

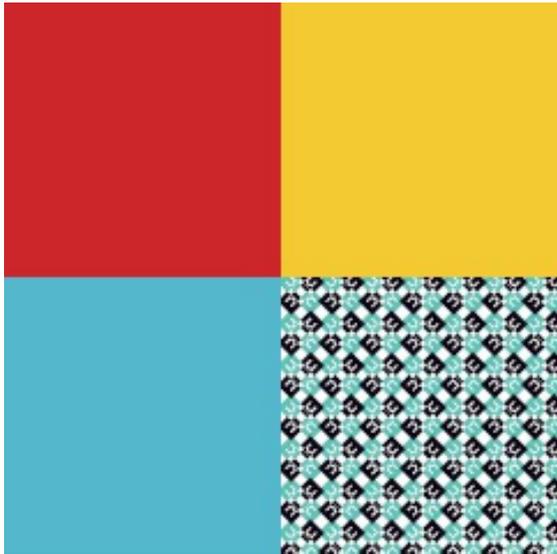


**ENERGIACLUB**  
CLIMATE POLICY INSTITUTE  
APPLIED COMMUNICATIONS

# ANNUAL REPORT 2012







## FOREWORD

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2012 – it’s the end of the world as we know it...  
R. E. M.

The world didn’t end, so we have no choice, but to give an account of what happened last year.

Let’s start right at the end. I mean at the end of the year, as the world’s leaders usually meet in late November/early December to set the direction for global climate policy. This time the conference was held in Qatar, the land of the oil magnates. After the past few years’ climate talks fiascos no one could have expect a real breakthrough. And the quota prices did not climb, neither.

In Europe, we are somewhat better off, since no one needs to be convinced that climate policy is important and the European Union has long been working on regulating the sub-sectors. In 2012, following the Renewable Directive and various action plans, the Energy Efficiency Directive (EED) was born. The Directive—as European legislation in general—is quite convoluted, yet a few interesting details should be outlined. For example, energy providers are requested to reduce energy sales every year among their customers. This legislation gives rise to a completely new model—which, by the way, was discussed by professionals from the Energiaklub during the go’s—by reducing the energy demand side, setting new tariffs, and introducing on-bill financing of energy efficiency equipments to consumers. We look forward to hearing more on these developments.

In the renewables’ front the Western world faces cut-throat competition from Chinese solar panel manufacturers. The Chinese are accused of antitrust violation, and to retaliate, they question the quality of US and EU manufactured products. The battle ended up sending purchase prices on a roller-coaster ride. Hopefully, the case will settle soon and the increase in efficiency triggered by solar technology developments will have a predictable, adverse affect on solar energy feed-in tariffs in Europe.

In Germany, the entire energy industry—including producers (renewable and fossil), providers, energy-efficiency companies, investors as well as researchers at universities and other institutes—is in an uproar due to the unprecedented and incredibly serious debate on the so called Energy Turnaround (Energiewende). Due to the Turnaround the German CO<sub>2</sub> emission, for an interim period, may not decrease, but rather increase. The heated discussion continues and the entire continent or even the entire world could learn some important lessons along the way.

In Japan, the reactors are staying cool. (Of course, the reactors in Fukushima are still hot, but where are they exactly?) Although, the Japanese government reportedly eyes to restart some of the reactors, it will take a while until they can meet safety regulations put in place after Fukushima. Revamping the Japanese regulatory system will also take more than one day. The awkwardness of the situation is underpinned by the fact that the International Atomic Energy Agency shifted almost 50 “snoozing” reactors from the category “In Operation” to the category “Long-term Shutdown”—for a weekend. Thus, the reactors which have been out of operation for two years and supposed to remain this way for an indefinite period of time are officially categorized as “In Operation”. Well, what can we say...437 reactors in operation sounds way better than 390...

