

# Energy transition

## Hungary

### Country Report

***Justice and Environment 2013***

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#### Hungary

#### Country Report on Energy Transition HUNGARY

*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?

In Hungary the share of RES in total primary energy consumption was 4.87% in 2007. The main RES source is biomass which represents more than 89% of RES primary consumption, followed by geothermal and hydropower<sup>1</sup>. The share of renewable energy in final energy consumption was 7.4 % in 2010.

The Hungarian Government has elaborated and adopted the document of “Hungary’s Renewable Energy Utilisation Action Plan” (NREAP) in 2010 that was based on the previous national strategy on renewables.

The document sets out the achievement of a target of 14,65% as a minimum share of renewable energy in gross final energy consumption and 10 % in transport by 2020.

Hungary aims to achieve a higher share of renewable energy sources by 2020 compared to the total gross energy consumption than it was stipulated in Annex I of the Directive (13 %).

The Strategy on Renewable Energy identifies the general national goals for Hungary. The Strategy also determines the detailed national objectives with regard to electricity, cooling and heating, as well as biofuels for the period of 2008-2020.<sup>2</sup>

The National Energy Strategy (NES) adopted by the Hungarian Parliament in 2011 envisages that the change of the energy structure should include inter alia the increase of the share of low CO<sub>2</sub>-intensive electricity generation based primarily on renewable sources of energy and the promotion of renewable and alternative methods of heat generation.<sup>3</sup> The NES includes that the cornerstones of Hungary’s energy independence are energy savings, domestic renewable energy used in a decentralized manner, integration into the European energy infrastructures and nuclear energy, the potential basis for the electrification of road and railway transport.

<sup>1</sup>[http://www.erec.org/fileadmin/erec\\_docs/Projcet\\_Documents/RES2020/HUNGARY\\_RES\\_Policy\\_Review\\_09\\_Final.pdf](http://www.erec.org/fileadmin/erec_docs/Projcet_Documents/RES2020/HUNGARY_RES_Policy_Review_09_Final.pdf)

<sup>2</sup> Gov. Decision No. 2148/2008. on national strategy for increasing of the use of renewable energy sources 2008-2020 (2148/2008. (X. 31.) Korm. határozat a magyarországi megújuló energiaforrások felhasználásának növelésére vonatkozó 2008-2020 közötti stratégiáról)

<sup>3</sup> <http://www.kormany.hu/download/7/d7/70000/Hungarian%20Energy%20Strategy%202030.pdf>

The NES expects that - with a view to sustainable energy supply - the share of renewable energy in primary energy use will rise from the current 7 percent to the vicinity of 20 percent by 2030. It is also worth to mention that the NES states the disproportionate conditions of the feed-in tariff system, the unsuitable real-time controllability of the electricity grid and the bureaucratic and uncoordinated system of licenses, involving several authorities as the current and biggest obstacles to the increase of the share of renewable energy sources in Hungary.

**2. 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?**

The NREAP has been prepared by the Ministry of National Development in 2010, based on the questionnaire issued by the EU, and the document basically contains the detailed items required by the Directive. The main measures to achieve the targets indicated and planned by the HNREAP are the followings:

- Support measures and programs
- Other financial incentives
- Regulatory and comprehensive program-formulation incentives, e.g.:
  - Act on sustainable energy management
  - Mandatory off-take scheme system for renewable-based electricity and renewable energy sources
  - Simplification of authorization procedures
  - Preferential electricity tariffs for geothermal energy and solar energy
  - Establishment of an off-take and support scheme for green heat
  - Regulation of the feeding of biogas of appropriate quality into the distribution network
  - Promotion of the application of biofuels through mandatory admixture and miscellaneous tax benefits
  - Energy programs for public buildings
  - Grid development (decentralized, local energy grids) smart grid system
  - Creation of a Renewable Energy Council
  - Social measures

**3. 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>4</sup> of the Directive?**

The Act LXXXVI of 2007 on Electricity (hereinafter referred as "Electricity Act") implemented the main provisions of the Directive in Hungary, and there are also further laws transposing different Articles of the Directive. The Electricity Act has been amended when transposing the Directive, and few articles have been newly incorporated or prior provisions have been

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<sup>4</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

modified according to the Directive. Article 13 par (2) and (6) were implemented by amendment of the Electricity Act. It can be stated that any of the national laws do not mention expressly that it serves the implementation of the first or the further paragraphs of the Article 13 of the Directive.

