

Monitoring of Energy Legislation

MARCH 2024

The most important legislative changes and interesting news

MONITORING / March 2024

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

A draft of an act amending **basic energy regulations** has been introduced to the parliament, proposed effective as of 1 July 2024. We took a special look at how the proposed changes in the energy regulations will affect the **operators of RDS and LDS** in our article <u>here</u>.

We would like to draw your attention to the effectiveness of the **new operating rules of SEPS, OKTE and SSD** as well as a piece of news from our law firm: in March 2024, we started publishing an English version of our monthly <u>Energy Legislation Monitoring</u>. Let you friends and colleagues know about it.

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

We wish you a pleasant reading!

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Pavol Poláček, Managing Partner

1. WHAT HAS CHANGED?

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 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	no

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

An extensive amendment to several energy regulations

In the last monitoring, we discussed the draft law being prepared by the Ministry of Economy of the Slovak Republic (hereinafter referred to as "**ME SR**"), amending and supplementing Act no. 250/2012 Coll. on regulation in network industries, as amended (hereinafter referred to as the "**Regulation Act**") and amending and supplementing related energy regulations.

In the meantime, this legislative process has progressed, the draft law was approved by the Government of the Slovak Republic, which subsequently presented it to the National Council of the Slovak Republic (hereinafter referred to as "**NC SR**"). It is currently in the first reading in the NC SR.

The draft of the submitted law should enter into force on **1 July 2024**, except for the amending point, which is proposed to take effect only on **1 January 2025**.

You can learn more about the proposed changes relevant for RDS and LDS operators in the article available on our website.

The status of the current legislative process regarding the draft law can be followed <u>at this</u> <u>link</u>.

The legislative processes for the draft amendments to the decrees, amending the quality standards, continue to progress

On 15 March 2024, the last changes to the preliminary information on the draft decrees of the Regulatory Office for Network Industries (hereinafter referred to as "**RONI**") were published in the electronic collection of laws, namely:

- RONI Decree no. 236/2016 Coll., establishing quality standards for electricity transmission, electricity distribution and electricity supply;
- RONI Decree no. 278/2012 Coll., establishing quality standards for gas storage, gas transportation, gas distribution and gas supply;
- RONI Decree no. 277/2012 Coll., establishing heat supply quality standards.

The expected date for the initiation of comment procedure on the decrees is set on **June 2024**.

The status of the current legislative process regarding the RONI decree no. **236/2016 Coll**. can be followed <u>at this link</u>.

The status of the current legislative process regarding the RONI decree no. **278/2012 Coll.** can be followed **at this link**.

The status of the current legislative process regarding the RONI decree no. **277/2012 Coll.** can be followed <u>at this link</u>.

The call from the Slovakia Program aimed at reducing energy intensity and the use of renewable sources in public buildings is still open

On 22 March 2024, the Slovak Innovation and Energy Agency (hereinafter referred to as "SIEA") published information on the amount of funds requested in the call aimed at reducing the energy intensity and the use of renewable sources in public buildings within the 5. evaluation round (call code: PSK-SIEA -002-2023-DV-EFRR).

The SIEA report states that in the case of measure 2.1.2 related to Reducing the energy intensity of buildings and measure 2.2.2 dealing with Support of the use of RES in energy supply systems, the required amount of funds exceeds the allocation of the call intended for less developed regions.

SIEA does not currently plan to close the call, while informing that if applications for financial resources (NFP) meet all the conditions for the provision of a contribution, but the allocated funds are not sufficient, a decision will be issued to the applicant not to approve the application (NFP) due to a lack of funds, and these applications will be included in the stack of projects.

You can find more detailed information about the call and the amount of funds requested <u>here</u>.

The complete wording of the call announced on 22 December 2023 is available <u>here</u>.

The ME SR has published an update of the indicative allocation for the call for support of the construction of charging infrastructure

On 27 March 2024, the ME SR published a notice, in which it informs that, as an executor within the Recovery and Resilience Plan of the Slovak Republic for component 3 - Sustainable transport, on 26 March 2024, it updated the indicative allocation for the Call for support of the construction of charging infrastructure for electric vehicles for local governments and organizations established by them (call code 03I04-26-V01).

The indicative allocation for the call, updated as of 26 March 2024, is available here.