Hungary could draw some conclusions from all the events and developments mentioned above. Yet, moving toward green energy is almost unnoticeable, neither in the renewable sector, nor in terms of efficiency. The METÁR (a new heat and electric energy and feed-in tariff system using renewable and alternative energy sources) that the government was

scheduled to implement two years ago, was still not introduced in 2012. “To make up for it”, the energy ministry announced that it would reevaluate the action plan approved in 2010 that adds more uncertainty to the already gloomy outlook. There is hardly any news about investments in renewable energy and the some of the companies operating in this sector are vegetating near-bankruptcy.

Energy efficiency and more specifically, the energy-saving potential in buildings was a take-off point of the national energy strategy. Nevertheless, the government did not tighten building code regulations during last year’s reviews, even though its cost saving potential for both the national and microeconomic environment is clearly proven. Households have a vested interest in insulating their own property, and some of them actually does it, which gives business to a few companies in the industry. However, due to the lack of information and scarce financial resources these improvements are often executed in a rather poor quality. Let alone, a greater volume would need to be achieved in order to meet the targets set in the action plan.

Matters concerning nuclear energy run a lot smoother. The Hungarian Government treats the investment in the Paks nuclear power plant as a high priority project: the radioactive waste repository in Bataapáti is already in operations, the application process for environmental permits for Paks-2 has already began, and certain units of the power plant have already received a license for extended operation. On the other hand, we did not yet receive the data—despite of requesting it through the Control Energy Program—that would justify the necessity of another nuclear power plant project worth several billions of forints of investment.

Projects run by the Energiaklub in 2012 helped to pave the way for a sustainable energy management, both in Hungary and in Europe, as you can read in our more detailed report. In 2012, energy efficiency remained the focus of our theoretical, research and educational activities. Our report titled “Cost optimization of buildings’ energy performance requirements in Hungary” will contribute to tightening building regulations in the future. We provide advice and ideas to the well-off, those with

determination, and low-income families on energy awareness, energy efficiency and energy savings. We have prepared the climate protection policy for yet another city, Eger, and we work in a closer collaboration with the municipalities in the Southern Transdanubian Region. We did not let down the renewables, neither. We continue our RES Champions League project where two Hungarian towns were awarded an international prize. We joined new international projects, as well.

If you would like to see more information on last year’s work please turn to the next page. If you would like to learn more about our current activities, please visit our website at [www.energiaklub.hu](http://www.energiaklub.hu).

As I started with a quote from R.E.M., I would like to finish, à la mode, with the same quote (and some sarcasm):

„It’s the end of the world as we know it and I feel fine.” —So, are we having a fine time? Let me put it this way: In spite of all, let us have a fine time!



Ada ÁMON



## RESEARCH STUDIES

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### RESEARCH IN THE SERVICE OF SUSTAINABLE ENERGY

In 2011, we had conducted several studies to fill the research gap and the outcomes aided even public administrators in policy-making. In 2012, we built on these outcomes, as well as the data and the expertise in methodology accumulated by the Energiaklub, in order to create interesting and important studies that influence policymaking decisions.

We conducted further analysis stemming from the NegaJoule2020 project's data. The primary goal of the NegaJoule2020 was to determine the energy efficiency potential of residential building. A questionnaire was filled out by 2,000 households which gives us a reliable snapshot of the energy awareness of the Hungarian population and enables us to estimate—in a high confidence interval—the potential energy savings and the level of investment needed to reach such potential. When we presented our findings, the question was often raised “And what about the public buildings’ potential?” or “Have you calculated the renewable potential?”

### NegaJoule2020 — Renewable energy potential of residential buildings

The achievable energy saving potential of residential buildings by increasing energy efficiency is greater (150 PJ) than that of investing in renewable energy solutions. However, when comparing potential savings of using renewable energy we should look at buildings that have already been made more energy efficient. In our calculations, we took it into account that renewable technologies are implemented when the building is already energy efficient enough. As the government's reporting obligation on its renewable energy action plan is due soon, we recommend to get

familiar with our research findings<sup>1</sup> on the subject.

