

Residential Prosumers in the European Energy Union

EAHC/2013/CP/04

Mapping the legal and regulatory framework in the 28 Member States, Iceland and Norway

Slovakia



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Disclaimer: The information and views set out in this study are those of the authors and do not necessarily represent the official views of the Commission.

National report on the regulatory framework for residential prosumers: Slovakia

General Description of the national legal and regulatory framework

General

The Slovak Republic adopted its Energy Policy document in 2014 presenting the priorities up to 2020. The Energy Policy priorities include the protection of energy consumers but they do not refer specifically to active consumers in energy generation. It also includes measures to optimise the energy mix, increase the security of energy supply, develop energy infrastructure; improve energy efficiency and lower energy intensity; ensure a functioning of the energy market in a competitive environment; ensure quality energy supply at an acceptable price; the use nuclear energy as a zero-carbon source of electricity; or support high-efficiency cogeneration of heat and electricity¹.

According to the Energy Policy 2014 document, the shares of the individual energy sources in gross inland energy consumption in 2012 were as follows: natural gas 26%, nuclear fuel 24%, coal 21%, oil 20% and renewable energy sources, including hydropower, 9%.

The measures of legislative, financial and regulatory nature to be fulfilled for ensuring the achievement of the Energy Policy priorities at the national level include:

- the amendments of the Energy Efficiency Act, the Construction Act, the Act on Promotion of Renewable Energy Sources and High-Efficiency Cogeneration and Health and other acts
- The use of EU funds and state aid schemes as the primary financing sources on reaching those objectives
- An increased level of independence for the Regulatory Office and its powers in the area of defining regulated prices as well as conducting audits of regulated entities.
- Support for the stability and decreased energy prices, the **protection of energy consumers**, in particular vulnerable consumers, and combating energy poverty.

On 3 July 2013 the Slovak Government approved the Resolution No. 347/2013 entitled Concept for Development of electricity from small renewable energy sources (RES)². While not legally binding, it sets the Government intention to support households in their energy generation from RES through legislative and financial support. The measures proposed were intended mainly to cover the household's own consumption, without compromising the stability of the distribution system and with the benefit of financial savings for operators of small RES³.

The legislative framework for the promotion and construction of RES installations is established in the Act No. 309/2009 Coll. on the promotion of renewable energy sources and high efficiency cogeneration and amending certain laws (the "Act on the promotion of RES") and Act No. 251/2012 on Energy (the "Energy Act"). The Act on the promotion of RES was amended in 2013 with the objective to facilitate energy production from small RES installations and their connection to the grid.

The Concept for Development of electricity from small renewable energy sources (RES) from 2013 together with the above mentioned existing legislation supports the generation of electricity from small RES installations which primarily cover the household's own electricity needs with a minimal input into the distribution system (non-entrepreneur).

¹ <http://www.economy.gov.sk/strategy-documents/131028s>

² <http://www.rokovania.sk/File.aspx/ViewDocumentHtml/Mater-Dokum-156787?prefixFile=m>

³ <http://www.vlada.gov.sk/podpora-vyroby-energie-z-malych-obnovitelnych-zdrojov/>

1. What types of residential prosumers are there in your country on the basis of type of RES used and size of the installation?

Answer:

As of 1 January 2013 there were 201 small RES installations registered with installed capacity up to 10 kW. Total production of electricity from small RES installations in 2012 accounted for 0.02% of the total electricity produced in Slovakia⁴.

In 2012, the Energy Act No. 251/2012 Coll. defined small source of renewable electricity as a small source with an output of up to 10 kW. It concerns both, the installations for the production of electricity from RES and installations for heat production using RES:

- Small installations with installed capacity (up to 10 kW) for the production of electricity from RES in Slovakia are solar power plants, solar power plants for direct heat production, small wind turbines.
- Installations for heat generation using RES are: solar collectors, biomass boilers and heat pumps⁵. There are examples of small RES installations in Slovakia (mainly solar systems for heating and electricity production on the residential houses/roofs) on the website of the Slovakian Innovation and Energy Agency⁶. It is worth noting that there are no wind turbines installed as there are no certified experts required by the law available in the country.

