national legislation ensure that a guarantee of origin will be issued in response to a request from a producer of electricity from renewable energy sources<sup>9</sup>?**

Yes, according to Article 58.1(1) of the Electricity Market Act, the transmission network operator is obliged to issue a guarantee of origin to producer of electricity on request. According to Article 58.1(2) of the Electricity Market Act, conditions of issuing the guarantee of origin are provided by the transmission network operator. In practice these are available on the web site of transmission network operator Elering: <http://elering.ee/certificate-of-origin-5/> (form for application is also found on that website).

**13. Are the guarantees of origin to be issued in case of heating and cooling from renewable energy sources as well<sup>10</sup>?**

No guarantees of origin are issued in case of heating and cooling from renewable energy sources.

**14. Does the national legislation provide that no support be granted to a producer when that producer receives a guarantee of origin for the same production of energy from renewable sources?**

There are no provisions that would prevent financial support to energy from renewable sources that has received a guarantee of origin in Estonia, i.e. the producer can obtain the guarantee and still be entitled to financial support.

**15. Which authority has been designated for supervising the issuance, transfer and cancellation of guarantees of origin?**

According to Art 94(1)1 of the Electricity Market Act, Estonian Competition Authority is responsible for supervising the issuance, transfer and cancellation of guarantees of origin.

**16. Which legislation has guaranteed the transmission and distribution of electricity produced from renewable energy sources? The electricity produced from renewable energy sources has priority access or guaranteed access to the grid-system<sup>11</sup>?**

General rules on access to grids and transmission and distribution of electricity apply to electricity from renewable energy sources with one exception. Namely, if a power source with nominal production capacity under 15 kW using renewable sources is connected to the electricity grid, it does not have to be approved by the transmission network operator.

Other than that, producers of energy using renewable sources are treated as any other electricity producer, e.g. it must apply for a permit to produce energy and conclude an agreement with the transmission network operator on joining the network.

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<sup>9</sup> Art 15 par 2 of the Directive

<sup>10</sup> Art 15 par 2 of the Directive

<sup>11</sup> Art 15 par 2 of the Directive

**17. With regard to the previous point, how does the national legislation define “priority access” or “guaranteed access”? Under which conditions might be the priority access refused?**

As there are not special requirements related to priority access or guaranteed access of electricity produced from renewable energy sources, such definitions are also not provided.

**18. Which national legislation has ensured that the charging of transmission and distribution tariffs does not discriminate against electricity/gas from renewable energy sources?**

There is no specific legislation on this issue. According to Article 65(2) of Electricity Market Act, principle of equal treatment of actors on the market should be applied when providing network services by transmission network operators.

## **II. Energy efficiency and decreasing in energy consumption**

**19. Have been produced political documents or an overarching legislation covering the issue of energy efficiency and/or decreasing energy demand?**

There is no overarching legislation on the issue of energy efficiency. In 2007, the Government of Republic adopted a strategic document entitled “Energy Savings Programme 2007-2013” which includes main strategic aims in the field of energy efficiency.

**20. Does your country have any specific legislation on energy efficiency/decreasing energy demand?**

Main requirements on energy efficiency are related to buildings. Building Act and Regulations based on it transpose into Estonian legislation the EU Directive 2010/30/EU on energy efficiency of buildings.

Product Conformity Act contains a reference to directly applicable EU legislation, providing that only products conforming with such legislation may be placed on the market. These requirements also include EU Regulations on ecodesign of products.

**21. Does existing and/or planned legislation contain a binding or indicative energy efficiency target?**

No, there is no energy efficiency target provided in the legislation.

**22. Has a second National Energy Efficiency Action Plan been adopted in your country? If yes, does it contain the information necessary according to Art 14 par 2<sup>12</sup> of Directive 2006/32/EC on energy end-use efficiency and energy services?**

Yes, it has been adopted and is available online:

<http://www.buildup.eu/sites/default/files/content/EE%20-%20Energy%20Efficiency%20Action%20Plan%20EN.pdf>

The Action Plan contains at least to some extent the information required by Art 14 par 2 of Directive 2006/32/EC.

*Energy efficient public procurement*

**23. Have at least two energy efficient public procurement measures<sup>13</sup> been incorporated into national public procurement legislation?**

There are rules on public procurements of energy-efficient vehicles (as provided by Article 3 and Article 33(21) of the Public Procurement Act). According to the 2nd EEAP, requirements to use energy audits and implement the resulting cost-effective recommendations have also in principle been implemented, as real estate belonging to the state is managed by single authority. However, there are no clear rules in the legislation on energy audits carried out by this authority.

**24. Have guidelines on energy efficiency and energy savings as a possible assessment criterion in competitive tendering for public contracts<sup>14</sup> been published?**

Yes, these have been published on the home page of Ministry of Environment:

<http://www.envir.ee/KHRH>

*Energy distributors, distribution system operators and retail sellers*

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<sup>12</sup> According to this Article the second and third EEAPs shall:

- include a thorough analysis and evaluation of the preceding EEAP;
- include the final results with regard to the fulfilment of the energy savings targets set out in Article 4(1) and (2);
- include plans for — and information on the anticipated effects of — additional measures which address any existing or expected shortfall vis-à-vis the target;
- in accordance with Article 15(4), use and gradually increase the use of harmonised efficiency indicators and benchmarks, both for the evaluation of past measures and estimated effects of planned future measures;
- be based on available data, supplemented with estimates.

Please check if these requirements are fulfilled and possibly provide a short assessment of the quality of information.

<sup>13</sup> Art 5 and Annex VI of Directive 2006/32/EC.

<sup>14</sup> Art 5 of Directive 2006/32/EC.

**25. Are regulations in place, which ensure that energy distributors, distribution system operators and retail sellers are ready to provide the information defined in Art 6 par 1 a of Directive 2006/32/EC?**

There is no specific regulation on this, however some of the data required may be available to Ministry of Economic Affairs and Communications (competent authority) via other reports the companies are obliged to submit.

**26. Has one of the requirements referred to in Art 6 par 2 a of Directive 2006/32/EC been implemented?**

There is no specific provisions on these issues. However, some other, existing provisions and measures might be aimed at achieving the requirements referred to in the provision in question.

**27. Are energy audit schemes in place as foreseen in Art 12 of Directive 2006/32/EC?**

At the moment, the Building Act gives a general definition of energy audits and authorizes the Minister of Economic Affairs and Communications to set more specific requirements to them. Latter authorization, however, has not been used, thus no more specific requirements are found in the legislation on energy audits.

On the other hand, there is financial support available via KredEx (governmental fund) for carrying out energy audits in apartment buildings.

*Energy Consumption Labelling*

**28. Has legislation been put in place, which obliges suppliers to provide technical information as well as labels and fiches (standard table of information relating to the product) in accordance with Art 5 of Directive 2010/30/EU<sup>15</sup>?**

Yes, the act providing this obligation is [Regulation No 42 of the Minister of Economic Affairs and Communications of 23 May 2012 “Displaying consumption of energy and other resources of products with energy-related products in labeling and technical documentation”](#) (Art 5)

**29. Has legislation been put in place which ensures that dealers (retailers) display labels properly and provide for fiches in accordance with Art 6 of Directive 2010/30/EU?**

Yes, this has also been provided in the Regulation No 42 of the Minister of Economic Affairs and Communications (Art 6)

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<sup>15</sup> Directive 2010/30/EU on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products

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