### NegaJoule 2020 —energy efficiency potential of public bodies' buildings

Determining the energy saving potential in public bodies' buildings is just as important as in residential buildings. Since we only had access to data on public school buildings and office buildings we were able to calculate the energy saving potential for these two groups. Our research findings are available on the <http://negajoule.hu> website.

### Cost optimization of buildings' energy performance requirements

The European Union has created several legislations in an effort to support its Members States to improve energy efficiency of buildings. Background studies need to be conducted in order to regulate and tighten requirements of already existing and future residential and other types of building stock. The cost-optimal levels of building requirements have to be set, so the regulations will help realize highest possible energy savings, while placing the smallest possible burden on the owners. In other words, a cost-optimal value has to be set, so Member States can tighten their national regulations on energy performance requirements of buildings at a level that will yield the most rational solutions in terms of estimated lifespan, costs, and energy savings.

The Ministry of Interior has appointed the Energiaklub to conduct technical and financial calculations by building types using a certain methodology (methodology and calculations outlined in Directive 2010/31/EU). The purpose of the study was to prepare background information for policy makers. The outcomes<sup>2</sup> of the study serve as the backbone of the national report that the Ministry of Interior has submitted to the EU.

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<sup>1</sup> <http://energiaklub.hu/publikacio/lakoepuletekben-elerheto-megujuloenergia-potencial>

<sup>2</sup> [http://www.negajoule.hu/sites/default/files/ek\\_epu\\_letenergetikai\\_kovetelmenyertekek\\_optimalizalasa\\_2013.pdf](http://www.negajoule.hu/sites/default/files/ek_epu_letenergetikai_kovetelmenyertekek_optimalizalasa_2013.pdf)

## More efficient homes – Macroeconomic impacts

In 2012, due to a new tax legislation the VAT increased from 25% to 27%, which impacts building renovations in terms of return on investment and being economical. Consequently, we had to build this into our model. We did not find any significant macroeconomic impacts due to the VAT changes. Under the current conditions, the government could still create a significant number of new jobs, while the state subsidies to support this process could be recouped by taxes.



## PROJECTS

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### ENERGY EFFICIENCY IN PRACTICE

Our latest campaign “Renovation on your doorstep” (“Küszöbön a felújítás”), and “Lakcímke” which has been running since 2009 go hand in hand to assist lay persons, housewives, and heads of households to find their way in the world of building energy performance. We also cater to those lacking financial resources to renovate; our project “EC LINC – Energy Check for Low Income Households” – (“Csekkcsökkentő”) offers solutions to them to help curb their utilities bill.

### EC LINC – Energy Consultancy for Low Income Households

“Poor folks are the poorest,  
They add their shivers to winter freeze”

Attila József, the iconic Hungarian poet, wrote these lines in 1924, yet they are as relevant as ever. Paying the energy bill remains a challenge in many household even today. Those living from paycheck to paycheck will have a difficult time investing in energy efficient solutions and they often lack even basic information. The EC

LINC<sup>3</sup> project was designed to fill this information gap with the assistance of qualified social workers.

The project is a pilot study that receives funding from the European Union’s IEE (Intelligent Energy Europe) program. The outcomes of the study are expected to provide useful background information for both Hungarian and European social workers and decision makers on how to tackle this sensitive issue.

### “Renovation on your doorstep” (“Küszöbön a felújítás!”)

Or KÜSZI as we like to call it. This was our largest project in 2012. Our goal was to provide useful information to those who have made up their minds about energy retrofitting their real estate. Our objective is that the Hungarian population would realize, that they have a vested interest in making the logical step and retrofit their home for significant energy savings, and they can get assistance from technical professionals. Evidence from previous projects, building stock research, and surveys among the target audience show that those retrofitting need relevant and comprehensive information that will lead them through the entire process step by step, including financing, measuring success, and project management. The extensive campaign uses an array of communication tools to disseminate the information across a wide spectrum of audiences. The project’s website<sup>4</sup> is here to stay for a long time for those retrofitting.