2. What is the institutional framework & division of competences regarding residential prosumers in your country?

Answer:

Competence for planning the energy policy and legislative competence

The Ministry of Economy of the Slovak Republic (Ministry of Economy)⁷ is responsible for completing the Energy Policy for a minimum period of 20 years and updating it on a five-year basis. It is also the initiator of the energy-related legislative proposals.

For producers classified both as entrepreneurs in energy (§ 4 (1) of the Energy Act No. 251/2012 Coll.) or non-entrepreneur (§ 4 (4) of the Energy Act No. 251/2012 Coll.)⁸ the competent authorities are:

- **Building office** in the municipality (issuing building permit for the RES installation, in case of small RES installations this is normally issued in the form of notification about the small construction according to the Building Act No. 50/1976 Coll.⁹).
- **Regional distribution system companies** – provide and regulate access to grid

Specifically, for non-entrepreneurs:

- **Slovak Innovation and Energy Agency**

Currently, the production of electricity from small RES installations with the generation capacity up to 10kW is supported through national project funded from the OP Environment 'Zelena domacnostiam'¹⁰ where the Slovakian Innovation and Energy Agency acts as an implementing authority. It also provides free advice to any citizen interested in the scheme. This only applies to prosumers which are classified as non-

⁴ <http://www.rokovania.sk/File.aspx/ViewDocumentHtml/Mater-Dokum-156787?prefixFile=m>

⁵ <http://www.vlada.gov.sk/podpora-vyroby-energie-z-malych-obnovitelnych-zdrojov/>

⁶ <https://www.siea.sk/bezplatne-poradenstvo-domacnosti/>

⁷ <http://www.economy.gov.sk/home/126312s>

⁸ The distinction is based on the fact whether a person uses its right to be paid for generated electricity fed to the grid system or not.

⁹ The Building Act defines small construction as any supplementary construction which does not significantly impact the environment.

¹⁰ Zelena domacnostiam project, <http://zelenadomacnostiam.sk/sk/>

entrepreneurs and feed the remaining energy to the system for free.

Specifically, for entrepreneurs:

- **Regulatory Office for Network Industries¹¹**

The Office sets up the tariffs for selling electricity and access to grid for small installations of RES where the provider is classified as entrepreneur and sells the surplus electricity into the distribution system.

Specific Questions on the regulatory framework for residential prosumers

3. What is the regulatory framework for residential prosumers in your country?

The regulatory framework for residential prosumers in Slovakia is mainly governed by the following legislative acts:

- **Act 251/2012 Coll. on Energy** as amended, adopted on 31 July 2012 and came in force on 1 September 2012¹²,

This Act defines general processes related to electricity and renewable energy. In relation to RES installations, Article 31(8) states that the distribution system operator is obliged to prioritize connection of installations producing of electricity from renewable energy sources to its system upon payment of the price to grid access, if the producer meets the terms and conditions and technical requirements for the connection to the system so as to maintain the safety, reliability and stability of the system operation.

- **Act 309/2009 Coll. on the promotion of renewable energy sources and high-efficiency cogeneration** as amended, adopted on 19 June 2009 and came in force on 1 September 2009¹³

The Act on the promotion of RES lays down the procedure and conditions for supporting the electricity production from RES. In particular, it allows the operator of the small RES to use the support instruments which are the right of preferential connection to the distribution system, obligatory buy-out of the electricity produced to cover losses in the distribution system and a right to the supplementary payment (§ 3 of the Act No. 309/2009 Coll.). In case the producer opts for selling the remaining produced electricity back into the distribution system, there are certain obligations imposed on such producer according to § 4 (2) of the Act on the promotion of RES. Small producer up to 10kW, which chooses not to benefit from the supplementary payment (§ 3 (1) c) of the Act on the promotion of RES) is included in the category of "non-entrepreneur in the energy sector." In this case the producer loses its right to supplementary payments and obligatory buy-out of produced electricity according to Act on the promotion of RES No. 309/2009 Coll. (§ 3) and the Energy Act No. 251/2012 Coll. (§4). This type of producer will feed any remaining generated electricity back to the distribution system for free. However, the non-entrepreneur producer of electricity will benefit from various measures detailed in § 4a of the Act on the promotion of RES. This Article was added to this Act in 2013 in order to support non-entrepreneurs in production of electricity from RES. Article 4a of the Act on the promotion of RES guarantees the following benefits to the electricity producer from small RES in case of non-entrepreneur status:

- free connection to the distribution system (§ 4a(1)(a)).
- free installation of the meter, which measures produced and supplied electricity in real time (§ 4a (1)(b)). Such measure means that the household reduces its consumption of electricity from the central distribution system only if the

¹¹ <http://www.urso.gov.sk/?language=en>

¹² <http://www.zakonypreludi.sk/zz/2012-251>

¹³ <http://www.zakonypreludi.sk/zz/2009-309>

electricity is produced during the household's real-time consumption.