You can read more about this issue <u>here</u>.

Call of the ME SR for submission of project applications of the Interreg Europe program in the program period 2021 – 2027

ME SR published a press release on its website about the launch of **III. public call** for project applications under the Interreg Europe program for the period 2021-2027.

According to the ME SR, Slovak project partners have the opportunity to submit their projects again **from 20 March to 7 June 2024** through the Interreg Europe website (available <u>here</u>).

ME SR states that the program is to support the exchange of experience, innovative approaches, and the development of capacities in connection with the identification, spreading and transfer of proven procedures. Thanks to the cooperation, participants in the project partnership can gain know-how and improve the implementation of regional development policies and programs.

Financial resources from the European Regional Development Fund can be drawn by **public bodies, bodies governed by public law** and **private non-profit organizations.**

The total program budget allocated to regional cooperation projects amounts to **347,6** million EUR.

Applicants can find information about the Interreg Europe program on the website of the ME SR, or they can directly contact the national authority of the program at the e-mail address: *interregeurope@mhsr.sk*.

The press release of the ME SR is available here.

RONI continues to prepare amendments to several energy decrees

On 22 March 2024, RONI published a notice on its website in which it informs about its intensive work on the preparation of amendments to decrees in three areas:

- decrees establishing quality standards,
- decrees establishing the rules for the functioning of the internal electricity and gas market,
- price decrees in the field of electricity and gas.

RONI is currently reassessing the suggestions and proposals that it received from the professional and lay public after the preliminary information was published, while analysing the possibilities of incorporating them into legislative proposals.

In the case of decrees related to **quality standards**, according to RONI, the main purpose of the amendment is to increase consumer protection and reduce the bureaucratic burden.

When amending the decrees related to the **rules for the functioning of the internal electricity and gas market**, the main goal is to take into account the changes in the internal market that RONI noticed during the performance of its activities and also the requirements

of the EU directive on digitalization of networks and systems, which should facilitate the connection of new sources.

The amendment of **price decrees** in the field of electric energy and gas is implemented with the aim of taking into account changes in the electricity and gas market in the Slovak Republic in the field of operating systems, networks and supplies, which resulted from practice, as well as after the amendment of the primary legislation. The changes are intended to make it possible to more accurately define the eligible costs of energy companies, which should have a positive impact on final prices for Slovak consumers.

You can read more about this topic <u>here</u>.

SSD concluded and evaluated the public consultation on changes in its operating rules and published a notice on the validity of the new operating rules

On 13 March 2024 and 26 March 2024 the company Stredoslovenská distribučná, a.s. (hereinafter referred to as "**SSD**") published on its website a notice on the conclusion and evaluation of the public consultation on the draft of its new operating rules.

Public consultation on the operating rules, which was adopted by the RONI decision no. 0015/2023/E-PP dated 29 December 2023 in accordance with the provision of Sec. 19a of the Energy Act, lasted from 28 February 2024 to 12 March 2024.

SSD expressed its gratitude to all entities that participated in this consultation and provided their observations and comments. On the basis of the provided feedback, the company SSD proceeded to amend the draft operating rules.

The amended wording of the SSD draft operating rules is available <u>here</u>. The recording of the public consultation is available <u>at this link</u>.

In the meantime, the company SSD has also published an announcement about the **new operating rules** valid from **19 April 2024**, which was approved by RONI on 3 April 2024 by decision no. 0006/2024/E-PP.

The link to the consolidated text of the new operating rules of SSD is available <u>here</u>.

You can read more about the procedure for changing the new SSD operating rules <u>here</u>.

Temporary suspension of the certification of facilities with a limited supply of energy

On 12 March 2024, a notice was published on the website of the Slovak Electricity and Transmission System (hereinafter referred to as "**SEPS**") on the **temporary suspension** of the process of preliminary approval of **new providers of auxiliary services and certification** of automatic frequency regulation (aFRR) from facilities with limited energy supply, i.e., **battery solutions**. SEPS justified this step by trying to ensure comparable quality of services provided on different types of facilities.

SEPS is fully aware of the benefits of new technologies associated with electricity accumulation and battery storage in the field of providing auxiliary services. However, both existing and potential service providers have pointed out possible risks to the safety of the operation of the electricity system due to the long-term activation of auxiliary services of battery systems.