<sup>3</sup> <http://csekkcsokkento.hu/>

<sup>4</sup> <http://kuszobonafelujitas.hu/>

## MUNICIPALITIES – CLIMATE AND ENERGY

Following the preparation of the climate protection strategy of the city of Gyöngyös, we devised a similar plan for the city of Eger. The plan makes recommendations on reducing emissions, and taking certain measures in order to adapt to climate change. We also prepared an energy awareness questionnaire for municipality workers in several towns of the South Transdanubian Region and advised them on the actions to take at a local level.

In 2012, for the third time, Hungarian towns received their well-deserved award for their exemplary work in solar energy use. Each year, more and more municipalities compete in the RES Champion League competition (Napkorona Bajnokság). Last year 174 Hungarian towns competed in three categories, and two of them were crowned in the international RES Champion League and Biomass Competition in Rome. The towns of Bóly and Szarvas were among the top European towns for their use of renewable energy resources.

For more information please visit:

<http://napkoronabajnoksag.hu/>

## From floods to a greener economy – climate change strategy guidelines for municipalities

Our short, clear, and to useful guide helps to understand what towns can gain by developing a climate change strategy, what are the effects of climate change, what steps to take to plan and develop such strategy. From useful tips municipalities can learn how to save money and provide adequate information for residents while boosting the local economy. The brochure can be downloaded<sup>5</sup> for free after registering at our website.

## MANERGY – Efficient regional energy supply models in the South Transdanubian Region

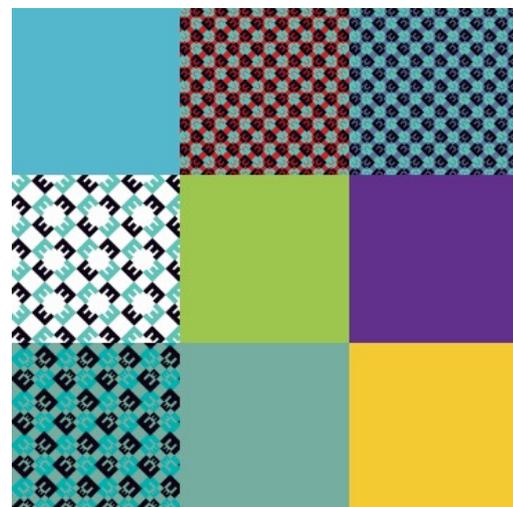
The international project titled “MANERGY” continued, so did our close cooperation with the South Transdanubian Regional Development Agency (STRDA) and the South Transdanubian Regional Innovation Agency

<sup>5</sup> <http://energiaklub.hu/publikacio/arvizektol-a-zoldulo-gazdasagig>

(STRIA). The goal of the project is to encourage energy efficiency by the use renewable energy sources among the participating municipalities in the region. The initiative receives funding from the European Union’s CENTRAL EUROPE program and the South Transdanubian Region is the Hungarian pilot site of the project. In 2012, the South Transdanubian Region’s Energy Strategy was developed, as well as the energy use survey for the region’s municipalities— both with the professional support of the Energiaklub.

## Transport Learning – Knowledge and capacity on sustainable urban transport

The initiative entails training programs for municipalities, energy/management agencies and professional bodies. How can we save energy and money in urban transport? How can we engage the public in public transport planning? How can we convince local residents of the advantages of using bikes as a mean of transport? What does an efficient parking system entail? Our free training program series kicked off in 2012 and will answer these and similar other questions. Hungarian participants receive hands-on training through international knowledge exchange of European trends. Our training materials can be downloaded<sup>6</sup> for free regardless of participation. Our online tools also provide assistance for local communities in developing transport policy and even plan necessary actions.