As regards the changes in the administrative procedures, the Hungarian Progress Report on renewables in 2011 reported that during the second half of 2010 the reorganisation of public administration was commenced and these changes also affected the administrative authorisation procedures of investments related to the utilisation of renewable energy sources.

The Hungarian Progress Report in 2011 explained that the measures for the simplification of authorisation procedures for RES investments will be integrated into the Simple State Programme, which includes the total reform schedule of the Hungarian public administration, and as a result, authorisation procedures concerning renewable energy sources, too, will be gradually simplified in the future, procedural deadlines will be shortened and the administrative costs of market participants will be reduced.

The measure-package of the Simple State Programme does not deal with renewables expressly, but aims to make all the permitting procedures of investments shorter and simpler – from our point of view - by limiting the participatory rights of the concerned public.

The European Commission reacted on this package of measures and delivered recommendation for a Council opinion on Hungary's convergence programme for 2012-2016 including the Simple State Programme.<sup>5</sup> However, the reaction of the Commission to the 114 measures of the simplification suggested the acceleration of the implementation of the measures, without having those separately evaluated from the aspect of public participation. The Council gave out its Recommendation on the 9<sup>th</sup> of July 2013 approving the recommendation of the EC<sup>6</sup>.

**4. 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>7</sup>?**

As the NREAP stated, in general, the following criteria apply to all tenders for the use of renewable energy sources: support cannot be provided to projects where the equipment to be acquired do not comply with the EU or the Hungarian law. The Environment and Energy Operational Programme (EOP) that was announced within the framework of the EU's cohesion policy for the period 2007-2013 in Hungary imposed special technical requirements serving efficiency and environmental protection.

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<sup>5</sup> [http://ec.europa.eu/europe2020/pdf/nd/csr2013\\_hungary\\_en.pdf](http://ec.europa.eu/europe2020/pdf/nd/csr2013_hungary_en.pdf)

<sup>6</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:217:0037:0041:EN:PDF>

<sup>7</sup> Art 13 par 2 of the Directive

In order to achieve the targets of the NREAP the Government ordered in its decision (No. 1002/2011.) to reform of the EEOP for the period of 2010-2014 by the Minister of National Development. For the period after 2013, the HNREAP planned to incorporate technical specifications into the support schemes' tender requirements.

The new Article 7/A of the Electricity Act has been incorporated in the text in order to fulfill the obligation laid down in Art 13 (2) of the Directive. This provision however delegates the task of the adoption of a separated piece of legislation on the technical measures and specifications to the competent minister. According to the information available this specific ministerial regulation hasn't been adopted yet.

**5. 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?**

The public consultation of the Second National Strategy on Climate Change (II NSCC) has started on the 17th of October, 2013. The document hasn't been adopted yet by the Government, but it can be mentioned that it highlights the role of cooperation of local municipalities and regional bodies in mitigation and adaptation to climate change.<sup>8</sup>

The already adopted NES also states that taking collateral benefits into account, the renewable energy potential can best be exploited in Hungary through the philosophy of decentralised small-region renewable energy generation.

The Environment and Energy Operational Programme (EEOP) also promotes incentives to RES technologies. Supported projects are biomass, biogas, geothermal and small scale wind turbines.

**6. 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?**

The draft of the II NSCC is dealing with the problem that land-use planning, management and legislation influence the layout of the elements of the built environment, including urban transport distances, energy for heating and cooling of buildings and the vulnerability of the buildings. During land-use planning, the settlement and its surroundings cannot be treated separately, in order to mitigate the effects of climate change, system-wide solutions shall be elaborated.

There is regulation on buildings which prescribes to assess and analyze the application of renewable energy sources in general, not particularly regulating heating and cooling from renewable energy sources (see point 7.).

