

Wind energy in  
Slovakia & Bird & Bird

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# Introduction

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# Section 1 – Market overview

# Status quo Wind

- 2 wind parks with altogether 5 turbines
- Cerová (Lesser Carpathians), total output 2.6 MW (4 x 660 kW), commissioning October 2003, extension +2 turbines planned
- Ostrý vrch (Myjava), 500 kW, commissioning July 2004
- Skalité (Kysuce), 2 MW (4 x 500 kW), commissioning 2005, shut down in April 2008

# Grid operator

- Transmission grid: Slovenská elektrizačná prenosová sústava, a.s. (SEPS)
- Distribution grid:
  - ZSE Energia, a.s.  
100% subsidiary of Západoslovenská energetika, a.s.  
Shareholders via trust funds are Slovakia 51%, E.ON 40% and the European Bank for Reconstruction and Development 9%
  - Stredoslovenská energetika, a.s.  
Slovakia 51%,  
Electricité de France International 49%
  - Východoslovenská energetika, a.s.: Member of RWE Group.
  - ČEZ Slovensko, s.r.o.: subsidiary of the Czech ČEZ, a.s.
  - Lumius Slovakia, spol. s r.o.: subsidiary of the Czech Lumius, spol. s.r.o.

# Distribution grid

Západoslovenská energetika, a.s.



Stredoslovenská energetika, a.s.



Východoslovenská energetika, a.s.



## Section 2 – Details

# The wind is picking up...

- SEPS announced to issue its feasibility study on wind power projects in Slovakia – this will form the basis for positive wind park consents
- 1 September 2009 the new Act on Promotion of Renewable Energies comes into force
- 1 January 2010 support scheme takes effect
- To date more than 70 wind park EIAs submitted



# Act on Promotion of Renewable Energies

- Off-take guarrantly 15 years
- Fixed feed-in tariff ("FiT")
- Fixed for max. 3 years
- Max. 10% degression
- Indexation
- Subsidies:
  - Up to 30% of the investement, FiT minus 4%
  - < 40%, 8%
  - < 50%, 12%
  - > 50%, 16%
- Up to 10 MW full FiT, from 10 MW pro rata (e.g. 20 MW, FiT in proportion  $10 \text{ MW} / 20 \text{ MW} = 50\%$  of the energy produced; 100 MW,  $10 \text{ MW} / 100 \text{ MW}$ , = 10% of the energy produced)

*80,91 EUR/MWh*

# Administrative bodies involved

- **Ministry** sets the policy and has the right to propose bills
- **Regulatory agency** regulates technology issues, specifies the methods for calculating the FiT, issues licenses and approves new power plants
- **Energy inspectorate** checking compliance with the Energy Act and regional funding practices
- **Energy agency** was launched by the Minister and advises both the Ministry and the regulator

# General process

## 1. EIA

2. Requesting opinion of the grid operator on the expected impact on the network and the type of connection (§ 11 para 3, lit. b), Pt. 3. and 10. Energy Act)

3. Requesting for the opinion of SEPS on the effects on the transmission network (§ 11 para 3, lit. b), Pt. 2., 3., 8. and 10. Energy Act)

4. Certificate on compliance of the investment with the long-term plan on energy policy (§ 11 Energy Act)

## 5. Permits

- Zoning decision
- Building permit
- Extraction from the Land Fund
- Energy production licence (from 1 MW)

## 6. Connection contract / PPA

# Energy production licence

- From 1 MW
- For an indefinite period of time
- Applicant:
  - min. age 21
  - full legal capacity
  - permanent residence in SK
  - clean criminal records
  - education: Training for the required activity + Master/Diploma in a technical discipline
  - technical requirements (except: certificate or responsible representative existing)

# Energy production licence II

- Legal entities:
  - seated in SK
  - meet all technical requirements (except: certificate existing)
  - designate a responsible representative, etc.
- Applications for licenses can be rejected by the regulatory agency
- entities active in the energy sector should have this entered in the Commercial Register

# Certificate of conformity of the project with the Slovak energy plan

- Condition for a power plant from 1 MW
- Certificate is issued by the Ministry (required: detailed project documentation, financial documentation, certifying the compatibility of the system with the land use plan and SEPS study)
- Positive SEPS statement
- > 30 MW: Applicants must demonstrate experience in operating a power plant in detail
- The certificate is a precondition for zoning and building permit process
- Granted for 3 years
- Information and communication requirements

# EIA, zoning and building permit

- EIA
- Zoning permit:
  - determines whether the project meets the land use plan and determines other terms and conditions
  - is valid for 2 years, prolongable
  - if the type of use is in compliance with the zoning plan, zoning decision is not necessary
- Building permit and use permit



## Section 3 – Proposed changes

# Proposed Changes

## Changes under the Act on Support of Electricity Production by Renewable Sources

- Off-take: operator from 1 MW responsible for the stability of the network & have to "compensate the variation" in their output.
- Duration of support: costs of reconstruction or modernization of the technological part of the facility must be higher than 50% of the investment in procurement of a new and comparable technological part of facility for production of electricity.
- Subsidies: "If there was any investment subsidy provided from the state budget for the construction of the facility, the subsidy in the form of supplementary payment cannot be provided."
- FiT: if ROI < 12y, FIT is to be set in a manner that the ROI will be > 12y

## Section 4 – Conclusions

# Conclusions

- New attractive FiT
- Predictable legal framework
- SEPS announced to start issuing positive wind park consents
- Rush of investors

Thank you & Bird & Bird

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