- Free installation of the expanding device for mechanical separation of the connections in case of voltage loss in the distribution system (§ 4a(1)(c)).

- **Act 250/2012 Coll. on Regulation of Network Industries** as amended, adopted on 31 July 2012 and came in force on 1 September 2012, <http://www.zakonypreludi.sk/zz/2012-250>

This Act governs regulations concerning network industries, competences of the Regulatory Office of the Network Industries and rules for the functioning of the internal electricity market.

- **Act No. 50/1976 Coll. on Land-use Planning and Building Order (the Building Act)**, adopted on 27 April 1976 and came in force on 1 October 1976, <http://www.zakonypreludi.sk/zz/1976-50>

The Building Act is applicable during the permitting process for the small RES installations. Either building permit or simply notification of small construction (in case of certain small RES installations) is required based on this Act.

- **Ordinance No 358/2013 Coll. on laying down the procedure and conditions of the implementation and operation of intelligent metering systems in electricity sector**, adopted on 28 October and came in force 15 November, <http://www.zakonypreludi.sk/zz/2013-358>
- **Ordinance of Regulatory Office for Network Industries No 221/2013 Coll. on determination of price regulation in electricity sector**, adopted on 11 July 2013 and came in force on 30 July 2013, <http://www.zakonypreludi.sk/zz/2013-221>

The Regulatory Office for Network Industries sets up the tariffs for selling electricity and access to grid for small installations of RES where the provider is classified as entrepreneur and sells the surplus electricity into the distribution system.

Although it is possible for the prosumer to both provide electricity or heat for its own needs and sell the surplus into the grid system, the Government currently supports small RES installations with the capacity of up to 10 kW primarily designed to cover its own energy needs with the minimal input into the system. Through the national programme 'Zelena domacnostiam' funding is thus given only to residential prosumers which produce electricity for its own consumption needs and any surplus electricity is supplied free of charge to the distribution system which is then used to cover losses of the distribution system¹⁴.

3.1. What is the existing legislative framework regulating Renewable Energy Projects in your country?

1. Act No. 251/2012 Coll. – The Energy Act

This Act defines the general processes related to electricity and renewable energy. It defines basic concepts, state administration, conditions for issuing permits to produce electricity from RES, conditions for construction of energy installations (including installations for the production of electricity from RES), rights and obligations of the producer of electricity from RES, the rights and obligations of the transmission and distribution system operators to which the RES is connected.

Section 12(1) requires that the construction of energy installations (for instance, production classified as RES) is permitted only on the basis of the certificate which demonstrates the conformity of the investment plan with long-term energy policy concept. This certificate is not

¹⁴ Solarne website, <http://www.solarne.sk/podpora-statu-na-oze-statna-dotacia/p68>

necessary in cases of generating electricity from solar energy from an installation placed on the roof of the building with a total installed capacity of up to 100kW. In case of energy other than solar, the certificate is not needed if the installed capacity of that installation is not greater than 1 MW.

2. Act No. 309/2009 Coll. – The Act on the promotion of RES

This Act aims to support the promotion of RES and regulates:

1. The support and conditions for the production of electricity from RES and electricity produced from high efficiency cogeneration, support and conditions for the production of bio methane,
2. Rights and obligations of producers of electricity from RES, producers of electricity from cogeneration and electricity from high efficiency cogeneration,
3. Rights and obligations of other stakeholders in the electricity market.

Renewable energy under this Act is defined as a non-fossil energy source whose energy potential is constantly replenished by natural processes or human activity, and includes the following sources: hydropower, solar energy, wind energy, geothermal energy, biomass including all products of its processing, biogas, landfill gas, sewage treatment plant, biomethane.

