

Monitoring of Energy Legislation

MAY 2024

The most important legislative changes and interesting news

MONITORING / May 2024

See the most important news in the field of Slovak energy legislation for the month of May 2024.

RONI has completed the evaluation of the interdepartmental comment procedure of the new price decrees in the energy sector as well as the prepared electricity market rules and gas market rules, which are to enter into force on **1 July 2024**. Contrary to the initial proposals, RONI abandoned the change in the TPS and TSS methodology as well as the radical increase of the G-component.

As part of the calls, a call from the Recovery and Resilience Plan of the Slovak Republic was published, aimed at **supporting the construction of facilities for the production of hydrogen by electrolysis using RES and its storage**, as well as call no. 2 to **support the decarbonization of industry**.

You can read more about these and many other interesting news in this **monitoring for the month of May 2024**.

We wish you a pleasant reading!

1.1A

Pavol Poláček, Managing Partner

1. WHAT HAS CHANGED?

ELECTRIC ENERGY AND GAS INDUSTRY	
Act no. 309/2009 Coll. on the support of RES	no
Act no. 250/2012 Coll. on Regulation	no
Act no. 251/2012 Coll. on Energy	no
Act no. 321/2014 Coll. on energy efficiency	no
Act no. 609/2007 Coll. on excise duty on electricity, coal and natural gas	no
Act no. 555/2005 Coll. on energy efficiency of buildings	no
RONI Decree no. 490/2009 Coll., laying down details on the support of RES	no
RONI Decree no. 92/2023 Coll., laying down the conditions of the tender procedure for the provision of electricity storage facility services	no
RONI Decree no. 107/2023 Coll., establishing price regulation of electricity supply	no
RONI Decree no. 207/2023 Coll., establishing the rules for the functioning of the internal electricity market	no
RONI Decree no. 208/2023 Coll., establishing the rules for the functioning of the internal natural gas market	no
RONI Decree no. 230/2023 Coll., establishing the content requirements of the distribution system development plan	no
RONI Decree no. 285/2012 Coll., establishing price regulation for the supply of natural gas to small businesses	no
RONI Decree no. 450/2022 Coll., establishing price regulation in natural gas industry	no
RONI Decree no. 18/2017 Coll., establishing price regulation in the electric energy and some conditions for the performance of regulated activities in the electric energy industry	no
RONI Decree no. 370/2023 Coll., establishing price regulation in the field of supporting electricity production and some related conditions for the performance of regulated activities	no
RONI Decree no. 246/2023 Coll., establishing price regulation of selected regulated activities in the electric energy industry and some conditions for the performance of selected regulated activities in the electric energy industry	no
RONI Decree no. 278/2012 Coll., establishing quality standards for gas storage, gas transportation, gas distribution and gas supply	no
RONI Decree no. 236/2016 Coll., establishing quality standards for electricity transmission, electricity distribution and electricity supply	no
RONI Decree no. 2/2013 Coll., establishing procedures and measures regarding data storage, form and content of stored data	no
RONI Decree no. 3/2013 Coll., establishing the method, scope and structure of providing measured data on consumption at the take-off point of the electricity consumer and their storage	no

RONI Decree no. 4/2013 Coll., establishing the method, scope and structure of providing measured data on consumption at the take-off point of the gas customer and their storage	no
RONI Decree no. 284/2012 Coll. on the rules for the sale of electricity in the form of auctions	no
RONI Decree no. 212/2005 Coll., establishing the application form for the issuance of a permit	no
Decree of the Ministry of Economy of the Slovak Republic no. 599/2009 Coll., implementing certain provisions of the Act on the support of RES	no
Decree of the Ministry of Economy of the Slovak Republic no. 270/2012 Coll. on professional competence for carrying out business activities in the energy sector	no
Decree of the Ministry of Economy of the Slovak Republic no. 416/2012 Coll., establishing the details of the procedure for applying restrictive measures in a state of emergency and measures aimed at eliminating the state of emergency in the electric energy industry	no
Decree of the Ministry of Economy of the Slovak Republic no. 106/2019 Coll., establishing the list of authorized industries, the scope and structure of the administration and the method of providing compensation to entrepreneurs	no
Decree of the Ministry of Economy of the Slovak Republic no. 202/2019 Coll., establishing the conditions for participation in the auction for the selection of the electricity purchaser and determining the amount of the electricity purchaser's remuneration	no

