

**INTERSESSIONAL PANEL OF THE UNITED NATIONS COMMISSION  
ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (CSTD)**

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Contribution of Hungary

to the CSTD 2017-18 priority theme on ‘The role of science, technology and innovation to  
increase substantially the share of renewable energy by 2030’

**DISCLAIMER: The views presented here are the contributors' and do not necessarily reflect the views  
and position of the United Nations or the United Nations Conference on Trade and Development.**

*I. What are the policies (renewable energy strategies, regulations, standards, fiscal measures, financial incentives, etc.) in place in your country/region that encourage renewable energy projects or aim at increasing the share of renewable energy in your country's energy mix? Who are the main actors in the renewable energy sector and what are the linkages between them? Do you have any documentation, references, web addresses or reports on the cited policy measures? If yes, please share it with us.*

The Hungarian policy prefers the application of renewable energy which clearly contributes to both the residential and industrial energy prices' decrease and fits the profile of the domestic energy use such as PVs, geothermal energy, use of heat pumps, local biomass-based solutions. In Hungary, among the use of renewables the heating sector is dominant, given that biomass is one of the most important renewable energy sources.

- 1) The new Hungarian support scheme for renewable electricity has established a clear and transparent system which puts the costs of the renewable energy support on the industrial end customers – taking into account their abilities to bear these costs. This is a fair system that fits the most the Hungarian circumstances. The “**METÁR**” program has been launched in 2017.
  - It started in January 2017 with full notification of the EC in July 2017.
  - It is based on the requirements of the *Guidelines on State aid for environmental protection and energy 2014-2020 (2014/C 200/01)*.
  - Support entitlements are allocated through tendering procedure (over 1 MW).
  - Producers shall receive the operating aid from METÁR above the market reference price as a surcharge (premium).
  - In the case where producers sell electricity directly on the market, the support shall be granted as a **premium**.
  - The new support is only eligible through competitive **tendering** procedure. This will ensure the optimal and cost effective use of the support.
  - Measures should be taken to ensure that producers are not encouraged to produce electricity in case of negative prices.
  - Previous systems (KÁT, Feed-in Tariff (Fit)) still operate after the introduction of METÁR, however, new entrants will be eligible for support only via METÁR.  
[http://europa.eu/rapid/press-release\\_IP-17-1983\\_en.htm](http://europa.eu/rapid/press-release_IP-17-1983_en.htm)
  
- 2) The EU-funded renewable energy related financing programs (EEOP/KEHOP, EDIOP/GINOP, TSDOP/TOP, CCHOP/VEKOP, VP/ RDP) are also supporting investments in this sector. From 2014 to 2020, more than 2.5 billion EUR was allocated to operational programmes supporting developments related to energy and energy efficiency.

Most importantly, the Environment and Energy Efficiency Programme (EEOP) provides funding to improve energy efficiency and promote the use of renewable energy sources. Promoting green electricity generation for the grid from non-building related renewable source generation (i.e. electricity generation is not done for the

purpose of the building related energy needs), the modernisation of buildings for energy efficiency purposes, combined with the use of renewable energy sources.

The Economic Development Investment Operational Programme (EDIOP) is intended to support economic development, but it also supports energy-related building refurbishments that are combined with the use of renewable energy.

The Territorial and Settlement Development Operative Programme (TSDOP) supports the implementation of projects aiming at the switching of the energy supply to renewable energy resources and its utilization in complex development programs for local governments.

The Competitive Central-Hungary Operational Programme (CCHOP) contains sources for building energy investments.

The Rural Development Programme (RDP), co-financed by the European Agricultural Fund for Rural Development (EAFRD), provides support for renewable energy development projects in the agricultural sector.

[http://ec.europa.eu/regional\\_policy/en/atlas/programmes/](http://ec.europa.eu/regional_policy/en/atlas/programmes/)

- 3) In the trade of GHG emission allowances Hungary has a substantial quota surplus. Revenue accumulated from the sale of these allowances is used for climate protection purposes, including the promotion of renewable energy.

The **Warmth of Home** program supports energy efficiency and renewable energy investments and renovations for households.

The main objective of the Government is to reduce the national energy consumption. The Warmth of Homes Program can help to reach this target. Under this program more than 23 billion HUF have been distributed between more than 130 000 households.

The Ministry of National Development depending on the availability of the resources, is constantly examining the possibility of re-opening of sub-programs already suspended and the launching of further calls for applications that may improve energy efficiency and make the energy costs decline.

- 4) The **EEA and the Norwegian Fund** financing mechanisms established by donor countries (**i.e. Norway, Iceland and Liechtenstein**) – among many others areas – have played an additional role in the field of sustainable energy related developments (increasing renewables and energy efficiency) with over 2,5 billion HUF. Thanks to EEA funding schools have been renewed (application of green energy, becoming more energy efficient), a biogas plant has been installed, geothermal heat use developments have been implemented and several trainings/courses have been organized.

[http://www.norvegalap.hu/?page\\_id=3281&lang=en](http://www.norvegalap.hu/?page_id=3281&lang=en);

[http://www.norvegalap.hu/?page\\_id=3284&lang=en](http://www.norvegalap.hu/?page_id=3284&lang=en)

***II. Can you share success stories of renewable energy projects in your country or region? How do you ensure the sustainability of the project, and scale or replicate it? In your answer please include information on the following: location, time period of implementation/starting date, main actors, beneficiaries, funding, technology and innovation used, issues addressed, stage of implementation, sustainability, etc. Do you have any documentation, references, web addresses or reports on the specific examples cited? If yes, please share it with us.***

The utilization of geothermal energy is one of Hungary's success stories: Hungary has the third largest geothermal heat capacity per capita in the world<sup>1</sup>.

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<sup>1</sup> [http://www.ren21.net/wp-content/uploads/2017/06/17-8399\\_GSR\\_2017\\_Full\\_Report\\_0621\\_Opt.pdf](http://www.ren21.net/wp-content/uploads/2017/06/17-8399_GSR_2017_Full_Report_0621_Opt.pdf)