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<sup>8</sup><http://www.kormany.hu/download/7/ac/01000/M%C3%A1sodik%20Nemzeti%20C3%89ghajlatv%C3%A1ltoz%C3%A1si%20Strat%C3%A9gia%202014-2025%20kitekint%C3%A9ssel%202050-re%20-%20szakpolitikai%20vitaanyag.pdf>

**7. 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>9</sup>?**

The NES points out the significance of the modernization of community district heating and private heat generation. In Hungary a number of regulations have been adopted in the last few years in construction law but these do not oblige directly anyone to increase the share of renewable energy; these provisions concerning relate rather to the construction documentation that shall contain the assessment of the opportunities and alternatives of the application of renewable energy sources, e.g.:

- Government Decree No 266/2013 (VII.11) on the professional activities related to building and construction matters requires that the design build contracts shall contain the program of design including the consideration and assessment of the possibility of using renewable energy sources<sup>10</sup>.
- Government Decree No 314/2012 (XI.8) on the concept of urban development and on the strategy of the integrated local development <sup>11</sup> requires that the proposal of the local construction regulation adopted by the local municipalities shall contain the assessment of the possibility of using renewable energy sources.
- Government Decree No 191/2009 (IX. 15) on the building construction activities<sup>12</sup> requires that the environmental part of the documentation of the construction shall include options for using renewable energy sources.

The Hungarian implementation of the [EPBD Directive \(2002/91/EC\)](#) on the energy specifications of buildings was performed with Government Decree 176/2008 in 2008. According to the Decree an energy performance certificate is required for the take over and letting out of new buildings. The objective of the regulation of the certificate is to improve the long-term energy efficiency of buildings.

More efficient are the support schemes which have been introduced in order to develop the energy performance of buildings combined with the utilization of renewable energy sources. As required by 2002/91/EC Directive, an energy performance certificate is required for the take over and letting out of new buildings. As a policy document a new National Energetic Strategy for Buildings can be mentioned that has been prepared and published for stakeholder consultation in November of 2013.

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<sup>9</sup> Regarding the questions No. 5-7. see: Art 13 par 3 of the Directive

<sup>10</sup> 266/2013. (VII. 11.) Korm. rendelet az építésügyi és az építésüggyel összefüggő szakmagyakorlási tevékenységekről

<sup>11</sup> A településfejlesztési koncepcióról, az integrált településfejlesztési stratégiáról és a településrendezési eszközökről, valamint egyes településrendezési sajátos jogintézményekről szóló 314/2012. (XI. 8.) Korm. rendelet

<sup>12</sup> 191/2009. (IX. 15.) Korm. rendelet az építőipari kivitelezési tevékenységről

**8. 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>13</sup>?**

As the NES states, Hungary has a relatively good renewable energy potential in the fields of the utilization of biomass, biogas, geothermal and solar energy, which potential, however, is currently not properly utilized.

The measures of the New Hungary Rural Development Strategic Plan (NHRDSP) promote the spread of RES use in Hungary.<sup>14</sup> The objective of NHRDSP is that rural areas, beyond producing necessary raw materials, can intensively participate in the development of the bioenergy segment. NHRDSP supports the use of renewable energy sources along 3 strategic directions: liquid biomass (bioethanol and biodiesel), solid biomass (wood and herbaceous energetic plantations) and biogas.

The support scheme defined in FVM Decree No 27/2007 (IV. 17.) for promoting the modernisation of livestock installations was published for the third time under the New Hungary Rural Development Programme (hereinafter referred to as NHRDP) in the fourth quarter of 2009.<sup>15</sup>

According to the information available there aren't any policy documents promoting the conversion technologies that achieve a conversion efficiency of at least 85 % for residential and commercial applications and at least 70 % for industrial applications.

**9. Does the national legislation provide that information on support measures<sup>16</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>17</sup> are made available?**

In Hungary, the Art 7/A of the Electricity Act lays down in its par (2) that the minister in charge for energy policy has to maintain an up-to-date webpage providing information on promotion and application of RES investments. The webpage is run by the Energy and Public Utility Regulatory Authority and contains the data required by the Art 14 of the RES Directive.

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

In 2011 the National Register of Trainings was amended with a new training for "Refrigeration, air conditioning and heat-pumps mechanics". Furthermore, a ministerial

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

<sup>14</sup> [http://www.fvm.gov.hu/doc/upload/200709/new\\_hungary\\_rdp\\_annexes\\_15092007.pdf](http://www.fvm.gov.hu/doc/upload/200709/new_hungary_rdp_annexes_15092007.pdf)

<sup>15</sup> Report on the use of renewable energy sources in Hungary in 2009 and 2010 (Reporting by the Member States pursuant to Article 22 of Directive 2009/28/EC)

<sup>16</sup> Art 14 par 1 of the Directive

<sup>17</sup> Art 14 par 2 of the Directive

decree No 27/2012. (VIII. 27.) NGM introduced the specific certification of “Energeticist specialized in renewable energy”.