THERMAL ENERGY	
Act no. 657/2004 Coll., on thermal energy	no
RONI Decree no. 312/2022 Coll., establishing price regulation in thermal energy	no
RONI Decree no. 277/2012 Coll., establishing heat supply quality standards	no
RONI Decree no. 328/2005 Coll., determining the method of verifying the economic efficiency of the operation of the heating facilities system, the energy efficiency indicators of heat production and heat distribution facilities, the normative indicators of heat consumption, the range of economically justified costs for the verification of the economic efficiency of the operation of the heating facilities system and the method of payment of these costs	no
RONI Decree no. 283/2010 Coll., establishing the range of economically justified costs caused by disconnection of the consumer from the supplier's heating facilities system and the method of their calculation	no
Decree of the Ministry of Economy of the Slovak Republic no. 151/2005 Coll., establishing the procedure for preventing the occurrence and removing the consequences of a state of emergency in the thermal energy industry	no
Decree of the Ministry of Economy of the Slovak Republic no. 152/2005 Coll. on the specified time and on the specified quality of heat supply for the end consumer	no
Decree of the Ministry of Economy of the Slovak Republic no. 15/2016 Coll., establishing the method of calculating the annual heat production in the production of electricity	no
Decree of the Ministry of Economy of the Slovak Republic no. 503/2022 Coll., establishing the temperature of hot water at the take-off point and the rules for	no

budgeting costs for the amount of heat supplied in hot water, costs for the amount of heat supplied for heating, costs for the amount of heat supplied or the amount of heat produced in a decentralized heat source and economically justified costs for heat produced in a decentralized heat source	
Decree of the Ministry of Economy of the Slovak Republic no. 308/2016 Coll. establishing the procedure for calculating the primary energy factor of the centralized heat supply system	no
Decree of the Ministry of Economy of the Slovak Republic no. 14/2016 Coll., establishing technical requirements for thermal insulation of heat and hot water distribution systems	no

Note: In our monitoring of energy legislation, we monitor for you the changes to the above-mentioned legal regulations, which were published in the Collection of Laws of the Slovak Republic last month. In the month of March 2024, **no change** to any of the afore mentioned legal regulations was published in the Collection of Laws of the Slovak Republic.

2. YOU MIGHT BE INTERESTED

Slovak Parliament adopted an act that changes the energy regulations in connection with securing operation during extraordinary circumstances

On 21 May 2024, the National Council of the Slovak Republic (hereinafter referred to as the "NC SR") adopted the government draft law amending Act No. 250/2012 Coll. on regulation in network industries, as amended (hereinafter referred to as the "**Regulation Act**"), and amending Act No. 657/2004 Coll. on thermal energy (hereinafter referred to as the "**Thermal Energy Act**") and Act No. 251/2012 Coll. on energy and on amendments to certain laws (hereinafter referred to as the "**Energy Act**").

The law in question was promulgated on 8 June 2024 in the Collection of Laws of the Slovak Republic under no. **128/2024 Coll**.

The Act modifies selected provisions of the Regulation Act, Thermal Energy Act and Energy Act so that it is possible to ensure **emergency operation of facilities necessary for the performance of regulated activities, emergency operation of a system of thermal facilities or parts of** it in a defined area during extraordinary circumstances.

Through the adopted act, the continuity of the operation of such facilities should be ensured, inter alia, since in the event of their shutdown and long-term suspension of operation, their damage could occur, which would result in a limitation or suspension of supply.

