



## **Facts and News: Hungary**

16 Feb 2021

### **Energy Efficiency Obligation Scheme (EEOS):**

- Hungary indicated in the 1st NECP to introduce EEOS from 2021.
  - The preparation of the scheme and the regulatory background have been elaborated in 2020.
    - Working groups analyzed energy intensity and saving potential in the industry. Unit costs of particular energy efficiency investments and the capacities and competencies of industry actors were examined.
    - The obliged parties raised suggestions and proposals on practical issues arising in connection with EEOS. The major issues were:
      - the creation of organised secondary market e.g. introducing a white certificate system;
      - cumulative imposition of the final energy savings obligation, instead of prescribing the amount of new annual savings;
      - Catalog of standard energy efficiency measures with the methodology for calculating the savings
- The Hungarian Energy and Public Utility Regulatory Authority (HEA) is the executing body, responsible for the Monitoring and Verification (M&V).
- HEA tracks the energy savings potential identified in the obligatory energy audits of large enterprises and maintains the official registry of the energy auditors. Energy audits carried out either by large enterprises and or connection with the use of the energy efficiency corporate tax relief are verified by HEA.
- According to Act LVII of 2015 on energy efficiency, the rate of end-use energy savings in the commitment period from 1 January 2021 to 31 December 2030 is the cumulative energy savings achieved with a national energy saving of 0.8% per year compared to the average final energy consumption in the 2016, 2017 and 2018 period.



- The new annual energy savings of 0.8% or 337.2 PJ in the 2021-30 period must be achieved at national level, the fulfillment of the obligation is the responsibility of the Government, not the obligated companies.

### **Energy audit results:**

- In 2019, the energy consumption of companies that are part of the audit programme was distributed the following way: 11% building maintenance, 85% activities and services, 4% transportation and delivery. Energy audits revealed energy saving potential of 6% of the energy consumption of the audited companies.

### **METÁR (Hungarian Renewable Energy Support System Scheme) tender:**

- New investments for renewable electricity production can get operation support only through a tendering procedure, in the form of green premium type eligibility.
- Tenders are technology-neutral with one bidding round and a price-based evaluation.
- 2 METÁR tenders have been held so far: the first tender was organized in 2019, the second in 2020. Both tenders were successful with three-/fivefold oversubscription rates. There were two size categories (small, large capacities) and the average bid price (initial supported price) was lower than the former feed-in tariff in both size categories. In the 1<sup>st</sup> tender overwhelmingly and in the 2<sup>nd</sup>, exclusively PV power plants won the tender (for 210 MW capacity in the latter).
- The winning projects will induce about HUF 70 billion (EUR 194,986,072) new investment and will be able to cover the electricity needs of about 160,000 households.
- For more information on METÁR tenders see: <http://www.mekh.hu/metar-tender>
- According to the Ministry (ITM), 4 additional tenders will be announced until August 2022.
- The Government's goal is to raise PV capacity to at least 6500 MW by 2030 and to more than 12 000 MW by 2040. By September 2020 it was more than 1800 MW).



### **Tender for supporting the purchase of bicycles with auxiliary electric motors:**

- The tender was created to fulfil the objectives of the Climate and Nature Protection Action Plan which was approved by the Hungarian Government in 2020.
- The aim of the tender is to provide an alternative to the use of motor vehicles and to reduce the use of fossil fuels, and thus the air pollution of the given settlement.
- The number of applicants receiving support is expected to be 6,200 – 10,700.
- The budget available for support is HUF 1 billion (~EUR 2,8 million). Applications may be submitted in 12 stages, until the available resources are exploited.
- In case of bicycles with auxiliary electric motors equipped with a pedal sensor drive system, the maximum amount of support is 50 percent of the maximum gross sales price of HUF 400,000 (EUR 1,114) valid at the time of purchase, but not more than HUF 90,000 (EUR 251).
- In case of bicycles with auxiliary electric motors equipped with a torque sensor drive system, the maximum amount of support is 50 percent of the maximum gross sales price of HUF 900,000 (EUR 2,561) valid at the time of purchase, but not more than HUF 150,000 (EUR 418).
- Ex-post evaluation: Depending on the number of obtained vehicles and their use on the way to work, at least 1,600 but up to 2,700 tonnes of greenhouse gas emissions can be saved per year which is equivalent to annual GHG emissions of 275-465 households.

### **Scheme for subsidising home renovations:**

- On 1 January 2021 the government launched a scheme for subsidising home renovations carried out by households with at least one child.
- Half of the renovation costs up to a maximum of HUF 3 million (EUR 8,357) per renovation will be covered by the state.
- The support covers energy upgrades, kitchen and bathroom renovations, and extensions.



### **International energy efficiency projects:**

- Besides EnR, HEA participates also in international energy efficiency projects funded by the EU Horizon 2020 programme, in which it also involves representatives of the Ministry of Innovation and Technology:
  - CA-EED 2
  - ODYSSEE-MURE
  - ENSMOV