**11. Where and when have guidelines<sup>18</sup> - helping to consider the optimal combination of renewable energy sources, of high-efficiency technologies and of district heating and cooling - been published?**

The official webpage of the Hungarian Energy and Public Utility Regulatory Authority (<http://www.mekh.hu>) provides professional background materials since December of 2009.

**12. 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>19</sup>?**

The NES highlights that awareness-raising has an important role in the propagation of energy conservation and the reduction of the environmental load of ecosystems: the widest possible groups of society must be converted into environmentally conscious consumers. The major actions listed in the NES with regard to the awareness raising related objectives of the Energy Strategy are the “Awareness-Raising Action Plan” and the “Establishment of a network of energy engineers”.<sup>20</sup>

**13. 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>21</sup>?**

Yes, according to the Art 15 of the RES Directive, the national legislation in Hungary provides that a guarantee of origin will be issued in response to a request from a producer of electricity. The detailed regulation is included in the Gov. Decree No 309/2013 on the guarantee of origin of electricity produced from renewable energy sources or from cogeneration with high efficiency.<sup>22</sup>

**14. Are the guarantees of origin to be issued in case of heating and cooling from renewable energy sources as well<sup>23</sup>?**

Yes, with respect to heating and cooling from renewable energy sources, the guarantees of origin may be issued in Hungary (according to the Gov. Decree No 309/2013 mentioned above).

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<sup>18</sup> Art 14 par 5 of the Directive

<sup>19</sup> Art 14 par 6 of the Directive

<sup>20</sup> <http://www.kormany.hu/download/7/d7/70000/Hungarian%20Energy%20Strategy%202030.pdf>

<sup>21</sup> Art 15 par 2 of the Directive

<sup>22</sup> 309/2013. (VIII. 16.) Korm. rendelet a megújuló energiaforrásból és a nagy hatásfokú kapcsolt energiatermelésből nyert villamos energia származásának igazolásáról

<sup>23</sup> Art 15 par 2 of the Directive

**15. 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?**

Although the RES Directive ensures the opportunity that MSs may 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, nor the provisions of VET neither the Gov. Decree No. 309/2013 exclude the producers receiving a guarantee of origin from being granted for the same production of energy from renewable sources.

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

The Hungarian Energy and Public Utility Regulatory Authority is designated for the issuance, transfer and cancellation of guarantees of origin. The Governmental Decree No. 309/2013. on guarantees of origin of electricity from renewable energy sources and high-efficiency cogeneration transposed the Art 15 par (5) and (6) of the Directive.

The provisions of the Decree provide that guarantees of origin shall be issued, transferred and cancelled electronically. According to the national regulation, the guarantee of origin in case of energy from renewable sources shall specify at least:

- the energy source from which the energy was produced and the start and end dates of production;
- whether it relates to electricity; or heating or cooling;
- the identity, location, type and capacity of the installation where the energy was produced;
- whether and to what extent the installation has benefited from investment support, whether and to what extent the unit of energy has benefited in any other way from a national support scheme, and the type of support scheme;
- the date on which the installation became operational;
- the date and country of issue and a unique identification number.

**17. 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>24</sup>?**

Article 35 par (3) of the Electricity Act provides that – based on the separate piece of legislation –when operating the networks, and when ensuring access to grids, the distribution licensees shall ensure priority to the producers generating electricity from CO2 free technologies, from renewable energy sources, from waste and from cogeneration.

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<sup>24</sup> Art 15 par 2 of the Directive

**18. 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?**

There is no legal definition of priority access or guaranteed access in the national legislation. In general, under special circumstances (eg, if the safety of life or property is threatened, if there is a shortage of electricity, or if malfunctions occur) the electricity system operator may refuse access to the transmission grid.