Inter alia, the following changes were adopted:

- the competences of the Regulatory Office for Network Industries (hereinafter referred to as "RONI") were extended,
- the cases of extraordinary regulation carried out by RONI were specified,
- the reasons for amending and annulling the decisions of RONI issued to a regulated entity whose license to carry out business in the energy or thermal energy sector was revoked were added, and
- the rights and obligations of the concerned market participants were regulated.

The adopted law is effective on the day of its promulgation, i.e., from 8 June 2024.

The current wording of the law is available at this link.

RONI proceeded to change the draft of the new price decree in the electric power industry

On 7 June 2024, the collection of laws was updated with information on the RONI decree establishing price regulation in the electric power industry and some conditions for the performance of regulated activities in the electric power industry (hereinafter referred to as the **"price decree in the electric energy industry"**).

As we informed in the **monitoring for the month of April 2024**, according to the original draft submitted by RONI to the interdepartmental comment procedure, the new price decree in the electric power industry was primarily supposed to bring:

- a change in the scope and structure of eligible costs, regulation of the method of determining RAB and depreciation,
- regulation of input parameters forming the resulting tariffs for transmission, distribution and supply of electricity,
- a change in the methodology of applying TPS and TSS,
- increase in payment for reserved capacity,
- higher transparency of regulation,
- fair and non-discriminatory setting and redistribution of costs and revenues between individual market participants and more.

However, as RONI stated in its opinion in the **statement of contradictions to the draft price decree**, after contradiction proceedings, RONI **changed its legislative intention** regarding the change in the method of calculating the tariff for operating the system (**TPS**), and tariff for system services (**TSS**) from band rates to uniform rates and individual TPS and TSS rates and **left the previous way of calculating TPS and TSS in the division into band rates** based on internal analyses of the effects on individual participants in the electricity market and in favour of the commenting entities.

According to the latest draft of the price decree in the electric power industry, the originally proposed cancellation of the band TPS and the band TSS should not take place. On the contrary, RONI proposes the **expansion of the bands by a new 4th band** in the case of both TPS and TSS.

With regard to individual TPS, RONI proposes **supplementing Annex no. 2** to the decree by **2 additional NACE codes**, thanks to which there will be an expansion of entities that will be able to apply for determination of individual TPS.

The change in the draft of the price decree in the electric power industry will also affect the reserved capacity in the transfer point, which should be increased from the current value of 15% to "only" a value of **20%** instead of the originally proposed 50% from the interdepartmental comment procedure or the value of the total installed power of the electric power facility.

The draft of the new price decree in the electric power industry is to enter into force on 1 July 2024.

The status of the current legislative process, which is currently in the negotiation stage of the advisory bodies of the Government of the Slovak Republic, can be followed <u>at this link</u>. The modified wording of the draft of the new price decree is available <u>HERE</u>.

RONI Decree establishing price regulation in the gas industry

On 31 May 2024, the collection of laws was also updated with information on the RONI decree establishing price regulation of regulated activities in the gas industry and some conditions for the performance of regulated activities in the gas industry (hereinafter referred to as the "**price decree in the gas industry**").

The draft of the price decree in the gas industry should take into account the goals and priorities of the regulatory policy for the 6th regulatory period, as well as the knowledge gained from the prior regulation.

The proposed price regulation in the gas industry should include:

- specification of the range of economically justified costs,
- adjustment of costs, including the price of gas included in the calculation of the maximum price for gas supply for vulnerable gas consumers, as well as in the calculation of the price of gas to cover losses and own consumption in the distribution system,
- modification of the calculation of prices for access to the system,
- the inclusion of regulation of exceeding the transport capacity within the price regulation of access to the transport system and gas transport.

The draft price decree in the gas industry is to be effective from **1 July 2024**.

The status of the current legislative process, which is currently in the negotiation stage of the advisory bodies of the Government of the Slovak Republic, can be followed <u>at this link.</u>

RONI Decree amending and supplementing the price decree in thermal energy sector

In the electronic collection of laws, there was an update of the information on the RONI decree **amending and supplementing** the RONI decree no. 312/2022 Coll., establishing price regulation in the thermal energy sector (hereinafter referred to as the "**price decree in the thermal energy sector**").

