

EED implementation in the Czech Republic

Introduction

Ministry of Industry and Trade is responsible not only for the implementation of the EED, but also for defining the overall strategic framework to increase energy efficiency. The Ministry of Environment and the Ministry of Regional Development are also involved in the implementation of the EED; they above all implement European Operational Programmes and national support programmes.

1. Legal context

The EED was fully transposed into the Czech law in 2015. The main national laws, in which the EED was transposed, are Act n. 406/2000 Coll., on Energy Management, Act n. 458/2000 Coll., on business conditions and public administration in the energy sectors and Act No. 165/2012 Coll., on subsidised energy sources.

2. Status of the implementation

2.1. Legislative provisions

This table contains information on how the EED has been implemented by article, including any relevant web links.

| EED Article | Implementation status |
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| Article 4 | <p>Article 4 of the EED requires to establish a long-term strategy for the renovation of buildings. Building Renovation Strategy of the Czech Republic is the document that examines the building stock and opportunities for energy savings therein. The strategy studies various scenarios for the renovation of the building stock, the costs and benefits thereof, and proposes policy, legislative and economic instruments to implement them. It focuses in detail on residential buildings. It has been possible to obtain high-quality statistics on this building stock and to classify measures leading to energy savings by type. It also supplements estimates for non-residential buildings. Scenarios for the renovation of the building stock in the Czech Republic were drawn up on the basis of outputs under the preceding chapters of this report by Buildings Performance Institute Europe (BPIE) using its own model. Five scenarios have been defined.</p> <p>The various scenarios naturally make different contributions to the pursuit of the Czech objective up to 2020 in accordance with the EED. Scenario 5 will save 36.4 PJ with total costs of EUR 11.5 billion on model buildings (residential stock) alone; if we were to add to this, in the manner described above, the potential savings in other buildings, the saving could be as much as 49.9 PJ. In contrast, in the pursuit of the Czech objective, Scenario 1 would contribute a mere 12.3 PJ for the residential stock with the costs of EUR 3.4 billion, and 16.8 PJ for all types of buildings outside industry. The Building Renovation Strategy will be updated in 2016 according to art. 4</p> |
| Article 5 | <p>On the basis of the Art. 5(6) the Czech Republic has opted for an alternative approach, i.e. it will take other cost-effective measures to achieve savings in the buildings owned and occupied by the central government. This approach was chosen due to the fact that buildings owned and used by central government are mainly buildings officially protected as part of a designated environment or because of their special</p> |

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| | <p>architectural or historical merit. In second half of 2015 the Ministry of Industry and Trade in cooperation with other stakeholders prepared the Building Renovation Plan pursuant to art. 5 of the EED for the year 2016 with a view to the year 2020. The plan includes a specification of buildings being included in the inventory according to art. 5 para. 5 (buildings with a total useful floor area over 250 m² not meeting the minimum energy performance requirements). Report that summarises the progress in building renovation is being annually submitted to the Government. In view of alternative approach annual energy consumption monitoring has been introduced (Act n. 406/2000 Coll., on energy management, para 9b.3) in order to assess the impact of non-investment measures such as implementation of energy management systems.</p> <p>Renovation of central government buildings: http://www.mpo.cz/dokument145673.html</p> <p>Energy consumption monitoring in central government buildings: http://www.mpo.cz/dokument157128.html</p> |
| Article 6 | <p>Since November 2010, 'Rules for the application of environmental requirements in central and local government procurement procedure and purchasing' have applied in the Czech Republic. These rules were adopted by the Government to promote green procurement in the public sector. The rules only define basic parameters, i.e. they state the bodies for which they are binding, and how and when evaluations of their implementation are to be evaluated. Selected product groups are regulated by more detailed methodologies. These methodologies establish environmental requirements for products and services procured, and also include detailed instructions on how to incorporate these requirements into public procurement.</p> <p>At present, methodologies are available for the purchase of furniture and office computer equipment, which, as of 1 November 2010, should govern the procedure followed by central bodies of state administration (the Government Office, ministries and other institutions, such as the Energy Regulatory Office, etc.). Further to international developments, methodologies that are also significant from the perspective of energy consumption are also incorporated into the rules. Act No 406/2000 on energy management define new special technical conditions that central institutions must observe in the public procurement procedure. These rules are in accordance with Article 6 and Annex III of the EED. Only to contracts with a value equal to, or greater than, the thresholds laid down in Article 7 of the Public Procurement Directive (2004/18/EC).</p> |
| Article 7 | <p>On the basis of the Art. 7(9) the Czech Republic has opted to take other policy measures to achieve energy savings among final customers. Energy savings will be achieved through aid schemes (European operational programs and national programs) and financial engineering instruments, therefore the funding will come from operational programs and state funds including revenue from emission allowances. Four operational programs (OP) provide financial support to improve energy efficiency:</p> <ul style="list-style-type: none"> - OP Enterprise and Innovation for Competitiveness – focuses on industry and service sectors - OP Environment – aims to improve heating systems in households and public buildings - Integrated Regional OP - supports energy efficiency by smart energy management systems and the use of energy from renewable sources in public buildings and in households - Prague Growth Pole OP – supports energy efficiency in buildings |