The management of SEPS has therefore decided to start consultations with providers and commission the development of a study to assess the optimal conditions for the application of auxiliary services of battery solutions. In order to evaluate the results of this study, SEPS is temporarily suspending the preliminary approval process for new auxiliary service providers and aFRR certification for new technologies related to the accumulation of electricity in battery storage.

SEPS informed the ME SR as well as RONI about these measures.

You can find more information on the topic here.

New operating rules of SEPS

On 1 March 2024, information was published on the SEPS website that, on 4 March 2024, the **amendment to chapter 4 of the SEPS operating rules**, which was approved by RONI decision no. 0003/2024/E-PP dated 1 March 2024, became effective.

The full text of the new SEPS operating rules, effective from 4 March 2024, is available here.

You can read more information <u>here</u>.

The Ministry of the Environment informs that the Government of the Slovak Republic has approved the further stabilization of the Slovak Water Management Company

On 6 March 2024, the Ministry of the Environment (hereinafter referred to as "**MoE**") announced on its website that the Government of the Slovak Republic approved an amendment to the regulation, which effectively **transfers the revenues of the Environmental Fund from water use fees to the account of the Slovak Water Management Company**.

MoE informs that the aim of the changes is to clearly define and ensure the enforceability of the provisions of the Water Act and the government regulation, according to which from 1 January 2024, the Slovak Water Management Company (hereinafter referred to as "**SWMC**"), is the recipient of fees for wastewater discharged into surface waters.

MoE also informs that at the beginning of January 2024, the government approved the financial stabilization of SWMC by redirecting the fees for the use of water to the account of this water management company. Today's approved regulation will ensure the technical transfer of fees for the discharge of wastewater into surface waters for the year 2024 and advances, which were determined by the decision of the administrator of watercourses important for water management before 1 January 2024, to the account of SWMC. This will practically transfer approximately 13 million EUR from the Environmental Fund account to

the SWMC account, which will reduce the financial deficit of the state for the services that the company performs for the country.

The Regulation also regulates the procedure for accounting VAT in the annual accounting of advance payments for underground water use and advance payments for discharge of wastewater into surface waters, if VAT is not included or paid in advance payments for water use. The reason for this change is the opinion of the Ministry of Finance of the Slovak Republic, according to which the use of underground water is considered to be an economic activity and is therefore subject to tax according to the VAT Act.

You can read more information on this topic here.

New operating rules of OKTE

On 28 March 2024, information was published on the website of the Short-Term Electricity Market Organizer (hereinafter referred to as "**OKTE**") about the entry into force of the change to the operating rules of OKTE. The change in OKTE's operating rules became effective on **1 April 2024**.

The change in the operating rules implements the new rules of the electricity market, which are set out in the RONI decree no. 207/2023 Coll., concerning the functioning of the internal electricity market. The content of the new operating rules includes the conditions of the system operator, the organizer of the short-term electricity market and the commercial conditions valid from 1 January 2024.

The decision of RONI, which approved the new operating rules of OKTE, is available <u>here</u>.

The text of the OKTE operating rules, valid from **1 April 2024**, is available <u>here</u>.

You can read more about the OKTE report here.

The Environmental Fund has published a list of activities for which an application for support can be submitted in the year 2025

On 31 March 2024, the Environmental Fund published a list of activities for which an application for **support can be submitted for the year 2025**, together with the expected **date of their publication**.

The relevant document can be found <u>here</u>.

For more information <u>click here</u>.

MoE announced several calls from the Slovakia Program

Information on the announcement of several **calls for financial resources from the Slovakia Program** was published on the MoE website during the monitored period.

These calls include, for example:

 14. call aimed at supporting the second phase of projects in selected agglomerations over 2000 equivalent inhabitants (read more);

- 13. call aimed at supporting the second phase of the project called "Public sewerage and ČOV Hrubý Šúr" (read more);
- 12. call aimed at supporting the research and monitoring of environmental burdens (read more);
- 10. call aimed at supporting the prevention and management of landslide risks related to excessive rainfall activity <u>(read more)</u>.

This monitoring was prepared for you by:



Richard Laura



Silvia Hodeková

Legal notice

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