The amendment to the price decree in thermal energy should bring:

- mitigating the negative effects of high inflation on the amount of fixed payments for heat to all consumers,
- a positive effect on the price of heat,
- an exact way of dividing joint costs in the production of heat and cold in one facility, e.g., heat pump, which will bring an increase in fairness and transparency of payments for both commodities for their consumers.

The price decree in thermal energy is to take effect from **1 July 2024**.

The status of the current legislative process, which is currently in the negotiation stage of the advisory bodies of the Government of the Slovak Republic, can be followed <u>at this link.</u>

Amendment to the electricity market rules

On 31 May 2024, the collection of laws was updated with information on the RONI decree **amending and supplementing** decree no. **207/2023 Coll**., establishing the rules for the functioning of the internal electricity market, the content requirements of the system operator's operating rules, the short-term electricity market organizer and the scope of commercial conditions that are part of the system operator's

operating rules as amended by Decree no. 492/2023 Coll. (hereinafter referred to as "electricity market rules").

We have informed you about the prepared electricity market rules in the monitoring for the month of february 2024.

According to the explanatory report, the draft electricity market rules should take into account changes in the internal electricity market in the coming period, in particular:

- the process of changing the balance group,
- responsibility for the deviation and relationships between participants in the electricity market, if responsibility for the deviation is transferred to another participant in the electricity market,
- process-technical modifications and optimization of processes related to new participants and activities on the electricity market: active customer, energy community, independent and integrated aggregator, provision of flexibility, operation of electricity storage facilities and other related areas,
- regulation of processes related to cross-border exchange of balancing electricity, cross-border procurement and provision of support services for the transmission system operator and other related areas,
- the conditions of connection of electric power and off-take electrical facilities to the system,
- details in the field of reactive electric power flows and its compensation,
- method, scope and structure of provision of measured consumption data at the electricity off-take point and their storage,
- procedure and measures related to data storage, form and content of stored data.

The amended rules of the electricity market are to be effective from 1 July 2024.

The status of the current legislative process, which is currently in the negotiation stage of the advisory bodies of the Government of the Slovak Republic, can be followed <u>at this link.</u>

Amendment to the gas market rules

On 31 May 2024, the collection of laws was updated with the information on the RONI decree **amending and supplementing** the **RONI decree no. 208/2023 Coll**., establishing the rules for the functioning of the internal gas market, the content of the system operator's and storage operator's operating rules and the scope of commercial conditions that are part of the system operator's operating rules as amended by Decree no. 491/2023 Coll. (hereinafter referred to as "gas market rules").

The amendment to the gas market rules primarily aims to change:

- details of contractual relationships within the access to the transport system and gas transportation,
- conditions for the protection of vulnerable gas consumers,
- the structure of information on the secured amount of gas for the supply of gas to the end consumer of gas,
- contractual requirements for gas supply contracts,

- the method, scope and structure of providing measured and evaluated consumption data at the gas customer's off-take point, depending on the type of measurement at the off-take point and the structure of the measurement, as well as the storage of consumption data by system operators,
- procedure and measures related to data storage, form and content of stored data.

The new gas market rules are to enter into force od 1 July 2024.

The status of the current legislative process, which is currently in the processing stage before its promulgation in the Collection of Laws of the Slovak Republic, can be monitored <u>at this link.</u>

Draft RONI decree establishing the scope of economically justified costs caused by disconnection of the consumer from the supplier's heating facilities system and the method of their calculation

On 24 May 2024, the collection of laws was updated with the information on the draft RONI decree, establishing the scope of economically justified costs caused by disconnection of the consumer from the supplier's heating facility system and the method of their calculation.

The draft decree **repeals** the previous RONI decree no. **283/2010 Coll**., establishing the scope of economically justified costs caused by disconnection of the consumer from the supplier's heating facility system and the method of their calculation.

