

The new RES law in Slovenia, transposing RED II

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The Clean Energy Package and the Slovenian approach to transposition

Clean Energy Package

- **Extensive** and also **complex** (at least in some aspects) package of legislation
- Interlinks with network codes – e.g. on topics of balancing responsibilities, interconnection capacities, ...
- The „legislative landscape“ **ever more complex** ... FIT for 55, consequences of war in Ukraine ...
- **Some aspects, relevant for RES, beside RED II:**
 - Independent aggregator
 - Increased role of DSOs
 - Re-design of network tariffs + „no netting“
 - Additional focus on active customers + energy communities
 - Additional „push“ for smart metering, pending CBA

Transposition in Slovenia

- **From single „Energy law“ to 6 „area“ laws:** RES, energy efficiency, electricity, gases, heat, energy policy
- **All adopted, except for the Energy policy law** – first Energy efficiency law (21 Oct 2020), last Heat Supply from Distribution Systems Act (16 Mar 2022)
- The „single law“ approach: since the deregulation of the energy sector in the late 1990s
- The **change** was made as the Energy law was huge (550+ articles) and not easy to manage
- Single laws possibly easier to manage in terms of changes, but also higher need to coordinate, as they are connected

The new Slovenian RES law – starting points, goals and key changes

Starting points

- Slovenia **fell short of the 2020 RES target**
- This resulted in a statistical transfer from the Czech Republic to fill the gap
- New investment **stagnating** (except „net metering“ PV), 2 key issues: spatial planning (= permits) + NIMBY effect
- Investment **focused on technologies, where permits are minimal** (roof-top PV, on-site CHP)
- Transition to auctioning was a problem for small-scale systems

Tenders 1-7 (2016-2020) - selected projects (status 4dec20)	
In system	39,4 MW
Not in system	316,8 MW
Not in system - Wind power	215 MW
Tenders 1 & 2 (2016-2017) completion rate	ca. 20 %

Goals

- **KEY:** increase the use of RES in all segments, transpose Directive 2018/2001/EU (RED II), redesign incentives in all segments of production / use of energy
- **OTHERS:**
 - Redesign the support system and expand to other energy forms, beside electricity
 - Regulate common projects with EU and third countries
 - Renew the „net metering / self consumption“ model in line with RED II / CEP
 - Regulate RES communities and certification of key personnel
 - Achieve administrative simplifications and introduce SPOC
 - Achieve more inclusion of RES in H&C

Key changes

- **Redesign and expansion of RES support / subsidies:** keep auctions, but option for direct support for <500 kW; options for all forms of energy, not just electricity (H2, biogases, H&C, biofuels); introduced fee for local communities for wind projects (NIMBY!)
 - changes regarding funds: explicit legal base for source / use for joint projects, statistical transfers // Ministry to produce a multi-year plan
- **New „net metering / self consumption“ model:** keep investment (CAPEX) subsidies, added option to support also storage (batteries); option to combine feed-in and „self consumption“; kept transition period for current system until 31. 12. 2023 (in line with CEP); individual / multi-storey buildings / community
- **Expansion of Guarantees of Origin system:** (electricity – all sources, already implemented; added: renewable gases (including H2), H&C; explicit legal base for international connection of registry (already implemented))

Key changes (2)

- **Implementation of a single contact point for RES (SPOC):** task assigned to Borzen; to help investors and also to collect data on projects (identify bottlenecks ...); gradual implementation; will NOT have „power of attorney“ from the investor (by law; important limiting relation to general administrative procedures)
- **Optimisation of current support system:** legal foundations especially in terms of digitalisation and acquisition of data (personal/contact, metering)
- **Exemptions for energy intensive industries (reduced RES levy):** additional conditions for eligibility – energy standards, audits, local RES production

Key changes (3)

- **Energy communities:**

- **REC:** legal entity (N.B.: community self-consumption = contract based!), natural + legal persons as members (not „energy companies“); de facto + de iure = „producer“; eligible for support; members keep their rights as final consumers; level of involvement on the market may differ
- **CEC (defined in the Electricity Law!):** legal entity, natural persons + municipalities + small enterprises; connected to DSO grid; legally treated as cooperative; wider scope of possible activities (production, supply, aggregation, storage, energy efficiency services, EV charging, other energy services)

Key changes (4)

- **Support in spatial planning & administrative procedures:**
 - Explicit favouring of RES in spatial planning procedures at all levels
 - Ministry to assess the possibility of integrating RES in H&C
 - Regulator to review (bi-annually) obstacles for long term PPAs
 - Permitting procedure to take max 2 years (1 year for <150 kW)
 - No building permit if plant on/in/by an existing building
 - Single point of contact (SPOC)
 - RES H&C goal +1,3%p (per year) (up to 2030) (general goal t.b.d. in NECP); transport 14% until 2030 (not below 10%) + limiting impact on food



Interaction between different laws

Impact of other laws

- **General administrative procedures law + Laws regulating spatial planning / permits:** e.g. impact on SPOC – limits the streamlining of procedures ...
- **Laws relating to companies, taxes ...:** impact on small producers with „net metering / self consumption“ – obligation of formal registration of economic activity? Additional (substantial) costs?
- **Electricity law:** important changes to market model impacting RES (e.g. split supply, sub-metering, independent aggregator ...); CEC defined in this law; P2P integration (from RED II) integrated in the market model in this law



Conclusion and „To do” list

Conclusions

- **Personal opinion:** both RES and electricity laws pretty good – flexible, support different possible business models without changing the law (e.g. self consumption, smaller scale FIT ...)
- **Key decrees** have also been adopted already (SPOC, quick review of support decree + decree on financing the support scheme, fee on WP for local communities (3% of revenues from electricity sales), new self-consumption/net-metering, RES in transport ...)
- **To-do:** focus shift from „legislation“ to „implementation“; yet some legal issues still „in the pipeline“: re-design of the support system, scope extension of GOs ...

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QUESTIONS?

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