



## Country profile – Hungary

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

| No. | Datasource | Description   |
|-----|------------|---|
| 1   | RES-LEGAL  | The Act on Electric Energy (Act No. LXXXVI of 2007) gives priority grid connection and access to electricity generated from renewable energy. Furthermore, it imposes restrictions on electricity imports to the benefit of renewable energy.   |
| 2   | RES-LEGAL  | Feed-in tariff - In Hungary, electricity generated from renewable energy sources is promoted through feed-in tariffs. The eligibility period and the maximum amount of eligible electricity are set out in implementing decrees (§ 11 (3) Act No. LXXXVI of 2007). The feed-in tariffs are fixed and depend on the time of day.   |
| 3   | RES-LEGAL  | Subsidy (Megújuló Energia Alapú Térségfejlesztés) - The subsidy programme is part of the Operational Programme Environment and Energy financed by the European Regional Development Fund (ERDF). The subsidy programme aims at promoting pilot projects in the use of renewable energy sources in order to increase the share and efficiency of renewable energies and in order to contribute to the regional development of the country (Chapter A1, Call for Proposals KEOP-2011-4.3.0).The programme is composed of two application rounds with the first one focusing on the project preparation process and the second one focusing on the project realisation (Chapter A4, Call for Proposals KEOP-2011-4.3.0).The subsidy is valid for the whole country except the middle-Hungarian region meaning the districts of Buda and Pest (Chapter C7, Call for Proposals KEOP-2011-4.3.0). |
| 4   | RES-LEGAL  | Subsidy (Megújuló energiaforrás hasznosítására finanszírozását szolgáló pénzügyi konstrukció) - The subsidy programme is part of the  |

|    |             |   |
|----|-------------|---|
|    |             | Operational Programme Environment and Energy financed by the European Regional Development Fund (ERDF). The subsidy programme aims at facilitating creditworthy enterprises the realisation of projects on the use of renewable energy sources which could not have been realised under normal credit conditions (Chapter A2, Call for Proposals KEOP-2013-4.8.0). This programme applies to the winning projects of the subsidy programmes KEOP-2012-4.10.0/B “Meeting the local heating and cooling demand by renewable energy sources” and KEOP-2012.4.10.0/C “Producing electricity and combined heat and power from renewable energy sources, as well as methane” and winning projects of other subsidy programmes, which fulfil the project requirements under these two KEOP subsidy programmes (Chapter A1, Call for Proposals KEOP-2013-4.8.0). The subsidy will be granted to financial companies, which offer the subsidy amount to the project owner of a winning project under the above mentioned subsidy programmes at a reduced interest rate of 0.5% per year (Chapter B1, D2, Call for Proposals KEOP-2013-4.8.0). The subsidy is valid for the whole country except the middle-Hungarian region meaning the districts of Buda and Pest (Chapter C5, Call for Proposals KEOP-2013-4.8.0). |
| 5  | RES-LEGAL   | Biofuel quota - Biofuels and hydrogen are eligible technologies. However, only certified biofuels satisfying specific sustainability criteria can be accounted into fulfilling the prescribed quota. The sustainability criteria for biofuels as well as the procedure for certification are regulated by law (§§ 2, 3, 4, 8 - 11 Decree No. 343/2010 and § 3 (1) Act No. CXVII of 2010). Likewise, biofuel profiting from tax reduction is not eligible (§ 5 (2) b) Act No. CXVII of 2010).  |
| 6  | RES-LEGAL   | Tax regulation mechanism - There is a reimbursement of excise duty in place for E85, bioethanol and biodiesel in case of engine development projects and vehicles used in the mining industry and water management (§ 55, 57/A Act No. CXXVII).   |
| 7  | OECDTADFFSS | Subsidy for Suppliers of Fuels to Remote Areas.   |
| 8  | OECDTADFFSS | Coal Penny. This scheme consists of levies that are paid by final electricity consumers to finance purchases of high cost, coal-generated power by electricity companies.   |
| 9  | OECDTADFFSS | Household Maintenance Cost Subsidy. Starting in 2010, support is now restricted to heat only. Payments are made to gas and heat suppliers who are then required to pass them on to final consumers.   |
| 10 | OECDTADFFSS | Reduced Rate of VAT for District Heating.   |
| 11 | OECDTADFFSS | Early-Retirement Payments for Coal Miners.  |
| 12 | OECDTADFFSS | Support for Mine Decommissioning  |
| 13 | OECDTADFFSS | Fuel-Tax Refund for Railways. Railways operating in Hungary are refunded the excise tax they pay on their purchases of diesel fuel.   |
| 14 | OECDTADFFSS | Fuel-Tax Refund for Agriculture. The off-road use of diesel fuel in farming activities is subject to refunds for up to 70% of the excise tax normally levied on sales of petroleum products in Hungary.   |