The drafting of the decree was prompted by the adoption of Act no. 363/2022 Coll., amending and supplementing Act no. 309/2009 Coll. on the support of renewable energy sources and highly efficient cogeneration and on the amendment of certain laws as amended (hereinafter referred to as the "**RES Support Act**").

According to the explanatory report, the aim of the upcoming draft is to establish the scope of economically justified costs and the method of calculating their amount, which will ensure the compensation of economically justified costs caused by disconnection of the consumer from the supplier's heating facility system, which the supplier did not anticipate, and which is not included in the price of heat.

The draft decree should be effective from 1 July 2024.

The status of the current legislative process, which is currently in the stage after the negotiation of the advisory bodies of the Slovak government, can be monitored <u>at this link.</u>

The Ministry announced a call for the construction of facilities for the production of hydrogen by electrolysis using RES and for its storage

On 30 May 2024, a **call from the Recovery and Resilience Plan of the Slovak Republic** was published on the website of the Ministry of Economy of the Slovak Republic (hereinafter referred to as "**Ministry of Economy** "), aimed at **supporting the increase in the flexibility of electricity systems for higher integration of RES - the construction of facilities for the production of hydrogen by electrolysis using RES and for its storage** with code **01103-26-V08**.

The call is intended for natural or legal persons. Supported projects can be implemented **throughout the Slovak Republic**.

The support concerns projects aimed at the **construction of a new facility for the production of hydrogen by electrolysis using RES with an installed capacity equal to** or **greater than 0.05 MW**. A facility for the production of hydrogen by electrolysis using RES may also include a **facility for storing hydrogen** produced exclusively in this facility. However, the Ministry of Economy points out that separate investments for hydrogen storage are not authorized within the framework of the call.

The maximum amount of support per project may not exceed **4**,000,000 EUR. A total of 13,560,000 EUR is allocated.

When evaluating applications, the primary focus will be on the **cost-effectiveness of the project**. It applies that approved projects must ensure environmental sustainability in accordance with the "*no significant disturbance*" principle. Only projects that meet the requirements of EU and SR legislation in the field of environmental protection as well as other relevant legislation will be supported.

The call should be closed on 30 July 2024.

The call of the Ministry of Economy is available at this link.

You can find out more detailed information about the call of the Ministry of Economy HERE.

Call no. 2 was announced aimed at supporting the decarbonization of industry

On the website of the information system of the Recovery and Resilience Plan of the Slovak Republic, the Call no. 2 for the submission of applications for the provision of funds of the Recovery and Resilience Mechanism aimed at supporting the decarbonisation of industry has been published.

The main goal of the call is to support investments for environmental protection in the form of reducing greenhouse gas emissions in industrial production sectors in a cost-effective manner, in accordance with the national goals of the Integrated National Energy and Climate Plan for the years 2021-2030 and the Low Carbon Development Strategy of the Slovak Republic until 2030 with a view to the year 2050.

Entitled applicants are **natural or legal persons** according to Sec. 2 (2) (a) to (c) of the Commercial Code. Recipients of support funds are always **companies** that carry out industrial economic activities in one or more authorized sectors falling under Annex no. 1 of Act no. 414/2012 Coll. on trading with emission quotas.

The call does not establish a minimum or maximum amount of the mechanism's funds provided for one project or one applicant.

The call was announced on 30 May 2024. The date of its closing is set at 30 July 2024.

A total of 340,469,769.00 EUR is allocated within the call.

The full text of the call no. 2 can be found HERE.

You can read more about the call HERE.

The Ministry of Economy of the Slovak Republic informs about the planned construction of a new nuclear unit owned by the Slovak Republic

On 13 May 2024, information about the planned construction of a new nuclear unit, which should be owned by the state, was published on the website of the Ministry of Economy of the Slovak Republic.

The construction of the nuclear unit is planned in Jaslovské Bohunice within the existing infrastructure of the nuclear power plant. Upon completion of construction, the new nuclear unit should be the largest in the Slovak Republic to date.