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

Energy market participants can access the transmission grid on equal terms based on the Art. 35 par (1)-(2) of the Electricity Act. The conditions of access must be free from discrimination, any unfair practices, or unjustified restrictions. Further, the terms must not jeopardise the safety or quality of electricity supply. In special circumstances (eg, if the safety of life or property is threatened, if there is a shortage of electricity, or if malfunctions occur) the electricity system operator may refuse access to the transmission grid.

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

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

The first National Energy Efficiency Action Plan (NEEAP) of Hungary was submitted to the European Commission in July 2007. The NEEAP was developed within the framework of Hungary's energy policy for the period 2007-2020. The NEEAP described a number of national energy-saving programmes and measures. In addition, it provided an estimation of the savings that can be achieved by 2013 by maintaining these programmes in operation during the period 2007-2013.

The second National Energy Efficiency Action Plan of Hungary until 2016 with an outlook to 2020 lays down a final energy savings target of 9 percent between 2008 and 2016, ie 1.4 Mtoe. Of those savings 37 percent should be achieved in the residential sector, 26 percent in public administration, 23 percent in industry, 8 percent in transport and 7 percent through cross-sectoral measures.<sup>25</sup>

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

The main, most relevant regulations relating to energy efficiency in Hungary are the followings:

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<sup>25</sup><http://zbr.kormany.hu/download/c/6c/40000/Magyarorsz%C3%A1g%20II%20Nemzeti%20Energiahat%C3%A9konys%C3%A1gi%20Cselekv%C3%A9si%20Terve.pdf>

## 1. Acts

- The Act CLXXXV of 2012 on Waste
- The Act CVIII of 2011 on Public Procurement<sup>26</sup> it has incorporated some provisions in order to strive for energy-efficient public procurement although it does not refer to the Directive 2006/32/EC.
- The Act XL of 2008 on Natural Gas Supply<sup>27</sup> is also aiming energy efficiency and energy conservation within the framework of sustainable development.
- The Act LXXXVI of 2007 on Electricity<sup>28</sup> which came into effect in 2008. The Parliament has adopted the Act with a view to setting up an efficient internal electricity market, to promote energy efficiency and energy conservation within the framework of sustainable development, to provide consumers with a secure and reliable supply of electricity of a specified quality at transparent prices.
- The Act LX of 2007 on Enforcement of Framework Convention on the UN Framework Convention on Climate Change and Kyoto Protocol<sup>29</sup>.

## 2. Government Decrees

- Government. Decree No 309/2013 on the guarantee of origin of electricity produced from renewable energy sources or from cogeneration with high efficiency.<sup>30</sup>
- Government Decree No. 193/2011. (IX. 22.) on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products
- Government Decree No. 48/2011. (III.30.) on promotion of procurement of clean and energy-efficient road transport vehicles<sup>31</sup> describes that contracting authorities and operators, when purchasing road transport vehicles, are obliged to take into account the operational lifetime energy and environmental impacts.
- Government Decree No. 288/2009 (XII. 15.) on data collected and taken over by the National Statistical Data Collection Program<sup>32</sup> - as it is referred in the decree - implements Articles 3. 6. 3., 6., 12., 13. and 18. of the Directive.
- Government Decree No. 19/2009 on implementation of Act XL of 2008 on Natural Gas Supply<sup>33</sup>
- Government Decree No. 264/2008 (XI. 6.) on energy review of heat producing and air conditioning systems<sup>34</sup> requires the review of heat production equipment with an effective nominal performance of over 20 kW; air-conditioning systems with an effective nominal

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<sup>26</sup> 2011. évi CVIII. törvény a közbeszerzésekről

<sup>27</sup> 2008. évi XL. törvény a földgázellátásról

<sup>28</sup> 2007. évi LXXXVI. törvény a villamos energiáról

<sup>29</sup> 2007. évi LX. törvény az ENSZ Éghajlatváltozási Keretegyezménye és annak Kiotói Jegyzőkönyve végrehajtási keretrendszeréről

<sup>30</sup> 309/2013. (VIII. 16.) Korm. rendelet a megújuló energiaforrásból és a nagy hatásfokú kapcsolt energiatermelésből nyert villamos energia származásának igazolásáról

<sup>31</sup> 48/2011. (III. 30.) Korm. rendelet a környezetkímélő és energiahatékony közúti járművek beszerzésének előmozdításáról

<sup>32</sup> 288/2009 (XII. 15.) Korm. Rendelet az Országos Statisztikai Adatgyűjtési Program adatgyűjtéseiről és adatátvételeiről

<sup>33</sup> 19/2009. (I. 30.) Korm. Rendelet a földgázellátásról szóló 2008. évi XL. törvény rendelkezéseinek végrehajtásáról

<sup>34</sup> 264/2008. (XI. 6.) Korm. Rendelet a hőtermelő berendezések és légkondicionáló rendszerek energetikai felülvizsgálatáról

performance of more than 12 kW; and heating systems older than 15 years and with an effective nominal performance of over 20 kW.

