

# ESD implementation in Hungary

In Hungary in accordance with Government Decree 64/2009 the Ministry of Transport, Telecommunication and Energy shall be responsible for the implementation of the National Energy Efficiency Action Plan established by Energy Service Directive. The Ministry of Transport, Telecommunication and Energy delegated the monitoring of the Energy Service Directive (ESD) to the Energy Centre on the basis of the Nonprofit Agreement, making the Energy Centre responsible for reporting to the EU as the background institution of the former Ministry of Transport, Telecommunication and Energy (Currently Ministry of National Development). The coordination of the implementation of the Action Plan and the verification of its progress also fall under the responsibility of the Energy Centre. The coordination of the implementation of the Action Plan and the verification of its progress also fall under the responsibility of the Energy Centre.

## Legal context

The Governmental Decree 1107/1999. (XI. 8) defines the strategy for energy conservation and improvement of energy efficiency until 2010. Relying upon this decree the National Energy Saving Program was launched in 2000, which supports through direct subsidies and credits with preferential interests the implementation of energy saving investments of residential consumers and the district-heating sector. Government Decree no. 323/2007. (XII.11) had created the Green Investment Scheme that contains tasks to be decided at governmental levels, and also determines that grant from the amounts received from the sale of Kyoto quotas may only be provided to projects that achieve additional reductions in emissions mainly through energy efficiency improvements.

The government adopted Hungary's National Energy Efficiency Action Plan with Govt. Decree 2019/2008 (II. 23). The Action Plan outlines the existing and planned energy efficiency measures. The EU Commission proposed a

revision of the document. The modified, final version of the NEEAP with 30 measures was adopted by the Government in 2010 with Gov. Decree 1076/2010 (III.31.) and was sent to the Commission.

The Parliament, in its resolution 40/2008 (IV. 17) defines the energy policy for 2008-2020. The Resolution includes in 11 articles the tasks related to energy policy, security of supply, competitiveness and maintenance as well as measures supporting the implementation of community aims defined in the framework of the European Union. In order to implement this, the Resolution states the tasks of the government in 20 Articles.

## Status of the implementation

The implementation of ESD is not progressing well enough: transposition has been slow and enforcement at national level uneven. Hungary has already begun to put in place financing schemes but they are often fragmented. There are also other obstacles such as lack of information. The financial crisis appears to have a negative (slow) overall impact on the implementation of ESD.

What is the status of implementation in your country?

Directive	Implementing provisions
Article 1	National Energy Efficiency Action NEEAP (Period: 1.2; 1.3; )
Article 2	National Energy Efficiency Action NEEAP (Period: 1.4; )
Article 3, Part: a, c, d, j, f, k, l, n, p	National Energy Efficiency Action NEEAP (Annex: IV.)
Article 3, Part: b, e, h, i, o,	Act LXXXVI of 2007 on Electric Energy (1. § )
Article 3, Part :p, q, r, s	No implementation necessary
Article 4, Part 1	National Energy Efficiency Action NEEAP (Period: 1.2; 1.3; 3.) 2019/2008. (II.23.) Government Decree
Article 4, Part 2	National Energy Efficiency Action NEEAP (Period: 1,3; 2.)
Article 4 Part 3	National Energy Efficiency Action NEEAP (Period 4)
Article 4 Part 4	National Energy Efficiency Action NEEAP (Period 5) 133/2008.(VI.14.) Government Regulation
Article 4 Part 5	No implementation necessary
Article 5	

<b>Directive</b>	<b>Implementing provisions</b>
Part 6	National Energy Efficiency Action NEEAP (Period 4.2.1; 4.2.2;)
Article 5 Part 2	National Energy Efficiency Action NEEAP (Period 4.2.2; 5.1;)
Article 6  Part 1	Act LXXXVI of 2007 on Electric Energy (163. § ) 2008. XL. <u>A</u> ct on Gas (64 § )
Article 6, Part 2	Act LXXXVI of 2007 on Electric Energy (23/A §); 21/A(2) d 2008. XL. <u>A</u> ct on Gas (23/A. §); 28/A § National Energy Efficiency Action NEEAP (4.3.2.5)
Article 6, Part 3	Act LXXXVI of 2007 on Electric Energy (23/A §); 21/A(2) d 2008. XL. <u>A</u> ct on Gas (23/A. §); 28/A §
Article 7 Part 1 to 2	National Energy Efficiency Action NEEAP (4.3.2.4.; 4.1.2)
Article 7 Part 3	No implementation necessary
Article 8	No implementation necessary
Article 9	National Energy Efficiency Action NEEAP (Period: 4.1.1.1, 4.1.1.2.; 4.1.2.1)
Article 10	Act LXXXVI of 2007 on Electric Energy (64 § ) 2008. XL. <u>A</u> ct on Gas (65-66 § )
Article 11 Part 1 to 3	National Energy Efficiency Action NEEAP (Period: 4.1.1.1. ; 4.1.1.2.)
Article 12 Part 1	National Energy Efficiency Action NEEAP (Period: 4.3.2.5) Act LXXXVI of 2007 on Electric Energy (23/A § ) 2008. XL. <u>A</u> ct on Gas (23/A §; 28/A§ )
Article 12 Part 2	National Energy Efficiency Action NEEAP (Period: 4.3.2.5) Act LXXXVI of 2007 on Electric Energy (23/A § ) 21/A.(2)d. 2008. XL. <u>A</u> ct on Gas (23/A §; 28/A§; 115/A§ )
Article 12 Part 3	Governmental Decree 176/2008 (2§)
Article 13	

