

Country profile –Estonia

Country: Estonia												
Support schemes	Electricity and heat production			Consumption				Transport		Supply and others		
	RES	Fossil	Nuclear	RES	Fossil	Electricity	Heat	Biofuels	Fossil	RES	Fossil	El./heat
1. Direct subsidies												
Direct on-budget subsidies	7, 6, 5, 3	11, 10		8, 6				9				
Feed-in tariffs												
Feed-in premiums	2				20, 19							
Adjustment Aids												
Inherited liabilities												
Induced transfers												
Others												
2. Fiscal measures												
Energy Tax Allowance					14							
Energy Tax Exemptions					25, 24, 23, 22, 21, 18, 17, 16, 15, 13, 12							
Other Tax Deductions												
Earmarked refunds of taxes												
3. Transfer of risk to government												
Adjustment Aids												
Inherited liabilities												
Others												
4. Other financial measures												
Adjustment Aids												
Other Tax Deductions												
Others												
5. Non-fiscal measures												
Quota obligations												
Priority Grid Access		4, 1										
Others												

No.	Datasource	Description
1	RES-LEGAL	In Estonia, local authorities determine the conditions and procedure for the connection of heating plants to the grid. Furthermore, local authorities also determine the grid development obligation. When new heating production capacities are necessary, the grid operator is obligated to launch a public call for heat producers in order to determine the best offer. Priority is not given to the heat produced from RES sources. However, when possible, preference is given to heat produced from RES and CHP plants. The grid operator concludes contracts with heat producers for a period of maximum 12 years.
2	RES-LEGAL	Premium tariff - Where an electricity producer sells electricity on the free market and exports it to the electricity grid, the transmission grid operator shall pay a bonus on top of the selling price (§ 59 par. 1, 2 ELTS/Electricity Markets Act). Currently (2014) the Estonian Parliament is discussing amendments to the existing legislation, which would result in a considerably reformed system (differentiated tariffs for different RES technologies, higher market exposure, ending/curbing the currently applicable subsidies to the oil-shale industry etc). Electricity market act stipulates that there is a feed-in tariff of 53,7 EUR/MWh for electricity which has been produced from biomass as cogeneration of heat and power. There is also feed-in tariff of 32 EUR/MWh for electricity which has been produced as effective cogeneration from waste, peat or retort gas. Wind energy is only applicable for feed-in tariff as long as the producer has not received investment support from government for the

3	RES-LEGAL	<p>same production unit. Also, there is a maximum amount of annual subsidies for wind producers – 600 GWh and 77 MEUR.</p> <p>Subsidy I (Investment support for the reconstruction of RES CHP plants) - The EU Cohesion Policy Funds and state revenues are used to support investments to infrastructure and technology to enhance the production of energy from renewable sources. Through this scheme, investments supports are made available for the construction of RES CHP plants and for the reconstruction of boiler-houses and necessary infrastructure to make them operational for renewable energy use.</p>
4	RES-LEGAL	<p>Subsidy I (Investment support for the reconstruction of RES CHP plants) - Investment supports are available for the (re)construction of infrastructure and technology to enhance the building of CHP plants and to encourage the wider use of RES. The investment support distribution is organized in rounds and is allocated based on open call for applications. The Environmental Investment Centre announces the launching of the calls for proposals for investment support at least 90 days prior to the deadline for applications on its website and at least in two nationwide newspapers (§12 par. 2 Investment Eligibility Conditions for the wider use of Renewable Energies).</p>
5	RES-LEGAL	<p>Subsidy II (Investment Support for the Production of Bio Energy) - Through this measure, investments are available to support farmers in creating the necessary conditions for processing, production and consumption of energy from biomass.</p>
6	RES-LEGAL	<p>Subsidy III (Investment Support for the Producers of Wind Energy) - The EU Regional Development Funds and state funds are used to support investments to infrastructure and technology to enhance the production of energy from renewable sources. With this support measure investments are available for wind energy production technologies. This measure has been discontinued after 2012.</p>
		<p>Subsidy (Investment Support for promotion of renewable energy use and replacing the current light fuel oil boilers with boilers using renewable energy sources) – Measure is planned to be opened for applications in the coming months and is planned as investment support to owners of small residential buildings who engage in the replacement of light fuel oil boilers with the boilers using biomass or other renewable energy sources. Because this measure is not yet implemented, it has not been included in the inventory.</p>
7	RES-LEGAL	<p>Subsidy II (Investment conditions for the improving energy efficiency of multi-apartment buildings) - Investment support is made available for the owners of multi-apartment buildings to enable them to conduct energy audit based works aimed at improving energy efficiency. Investment support for private houses are available for the purchasing and installation of RES plants to be able to produce energy for their own use. Support for the reconstruction of small dwellings is made available to cover the costs of installing the necessary equipment for the use of energy from RES plants. These programs are funded under the Green Investment Scheme, which means that the Government invests the AAU and EAU trading revenues to environmental projects. Both programs have proved to be successful and created strong interest among the population – by 2014 680 apartment buildings were renovated. Due to the unexpected high interest in the program aimed at</p>

8	RES-LEGAL	private house owners, no more applications are currently accepted until the new support measure will be opened in the end of 2014. Subsidy - To facilitate the commissioning of electric cars, through the grant, the price of supported electric cars is brought to a comparable level with ordinary cars with similar parameters. The following actions are supported: purchase of an electric car, including the down-payment of leasing; procurement of one charger of electric car per one electric car, including the necessary installation work. The measure has been discontinued after 2012.
9	OECDTADFFSS	Direct Project Grants to Producers of Shale Derived Oil. Estimates are available for four environmental projects financed by the Environmental Investment Centre.
10	OECDTADFFSS	Direct Project Grants to Oil Shale Based Electricity and Heat Production. Data estimates are available for seventeen projects.
11	OECDTADFFSS	Excise Duty Exemption for Heating Fuels Used by Households.
12	OECDTADFFSS	Excise Duty Reduction for Diesel Fuel Used for Agricultural Purposes.
13	OECDTADFFSS	Excise Duty reduction for Fuels Used in Domestic Commercial Fishing. Since 2007 diesel fuel used by domestic fishing boats is granted an excise-duty exemption. There is a limit imposed on the amount of fuel to which the exemption is applied, it is based on the amount of fish caught or the capacity of the boat's engine.
14	OECDTADFFSS	Excise-Duty Exemption for Fuels Used in Mineralogical Processes. Liquid fuels that are absolutely essential for conducting certain mineralogical processes have been exempt from the fuel excise duty since 2005.
15	OECDTADFFSS	Excise-Duty Exemption for Fuels Used in Mineralogical Processes. Natural gas that is absolutely essential for conducting certain mineralogical processes has been exempt from the fuel excise duty since 2008.
16	OECDTADFFSS	Excise-Duty Exemption for Fuels Used in Stationary Engines and Warehouse Vehicles. No estimates available.
17	OECDTADFFSS	Excise-Duty Exemption for Natural Gas Used in Network Operation. No estimates available.
18	OECDTADFFSS	Feed-In Premium in amount of 32 EUR/MWh for Waste and Peat Used in CHP Plants.
19	OECDTADFFSS	Feed-In Premium in amount of 32 EUR/MWh for Retort Gas Used in CHP Plants. No estimates available.
20	OECDTADFFSS	Excise-Duty Exemption for Fossil Fuels Used for Electricity Production. No estimates available.
21	OECDTADFFSS	VAT exemption on peat.
22	OECDTADFFSS	Excise tax exemption on peat.
23	OECDTADFFSS	VAT exemption on wood.
24	OECDTADFFSS	Excise tax exemption on wood.