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| | <p>and renovation of buildings</p> <p>There are supplementary state programs funded from the state budget:</p> <ul style="list-style-type: none"> - EFEKT – aims to promote energy savings and projects to educate public and professionals - New Green Savings 2016 – 2020 – supports enhancing energy performance of buildings - Program PANEL 2013+ - provides low-interest loans for renovation of apartment buildings <p>In the current version of the NEEAP (2016) the measures to achieve the targets pursuant to art. 7 were extended. Regarding the new measures voluntary agreements exploiting the potential of EPC for public administration and energy management for private companies will be supported. Implementation of codes of energy efficient building construction among banks and building developers will be promoted.</p> |
| Article 8 | <p>Energy Management Act 406/2000 Coll. as amended by Act. 103/2015 Coll. and supplemented by Ministerial Decree 480/2012 Coll., fully transposes the requirements of Article 8 of the EED. Decree 480/2012 Coll. lays down the details for energy auditing and energy assessments.</p> <p>Under the Energy Management Act enterprises that are not SMEs must carry out energy efficiency audits at least every four years. Above that, energy audits are mandatory for any enterprise consuming overall more than 35,000 GJ per annum to be included each building with consumption exceeding 700 GJ per annum (Decree n. 480/2012 Coll., on energy audit and energy assessment). This obligation applies to all enterprises including SMEs.</p> <p>Exemption from mandatory energy audits can be granted if an energy management system certified to ISO 50001 or an environmental management system certified to ISO 14001 is in place <i>and</i> includes an energy audit.</p> <p>The State Energy Inspectorate is responsible for the enforcement of this obligation. Energy audits can only be carried out by certified energy specialists.</p> |
| Article 9, 10, 11 | <p>As already mentioned in the NEEAP 2014, the current system of metering and billing in the Czech Republic is well established and provides sufficient information to final customers on actual consumption over a given period. Metering and billing requirements under art. 9, 10 and 11 has been implemented by Act. n. 458/2000 Coll., on business conditions and public administration in the energy sectors, Act n. 406/2000 Coll., on Energy Management and Decree n. 82/2011 Coll., on electricity metering.</p> <p>Metering of electricity, gas and heating is provided for final customer. Payments are made usually in advance in form of monthly deposits and the billing is done annually or quarterly. Information on billing consist of detailed data from which the bill was derived and comparison of actual and previous consumptions. Payment method is optional (by cash, on-line, etc.). Regarding smart meters the Czech Republic has analyzed the benefits and disadvantages of their installation and decided not to install them widely. However installation of smart meters will be possible on customer request which allows customers to decide whether smart meter is advantageous despite additional costs compared to conventional meter. Schedule of smart meters deployment was approved by the government in National Action Plan for Smart Grids.</p> <p>Regarding heat metering individual meters must be installed at final customers if it is technically possible and cost effective. In case of district heating and district hot water supply metering is done at transfer stations, which are being built close to final customer. Billing is then derived from</p> |

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| | <p>the data measured at transfer station and ration meters at final customers and is done transparently. Obligation to install meters for district heating and cooling is set in Act n. 406/2000 Coll., on Energy Management (para 7.4.g) and specified in Decree n. 194/2007 Coll., on rules for district heating and hot water supply and metering. Meters help to reduce energy intensity by providing information about energy consumption, but they are also indispensable for billing purposes. Decree n. 269/2015 Coll., on heat and hot water billing specifies the way how to derive the bill in case owners do not set their own way of deriving the bill.</p> |
| Article 12 | <p>Art. 12 requires Member States to promote and facilitate an efficient use of energy. In the Czech Republic there is programme EFEKT - since 1999 support began to be channelled into energy-saving projects from the State Programme on the Promotion of Energy Savings and the Utilisation of Renewables (Programme EFEKT). Projects focused on increasing public awareness are supported. The budget of the programme was significantly increased in 2015. The program EFEKT is defined by act 406/2000 Coll., on energy management, para 5.</p> <p>The aim of the EFEKT Programme is to achieve energy savings by raising awareness among small customers, by increasing the quality of energy services, and by supporting the public sector in the economic management of energy. It focuses on raising awareness and disseminating information (with a stress on energy-saving measures and the use of renewable sources of energy). The examples of supported activities:</p> <ul style="list-style-type: none"> - energy consulting provided by energy consulting and information centres; - courses and seminars about the energy sector; - publications, guides and informative materials about the energy sector; <p>Information about the supported projects are available here http://www.mpo-efekt.cz/cz. The webpage is also an access to EKIS consulting centres.</p> |
| Article 13 | <p>There are penalties in case of non-compliance and shall be imposed for administrative offences defined in:</p> <ul style="list-style-type: none"> - Act No. 458/2000 Coll., Energy Act - Act No. 165/2012 Coll., on Promoted Energy Sources - Act No. 406/2000 Coll., on Energy Management |
| Article 14 | <p>The Czech Republic has carried out an assessment of the potential for the application of high-efficiency cogeneration according to Annex VIII. The report is available here: https://ec.europa.eu/energy/sites/ener/files/documents/Art%2014(1)%20assessmentCzechrepublic.pdf</p> <p>Requirements pursuant to para. 5 (cost-benefit analysis in accordance with Part 2 of Annex IX) has been implemented into Act n. 406/2000 Coll., on Energy Management.</p> <p>Guarantee of the origin of electricity produced from high-efficiency cogeneration has been implemented into Act. n. 458/2000 Coll., on business conditions and public administration in the energy sectors.</p> <p>Development, construction and linking the existing networks of district heating are supported by the Operational Programme Enterprise and Innovation for Competitiveness.</p> |
| Article 15 | <p>Assessment of the energy efficiency potential regarding electricity transmission and distribution has been undertaken by the Czech Association of the Regulated Power Supply Companies (TSO and all DSOs). The assessment identified possibilities to reduce losses in transmission and distribution of electricity and defined requirements for large power transformers.</p> |