<sup>6</sup> <http://transportlearning.net/>

## TRANSPARENCY AND PUBLIC PARTICIPATION IN ENERGY

### Control Energy Program (Energia Kontroll Program –EKP)

Energy is everyone’s concern: we all pay our electricity, gas, or district heating bill. But why are the items on a bill as large, as they are? Who are the energy policy decision makers and who has a say in the decision making process? How is the energy sector controlled? Do we have the right to access data that concerns us? How can we access this data? The Energiaklub’s Control Energy Program has been running since 2009 and has been looking to answer these and other important questions such as: What happens to the funds the government receives for CO<sub>2</sub> emission rights? Are the EU tenders handled in Hungary in a transparent way?

We have filed numerous lawsuits in the past few years, and 2012 finally brought some positive developments for certain cases. Since 2009 we have been trying to gain access to the details—among other cases—of nuclear power plant expansion of Paks. We had 8 court appearances in relation to this case and two first-degree court rulings stated that the requested documents shall be made available to us. The Hungarian National Authority for Data Protection and Freedom of Information and the Tribunal has issued the same opinion. When justifying its ruling, the Tribunal made the following statement, which has almost become a classic by now: “I am telling you for the 999,999<sup>th</sup> time that the MVM (Magyar Villamos Művek Zrt.) is a public sector body with a public service mission.” The highest judicial authority, the Curia, ruled *res judicata* that MVM shall provide the data and emphasized the principle that Magyar Villamos Művek Zrt. has a public service mission. In 2012, three investigative articles, and a short film on EKP’s mission was produced, which are all available on the Energy Program Control website<sup>7</sup>.

Our work in the so called Aarhus working group is also conducted via the EKP. As part of the European Union’s initiative, round table meetings takes place and within this context, a

working group operates that reviews the enforcement of the Aarhus Convention in Hungary in nuclear energy matters (Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters). We sit down with all the key players in nuclear energy, including industry, authorities, governmental offices, ombudsman’s office, as well as, legal, professional, and social bodies to discuss our experiences and make recommendations to improve transparency and public participation in the decision-making process of nuclear energy matters. The “Data Request Protocol” which was univocally accepted by all participants of the round table, was one of the outcomes of the discussion. The protocol, while respecting current legislation, smoothens the process of making public information available to the public.



<sup>7</sup><http://energiakontrollprogram.hu/>

## Nuclear energy after Fukushima

We also followed the stress tests performed in European nuclear plants after Fukushima. Together with our colleagues from neighboring countries, we have gathered all the issues that came up during tests in the Central and Eastern European countries and presented it to the press.

We have been keeping an eye on the expansion plans in Paks, as well. After the lawsuit, we received the data requested through the EKP from MVM, and we prepared an analysis on the expansion plans also known as the Lévai project.

The analysis did not only overview the process of data request and the data received, but also issued a professional opinion on the matter based on various calculations and analysis.

We also voiced our opinion at the public hearing in Paks on the extension of the operation license, moreover, at the public hearing of Parliament's Sustainable Development Committee where we were able to share our opinion with the MPs, as well.

At the end of the year, we also participated in the environmental licensing process (in the consultation phase) of the new units of Paks. Three days before Christmas—just on time, despite the hesitation from the authorities handling the submission process—we submitted our opinion on issuing the documents that justified the expansion request.



## EVENTS AND PUBLICATIONS

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In 2012, we participated in numerous events and organized quite a few ourselves. We hosted dozens of conferences, training programs, and presentations that were attended by more than 1,500 participants. Our professionals were requested to present at

events of various scales, two-three times a month on average, on various energy-related topics such as energy policy, energy efficiency of buildings, regional energy management and local climate policy.

For the first time in the Energiaklub's history, we hosted a series of 5 presentations through live internet connection, on various topics of energy retrofiting.