Directive	Implementing provisions
Part 1	Act LXXXVI of 2007 on Electric Energy (170. § (1) 19.); (14/A §;)(21/A§) 2008. XL. Act on Gas (8A §;)
Article 13 Part 2	Act LXXXVI of 2007 on Electric Energy (40§ (42-45 §;) (14-16§;) (21/A §) 2008. XL. Act on Gas (115/A §)
Article 13 Part 3	Act LXXXVI of 2007 on Electric Energy (21/A. §) 2008. XL. Act on Gas (115/A §)
Article 14	National Energy Efficiency Action NEEAP (Period 5.1.3.)
Article 15	No implementation necessary
Article 16	No implementation necessary
Article 17	No implementation necessary
Article 18	National Energy Efficiency Action NEEAP (Period 1.1) Act LXXXVI of 2007 on Electric Energy (170. § (1) 19.); 130.§ (1) d), 2008. XL. Act on Gas (168.§ (1) c), Governmental Decree 1762008 (11.§(3) b), Governmental Decree 64/2009 6.§ (4) a)
Article 19	No implementation necessary

## Additional efforts

The directives of the European Union with regard to the unified internal market has lead to **the liberalization of the electricity sector** in Hungary as well. Liberalization has taken place gradually, step by step. The date of this process has been different for certain types of consumers.

### Market opening, phase 1 (1st January 2003)

In the first phase of the market liberalization beginning on 1st January 2003 consumers with an electricity usage higher than 6.5 GWh/year, and municipalities with regard to public lighting electricity needs received the opportunity to purchase electricity from the free market.

Consumers with public utility contracts have unified conditions, and for the settlement the administrative tariff groups are used, whereas consumers at the free market are free to decide on where to sign a contract and under which conditions.

### Market opening, phase 2 (1st July 2004)

The second phase (considering the consumption level of the authorized consumers) meant theoretically an approx. 67% rate of market opening. Thereby from the 1st July 2004 every non-private consumer of a certain place of consumption can become an authorized consumer.

### Market opening, phase 3 (1st January 2008)

In the third phase of market liberalization all consumers, whether private or not, are entitled to purchase electricity at the free market. In theory the third phase means a 100% rate of market opening and thereby the cessation of functioning as a public utility.

Another important changes in the economy was the **privatization of the gasmarket** in Hungary since 1<sup>st</sup> of July 2008.

The **United Nations Development Programme UNDP-GEF** project was carried out in 2004. Within this project the Public Sector was supported, and the main results of this project were the followings:

- The establishment of a fund for supporting energy audits and feasibility studies in the public sector,
- The development the energy audit standard and certification system.

Some specific sector studies were carried out focusing on energy efficiency measures and actions in Hungary:

- Laszlo Elek (Energy Centre): Energy consumption of households, November 2009  
Available in Hungarian at [www.energiakozpont.hu](http://www.energiakozpont.hu)
- Laszlo Elek (Energy Centre): Energy consumption of transport sector in Hungary 2000-2009. 2010
- Force Motrice and Atkearney: Assessment of smart metering models: The case of Hungary. June 2010.  
Available at: [www.eh.gov.hu](http://www.eh.gov.hu)
- Energia Klub Negajoule 2020 project on energy saving potential of Hungarian residential sector available at [www.negajoule.hu](http://www.negajoule.hu)

## Future planning

In 2010 a review of the Environment and Energy Operational Programme (EEOP) "Efficient energy use priority axes" will take place. If the results of this review are negative, additional measures and policies will be developed.

Energy statistics is also the responsibility of the Energy Centre. To monitor the ESD the Energy Centre wishes to use the ODYSEE database. Within the Intelligent Energy Europe Programm and the ODYSEE project in October 2009 finalised the study called "Final report for Hungary in the Monitoring Energy Efficiency in the EU-27 Project", which contains the most relevant information/database about the ESD. According to this study the preparatory process for development of the 2<sup>nd</sup> National Energy Efficiency Action Plan NEAAP has started and will be due to come out in June 2011.

## Relevant information

More information regarding the situation in Hungary can be found at the following websites:

"Energy Centre" Energy Efficiency, Environment and Energy Information Agency Non-Profit Company

<http://www.energiakozpont.hu>

Ministry of National Development (successor of Ministry of Transport, Telecommunication and Energy):

<http://www.nfm.gov.hu/>

Hungarian Energy Office:

<http://www.eh.gov.hu>

Energy Efficiency Policies and Measures in Hungary (October 2009)

<http://www.energiakozpont.hu>

National Energy Efficiency Action Plan of Hungary

<http://www.kormany.hu/hu/nemzeti-fejlesztési-miniszterium/klima-es-energiaugyi-allamtitkarsag>

COMMUNICATION FROM THE COMMISSION: Energy efficiency: delivering the 20% target

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0772:FIN:H>

National Climate Change Strategy 2008-2025

<http://klima.kvvm.hu/index.php?id=51>