

Position Paper

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**ENERGIA
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Regulation on Energy Performance of Buildings in Hungary

Despite the undeniably positive tendencies concerning the energy intensity of the Hungarian economy there are still significant untapped potentials for improving energy efficiency especially in the household sector where energy intensity is worsening. Although energy efficiency jointly contributes to all the three objectives of the European energy policy (i.e. increasing security of supply, ensuring the competitiveness of the European economies and combating climate change), alarming deficiencies in the Hungarian energy policy can be encountered in this field as shown by the case of the EPBD, as well as the scarce resources allocated for energy efficient investments.

Status – The 2002/91/EC energy performance of buildings directive (EPBD) needed to be incorporated into national legislation by January 2006. While the Commission is already working on the revision of the directive, the EPBD has not even entered into force in Hungary, only the draft government bill was recently submitted to the Commission. Although Hungary has been granted a 3-year delay for the adoption of the directive the slow harmonization process is rather unpromising taking into account the time period necessary for residential and public sectors for preparing for the new legislation. Given the fact that the government has not undertaken any kind of information campaigns regarding the EPBD Energia Klub – among other professionals – doubts the success of the implementation.

The weakest points of the Hungarian EPBD draft can be summarized as follows:

Due to the limited financial resources of the residential and public actors politicians intend to maximise the price of the certification at a rather low level. Contrarily, building engineering professionals would consider an unreasonably high price level as acceptable. This contradiction is resulting in the degradation of the auditing methodology as the draft bill proposes the consumption-based calculation although it is obviously not appropriate for measuring the energy performance in the residential sector where significant differences in the building parameters might occur.

According to the Hungarian draft public buildings would not fall under the scope of the regulation except for large buildings (> 1000 m²) or buildings with significant customer traffic (though significant is not defined properly).

However, we consider the complete lack of sanctions as the most severe deficiency of the regulation. Knowing the languidity of decision makers and the reluctance of building owners for paying further obligatory expenses the compliance with the law is questionable.

Conclusions – In general, we can assert that the Hungarian regulation in its current form does not comply with the EPBD at many points. Decision makers regard the EPBD as another undesirable administrative obligation and it is feared that the Hungarian regulation will not contribute to the initial objectives of the directive (i.e. reducing the energy use of buildings). It is therefore advisable that the revised EPBD obligates the member states to formulate sanctions and incentives (e.g. small scale tax reductions when selling or renting a property) within the national regulation.

Funding – The scarce state funding opportunities available for energy efficiency and renewable energy related investments further aggravates the deficiencies of the regulations. For the far largest energy related fund in Hungary, the Environment and Energy Operational Programme (part of the Cohesion Fund) EUR 4,9 billion are allocated for the time period of 2007-2013. Regrettably only 3,14% of this amount is available for energy efficiency and 5,15% for RES investments, the remaining 91,71% serves other environmental purposes. Considering that 80% of the GHG emissions is related to energy activities, allocating such incredibly low resources for handling the problem at its source and only dealing with the occurring symptoms is not acceptable.