- Government Decree No. 273/2007 on execution of certain provisions of Act LXXXVI of 2007 on Electric Energy<sup>35</sup> has – among other rules - the Art 6. par 2-3 of the Directive implemented.

- Government Decree No. 323/2007 (XII.11.) on rules of implementation of the Act LX of 2007 on Enforcement of Framework Convention on the UN Framework Convention on Climate Change and Kyoto Protocol<sup>36</sup> contains the detailed rules on the so called Green Investment Scheme (GIS) which program is to facilitate energy rationalization of residential buildings including the Climate-friendly Home Panel Sub-program and the Energy Efficiency Sub-program.

- The Government Decree No. 176/2008 (VI. 30.) on the Certification of Energetic Characteristics of Buildings<sup>37</sup> obligates issuing energy certificate in the following cases: occupancy permission of the new estates, long term real estate rentals and buildings with over 1 000 m<sup>2</sup> net area, occupied by public authorities and institutions providing public services. The certification for existing buildings, flats which are sold is voluntarily until 31st December 2011, after January 1<sup>st</sup> 2012 the energy certificate is compulsory.

### 3. Ministerial Decrees

- Ministerial Decree 5/2002 (II. 15) on the energy efficiency requirements for household electric refrigerators, freezers and their combinations.<sup>38</sup>

- Ministerial Decree 6/2002 (II. 15) on the energy efficiency labeling of household combined washer-dryers.<sup>39</sup>

- Joint ministerial decree No. 12/2002. (III. 14)<sup>40</sup> on the fuel efficiency and carbon-dioxide emission requirements for newly distributed cars.

- Ministerial Decree No. 7/2006. (V. 24) TNM on the establishment of energy characteristics of buildings<sup>41</sup> elaborated a national methodology for calculating the integrated energy efficiency of buildings; established minimum requirements for the energy efficiency of new buildings with a surface area of over 1000m<sup>2</sup>;

established minimum requirements for large existing buildings (with a surface area of more than 1000 m<sup>2</sup>) regarding their energy performance in case they are subject to major renovation.

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<sup>35</sup> 273/2007. (X. 19.) Korm. Rendelet a villamos energiáról szóló 2007. évi LXXXVI. törvény egyes rendelkezéseinek végrehajtásáról

<sup>36</sup> 323/2007. (XII. 11.) Korm. Rendelet az ENSZ Éghajlatváltozási Keretegyezménye és annak Kiotói Jegyzőkönyve végrehajtási keretrendszeréről szóló 2007. évi LX. törvény végrehajtásának egyes szabályairól

<sup>37</sup> 176/2008. (VI. 30.) Korm. Rendelet az épületek energetikai jellemzőinek tanúsításáról

<sup>38</sup> 5/2002. (II. 15.) GM rendelet a háztartási villamos hűtőszekrényekre, fagyasztószekrényekre és ezek kombinációira vonatkozó energia-hatásfok-követelményekről és megfelelőségük tanúsításáról

<sup>39</sup> 6/2002. (II. 15.) GM rendelet

a háztartási kombinált mosó-szárítógépek energiafelhasználásának ismérveiről való tájékoztatásról

<sup>40</sup> 12/2002. (III. 14.) GM-KöViM-KöM együttes rendelet az új személygépkocsik üzemanyag-gazdaságossági és szén-dioxid-kibocsátási adatainak közzétételéről

<sup>41</sup> 7/2006. (V. 24.) TNM rendelet az épületek energetikai jellemzőinek meghatározásáról

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

The second NEEAP has also maintained the annual 1% target regarding to national energy savings to be achieved. The document provides an estimation of the savings that can be achieved by 2016 (9%) with regard to the sectors of the national economy.