We also had an active media presence in 2012. Our name was mentioned the media at least two times a week. As a result, we were delighted to notice that almost 100,000 people followed our activities on the internet.

We also prepared several studies and publications that often helped to fill the research gap.



## 2013 OUTLOOK

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Several projects mentioned above are in their 2<sup>nd</sup> or 3<sup>rd</sup> year already, therefore it is important to mention projects that were about to begin last year or were in the preparation phase, but they will have concrete outcomes in 2013. Such projects include renewable energy, supporting the energy management of municipalities, or promoting green procurement.

## **Towards 100% RES rural communities - Energy, planning, rural development**

We are launching a project to provide an opportunity for Hungarian rural communities (even groups of villages) to participate in an EU-level initiative that respond to their specific needs concerning energy management. The participating communities support the voluntary commitment to meet the EU “3x20” objectives. As we know from several examples in rural communities around Western Europe, a 100% renewable energy share is not a far-fetched goal. The purpose of this project is to set innovative Hungarian villages and small towns on this path.

## **RE-SEETies – Strategic planning competences of municipalities in the field of energy efficiency**

Both local and regional communities have a primary role in encouraging resource efficiency. The RE-SEETies project aids municipalities to use resources most efficiently in town planning. The RE-SEETies project specifically focuses on the two major elements linked to resource efficiency—energy and waste—in an integrated manner. It also sheds light on challenges and opportunities related to energy consumption and waste management, as well as the interconnectedness of these two.

## **Buy Smart+ – All you need to know about green procurement**

We participate in the expansion of a successful project that promotes green (public) procurement in Hungary. Public procurement accounts for huge amounts in spending in Europe. Municipalities and public authorities spend approximately 2 trillion euros annually on procurement. In addition, private companies also have a significant effect on the markets through their procurements. If these procurements took into account environmental criteria (like energy efficiency, life cycle, wastes) it would have a serious impact on the environment, increase the demand for environmental friendly products, encourage innovation and in the long run it would save a lot of (public) money. You can find more

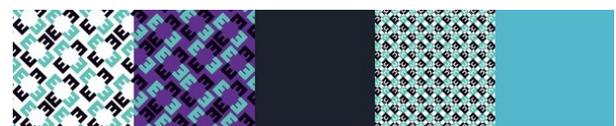
information on this project at [www.buy-smart.info](http://www.buy-smart.info)<sup>8</sup>.

## **Q-BICON – A qualification scheme for biomass consultancy**

Based on experience from the biomass market and various European countries’ training program portfolio, we can say that several European countries lack comprehensive training programs on biomass-based energy production. The Q-BICON project fills this gap and gathers complex knowledge that is necessary for the execution of biomass projects and prepares educational materials tailor made to local needs. The training materials were developed by biomass experts and trainers from four EU Member States, namely Germany, Austria, Poland and Hungary. The course takes 3 months and combines e-learning with in-class teaching methods.

## **SusTrans – Sustainable, energy efficient transport**

Our new project that focuses on sustainable and energy efficient transport took off with the participation of the Visegrád countries. The participants include the University of Žilina (Slovakia), the Green Mazovia (Poland) and Centre for Transport and Energy (Czech Republic). In 2012, a background study was conducted. In addition, roundtable meetings were scheduled in each country to overview basic challenges and questions. You can find more information on the project’s website<sup>9</sup> which was launched this year/last year.



<sup>8</sup> <http://www.buy-smart.info/index.php/cat/720/title/Hungarian>

<sup>9</sup> <http://www.sustrans.eu/hu>



# RESEARCH COMMUNICATION TRAINING

FOR DECISION-MAKERS, STATE ADMINISTRATION,  
COMPANIES AND HOUSEHOLDS

ABOUT HUNGARIAN AND INTERNATIONAL CLIMATE  
AND ENERGY POLICIES, ENERGY-EFFICIENCY  
AND RENEWABLE ENERGY SOURCES



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