Its output is planned up to the level of **1,200 MWh**. The current nuclear units in Slovakia only achieve an output of around 500 MWh.

Within the topic in question, the Ministry of Economy of the Slovak Republic also confirmed that it is approaching the end of large-scale subsidies for high energy prices for households and at the same time emphasized that it is already working on more effective and targeted forms of aid at that time.

You can read more about this topic HERE.

SIEA informs about the amount of funds requested in the call aimed at supporting energy efficiency and the use of RES in public buildings

On 27 May 2024, the Slovak Innovation and Energy Agency (hereinafter referred to as "SIEA") published information on the amount of funds requested in the call for the Slovakia Program aimed at reducing energy intensity and the use of renewable sources in public buildings with the code PSK-SIEA-002-2023-DV-ERDF.

SIEA states that as of 24 May 2024, 584 applications were submitted within the call.

However, the call is still open.

You will find out more information HERE.

The SIEA call informs about the LIVE LEAPto11 project, which will help improve energy efficiency in industry and businesses

On 16 May 2024, SIEA published information about the LIVE LEAPto11 project, which is intended to help improve energy efficiency in industry and businesses.

The LIFE LEAPto11 international project is an initiative to increase energy efficiency in industry and businesses, which aims to strengthen the sustainability of energy audits and energy management systems (EnMS). SEIA is also part of the project.

The project is aimed at evaluating, improving and optimizing current national programs and more efficient use of resources.

According to Article 11 of the revised EED Directive no. 27/2012/EU there is an obligation to introduce an EnMS system or to undergo an energy audit every 4 years, which is set for businesses based on their energy consumption. Until now, the size of the business and economic criteria were decisive. The revised EED directive also introduces several options for motivating SMEs to implement EnMS systems, or to complete an energy audit.

SIEA states that in addition to increasing the efficiency of national programs, other aspects of the new directive related to energy savings in the business sector will also be analysed within the project. By strengthening synergies between energy audits, EnMS and mandatory energy efficiency schemes, the project will seek to maximize the impact of initiatives aimed at the efficient use of energy in the business sector.

You can read more detailed information HERE.

The national energy mix has been published

On 31 May 2024, information about the final version of the national energy mix was published on the website of the Short-Term Electricity Market Organizer (hereinafter referred to as **"OKTE**").

The national energy mix serves the supplier to determine its energy mix (the share of individual sources of electricity in the supply) for that part of the electricity that is not supported by the applied guarantees of origin in accordance with the relevant regulations.

The stated national energy mix is the final result from data available until 31 May 2024.

The national energy mix is available HERE.

You can read more about this topic HERE.

Core Flow-Based Intraday Capacity Calculation (b) project was launched

The Slovak Electricity and Transmission System (hereinafter referred to as "**SEPS**") published on its website a report on the Core Flow-Based Intraday Capacity Calculation (Core FB IDCC) project, which deals with the development and implementation of flow-based intraday capacity calculation within the intraday market ("flow-based" method) within the region for the coordinated calculation of Core transmission capacities.

The region consists of the supply areas of the EU member states: Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia.

You can read more about the project HERE.

This monitoring was prepared for you by:



Richard Laura



Silvia Hodeková

Legal notice

The information provided to the subscriber as part of the monitoring of energy legislation is not a source of legally binding legislation, as only the collection of laws of the Slovak Republic contains the legally binding wording of the legislation in terms of the legal code of the Slovak Republic. The information provided to the subscriber is only informative and does not replace legal service pursuant to the Act no. 586/2003 Coll. on advocacy. The law firm POLÁČEK & PARTNERS s.r.o. is not responsible for the completeness and accuracy of the information provided in the energy legislation monitoring. In case of questions regarding the information provided to the subscriber, the subscriber can ask the law firm POLÁČEK & PARTNERS s.r.o. for the provision of legal services for this purpose.

Down to Earth, Direct, Dynamic.

Go to the website