<b>Sector</b>	<b>National target</b>
Population	21,00 PJ/annum
Public institutions	14,75 PJ/annum
Industry, production sector	13,05 PJ/annum
Transport	4,60 PJ/annum
Horizontal and intersectoral actions and measures	4,00 PJ/annum
<b>Aggregated savings to be achieved until 2016</b>	<b>57,40 PJ/annum</b>

The second NEEAP (2011) sets an energy savings target for the industrial sector of 312 ktoe by 2016. Measures to reduce the energy use of industrial companies should save 264 ktoe, while the additional 48 ktoe savings should be achieved through the improvement of the district heating network. The measures include the technological modernization of SMEs and the energy-efficient renovation of industrial, agricultural and commercial buildings, which will be financed through grants and credits under the New Széchenyi Plan.

**23. 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>42</sup> of Directive 2006/32/EC on energy end-use efficiency and energy services?**

Yes, see points 20-22. The second NEEAP of Hungary contains the information necessary according to the EU legislation.

*Energy efficient public procurement*

**24. Have at least two energy efficient public procurement measures<sup>43</sup> been incorporated into national public procurement legislation?**

Legislation concerning energy efficiency in public procurement in Hungary are the followings:

<sup>42</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>43</sup> Art 5 and Annex VI of Directive 2006/32/EC.

- Act CVIII of 2011 on Public Procurement (hereinafter: PP)
- Government Decree No. 48/2011. (III.30) on promotion of procurement of clean and on energy-efficient road transport vehicles
- Government Decree No. 176/2008 (VI. 30.) on the Certification of Energetic Characteristics of Buildings

The PP does not refer to the Directive 2006/32/EC; however it has incorporated some provisions in addition to striving for energy-efficient public procurement. The rules on the evaluation criteria describe that the contracting authority shall specify the evaluation criteria in the contract notice.

The contract may be awarded based on either of the following two criteria:

- the lowest price tender, or
- the most economically advantageous tender.

If the contracting authority intends to select the most economically advantageous tender, it shall specify the constituent factors for assessing the most economically advantageous tender.

The constituent factors shall always be based on quantifiable elements or elements comparable in some other manner and shall be related to the subject-matter of the public procurement and the material terms of the relevant contract (in addition to the price, e.g.: quality, technical merit, aesthetic and functional characteristics, environmental characteristics, sustainability, running costs, economy and cost-effectiveness, after-sale service and technical assistance, supply of spare parts, securing stocks, delivery date or period). The aspect of sustainability is defined inter alia as aspect of energy efficiency. (Art. 4. p 8. and Art. 71. par 4. p c. of the PP)

The Gov. Decree 48/2011 aims the implementation of the Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles. Although its provisions do not refer to Directive 2006/32/EC, the Gov. Decree 48/2011 has included measurements aiming energy-efficient public procurement in this regard. Art 3. par 1 of the Gov. Decree 48/2011 requires that contracting authorities and operators, when purchasing road transport vehicles, are obliged to take into account the operational lifetime energy and environmental impacts.

The Government Decree No. 176/2008 (VI. 30.) on the Certification of Energetic Characteristics of Buildings obligates issuing energy certificate in the case of buildings with over 1 000 m<sup>2</sup> net area, occupied by public authorities and institutions providing public services.

**25. Have guidelines on energy efficiency and energy savings as a possible assessment criterion in competitive tendering for public contracts<sup>44</sup> been published?**

Although both the NEEAP and the MNEEAP contained measures on preparing guidelines on energy efficiency and energy savings as a possible assessment criterion in competitive tendering for public contracts, information about existing this type of documents were not found.

*Energy distributors, distribution system operators and retail sellers*

**26. 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?**

According to the Art 159 par 1 of Act LXXXVI of 2007 on Electric Energy, the Hungarian Energy and Public Utility Regulatory Authority is – inter alia - vested with the following responsibilities in connection with the supply of electricity, overseeing the safety of supply and effective functioning of the electricity market, and enforcing the principle of non-discrimination and promoting effective competition:

- to issue and – in cases specified in statutory regulations – amend or withdraw the authorizations required for performing activities which are rendered subject to authorization under this Act, and to render private lines subject to authorization;
- to approve the standard service agreements and the internal regulations adopted by the authorized operators, and their amendments, or to amend or withdraw such agreements and regulations in the cases specified in this Act;
- to approve the compliance programs submitted by the transmission system operator, or by the authorized distribution network operators, and their amendments, and to approve the annual report of compliance;
- to establish – within the legal framework defined by law by way of a resolution – the minimum quality requirements concerning the activities performed by authorized operators and their expected standard for each individual operator, the detailed regulations for the information of end users and public relation requirements, also covering the minimal requirements for authorized network operators relating to safe and reliable operations.