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| | Assessment of the system of gas supply describes concrete investment projects, which should lead to improvements in energy efficiency. |
| Article 16 | <p>Energy specialist qualification scheme is available in the Czech Republic. Energy specialists are natural persons holding an authorisation granted by the Ministry of Industry and Trade to:</p> <ol style="list-style-type: none"> perform an energy audit and produce an energy assessment; produce a certificate; inspect boilers and thermal energy distribution systems in operation; inspect air-conditioning systems. <p>The register of energy specialists is publicly accessible: http://www.mpo-enex.cz/experti/</p> <p>To obtain an energy specialist certification it is necessary to pass the exam. Examination Committee consists of representatives of ministries, universities and professional organizations. For the person, who holds the energy specialist certification, it is obligatory to complete training course and to pass a test to proof the expertise.</p> |
| Article 17 | Regarding information provision, the Czech Republic disseminate of information on available energy efficiency mechanisms in different ways. Financial support and assistance is provided for the organization of information seminars, courses and conferences focused on energy savings as well as for issuing publications, studies and other information materials in order to raise the awareness about the possibilities of enhancing energy efficiency. The support is provided through the State program EFEKT, administered by the Ministry of Industry and Trade. |
| Article 18 | <p>Art. 18 has been transposed into act 406/2000 Coll., on energy management, para 10e – 10g. List of energy services providers: http://www.mpo.cz/dokument170967.html.</p> <p>Energy services and energy performance contracting in the Czech Republic are promoted by the Ministry of Industry and Trade and by the Association of energy service providers (APES) (www.apes.cz).</p> <p>On the website http://www.mpo.cz/dokument105425.html the following information is published:</p> <ul style="list-style-type: none"> Model contract for EPC plus technical annexes Guidelines realisation of EPC projects and for EPC tendering procedures <p>The EPC model contract includes all items listed in Annex XIII of the EED. In addition, a list of energy service providers is available, as well as a list of facilitators of EPC tender procedures.</p> |
| Article 19 | As other measures to promote energy efficiency the Czech Republic considers in particular introducing the energy management system. There is the alternative obligation to implement energy management system in accordance with art. 8 of the EED for enterprises that are not small or medium (alternative obligation is to carry out the energy audit). Above that subsidies from the state program EFEKT are provided for public sector bodies to carry out energy management systems. Support scheme for small and medium-sized enterprises to implement energy management system is being prepared at the moment. The Czech Republic also emphasizes the use of energy services through EPC, which has a long tradition. |
| Article 20 | The Czech Republic prepares a concept of financial instruments to be used for projects reducing energy consumption. Some instruments are ready to be used by public bodies, which may apply for grants to implement energy saving measures and for co-financing of projects. |

2.2. Non-legislative provisions

In addition to legal implementation, what other measures are taken, are there any additional instruments?

Are there any national co-operation mechanisms: working together with others in order to enhance EED implementation? Voluntary agreements?

There are non-legislation activities taken in relation to art. 5, 7, 14 and 15 (as the Czech Republic opted for alternative measures in case of art. 5 and 7). Here is the list of relevant analysis and plans carried out:

- Building Renovation Plan for the year 2016 with a view to the year 2020 (art. 5)
- National Energy Efficiency Action Plan (art. 24, para 2 in relation to art. 7)
- Assessment of the potential of high-efficient cogeneration and efficient district heating and cooling in the Czech Republic (art. 14, para 1)
- Assessment of the energy efficiency potential of the gas infrastructure including scheduled investment with aim to increase energy efficiency (art. 15, para 2)
- Assessment of the energy efficiency potential of the electricity infrastructure (art. 15, para 2)

3. Future activities

National Energy Efficiency Action Plan will be updated in 2017. Other activities depend on the revision of the EED announced by the European Commission for 3Q 2016.

4. Relevant information

Ministry of Industry and Trade of the Czech Republic, <http://www.mpo.cz/>.

For more information about the energy efficiency measures, please see the NEEAP:

<http://www.mpo.cz/dokument173843.html>

For more information about the progress of implementation of the EED, please see the Report on progress:

<http://www.mpo.cz/dokument174519.html>