The Government Decree 273/ 2007 on implementation of certain provisions of Act LXXXVI of 2007 on Electricity describes that the Authority shall define the general and special measures of quality (minimal requirements, expected quality). The decision contains the deadlines and minimal content of supplying data.

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

The Government Decree 273/ 2007 on implementation of certain provisions of Act LXXXVI of 2007 on Electricity has implemented the Art. 6 par 2. The Gov. Decree 273/2007 declares in

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<sup>44</sup> Art 5 of Directive 2006/32/EC.

Art. 130 par 1 point c that its Art 21/A and Art 23/A ensure the approximation to provisions laid down in Art 6 par 2 and 3 of the Directive.

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

The Government Decree 273/2007 and the Government Decree 19/2009 on execution of Act XL of 2008 on Natural Gas Supply have the definition of energy audit described in Art 3. p. l) of the Directive implemented.

Furthermore, both decrees in their Art 23/A contain that the electricity/gas trader is obliged to disclose the lists and connections of energy auditors on their website and at their customer services.

Ministerial Decree No 7/2006. (V. 24.) TNM on the establishment of energy characteristics of buildings elaborated a national methodology for calculating the integrated energy efficiency of buildings.

The methodology included in the annex to the decree is to be applied, as of 1 September 2006, among the supporting technical calculations included in the licensing design documentation of the building (earlier the calculation had to be made in accordance with standard No. MSZ-04-140/2:1992). The calculation is checked during the licensing procedure.

The Government Decree No. 176/2008 (VI. 30.) on the Certification of Energetic Characteristics of Buildings obligates issuing energy certificate in the cases mentioned in addition to the point No. 1.2. The certification for existing buildings, flats which are sold is voluntarily until 31st December 2011, after January 1st 2012 the energy certificate will be compulsory.

Certification of the Building Energetic contains defining the energy consumption systems; surveying the execution; determination of the energy consumption and definition of the requirements according to 7/2006 (V.24.) TNM Decree; energy labelling according to 176/2008 (VI. 30.) Government Decree; preparation of the energy saving suggestions according to 176/2008 (VI. 30.) Government Decree.

*Energy Consumption Labelling*

**29. 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>45</sup>?**

In February of 2002 the Ministry of Economic Affairs issued the following ministerial decrees on appliance energy efficiency:

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<sup>45</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

- the Ministerial Decree 5/2002 (II. 15.) on the energy efficiency requirements for household electric refrigerators, freezers and their combinations is in line with the Directive 96/57/EC of the European Parliament and of the Council;
- the Ministerial Decree 6/2002 (II. 15.) on the energy efficiency labeling of household combined washer-dryers is in line with the Commission Directive 96/60/EC; and
- the Ministerial Decree 7/2002 on the energy efficiency labeling of dishwashers is in line with the EU 97/17/EC directive.

Furthermore, the Government Decree No. 193/2011. (IX. 22) on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products has the provisions of the Directive implemented in the Hungarian legislation.

The provisions of Article 5 of the Directive have been transposed by the Articles 3-4. of the Gov. Decree and the conditions of the technical documents demanded by the Directive, are in the Annex No. 1 of the Gov. Decree.

**30. 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?**

In accordance with the EU Directive 1999/94/EC, the joint ministerial decree 12/2002. (III. 14.) on the fuel efficiency and carbon-dioxide emission requirements for newly distributed cars was approved. Based on this regulation it is obligatory for car dealers to indicate clearly – by labeling and advertising – the fuel consumption and carbon-dioxide emission data of vehicles based on technical documentation. This data must be displayed on all advertisements.

Art 5 of the Government Decree No. 193/2011 mentioned in the point 3.1 contains the provisions implementing the Article 6 of the Directive.

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