The Act also specifies the **method of support** for the RES and the conditions when it is possible to claim this support. This Act tries to optimize the functioning of the electricity market in the field of renewable energy sources and combined heat and power generation, and create a stable economic and administrative environment.

Although guaranteed electricity feed-in prices for 15 years is established under the Act on the promotion of RES to support the construction of installations for small and medium-sized enterprises¹⁵, no new contracts are being encouraged.

3.2. Does the Renewables National Action Plan include any objectives for residential prosumers (if so, please specify)

In relation to the renewable energy production at residential level, the National Renewable Energy Action Plan from October 2010¹⁶ does not establish objectives for residential prosumers or refer at all to the protection of households' energy consumers. However, it provides certain indirect support to them. It refers to the role of the Slovakian Innovation and Energy Agency (SIEA). Since 2009, the Agency has been responsible for the administration of the Government-approved Programme for the Greater Household Use of Biomass and Solar Energy. In this context, it provides information on the conditions of support for the target group and the general public primarily through its website, press releases and media statements.

Since the Ministry of Economy instructed the Agency to hold calls for applications for non-repayable grants from the Structural Funds, the SIEA has continuously informed potential applicants of the opportunities for such support on its website, by telephone and through free informational seminars. In connection with the organization of seminars, the SIEA is also responsible for promoting potential support for renewable energy use in the media. There are no specific targets set for residential prosumers in the Action Plan.

3.3. Is there a definition (legal or regulatory) of residential prosumers (or self-consumption) in your country? If so, state it and describe the elements of this definition?

There is no definition of residential prosumer in any piece of legislation in Slovakia.

¹⁵ DG Energy, National Action Plans, <http://ec.europa.eu/energy/en/topics/renewable-energy/national-action-plans>

¹⁶ Ibid, <http://ec.europa.eu/energy/en/topics/renewable-energy/national-action-plans>

In 2012, the Energy Act No. 251/2012 Coll. defined a small source for generation of renewable electricity as a small source with the generation capacity of up to 10 kW (§ 2 (b) (28)). Currently, the national project 'Zelena domacnostiam' provides funding for these small RES installations which are primarily intended for self-consumption.

4. What are the permitting requirements for each type of residential prosumer?

For all types of small RES installations except the wind turbines, the prosumer has to either obtain the building permit from the Building Office or simply notify the Building Office about the small construction according to the Building Act No. 50/1976 Coll. This does not normally lead to any delays or issues.

However, in case of wind turbines the situation is more complex when it comes to permitting. First of all, there are no certified experts to install the turbines as required by the Act on the promotion of RES in § 13a (2) (unlike for other types when the technical experts are available). Secondly, wind turbine is subject to an EIA¹⁷ which has to precede the application for building permit. For these reasons, although theoretically possible to support small wind turbine residential project, there are currently no wind turbines in Slovakia.

4.1. Does your country recognize certain forms of self-consumption and subject prosumers to certain

- requirements,
- application fees and
- one-off costs

in order to give them a **permit or licence to generate energy**?

Summary of procedural requirements

1. For a small RES installation (up to 10kW generation capacity) where the prosumer distributes the surplus electricity free of charge to the system (Article 4a of the Act on the promotion of RES):

1. Notification to the distribution system operator about the intention to build small RES installation. The distribution system operator has an obligation to respond within 10 days stating whether the capacity has been reserved for the small RES installation
2. Distribution system operator will set the maximum permitted generation capacity of the RES installation.
3. In case of favourable statement concerning reserved capacity the prosumer has to construct a small RES installation within six months.
4. During this time a building permit or notification about the small construction according to the Building Act No. 50/1976 Coll. has to issued by the Building office.
5. The installer of the small RES installation has to be certified by the Ministry of Economy according to § 13a of the Act on the promotion of RES. The list of certified installers is available on the Ministry website¹⁸.
6. The prosumer has to notify the distribution system operator within 10 working days about the start of the small RES operation.
7. The distribution system operator within 5 working days of the notification of connecting small sources provide free installation of the meter (meter) as well as expanding device.
8. In case the prosumer uses financial support from state funding, he cannot take advantage of free installations as described in § 3 (1) (b) and (c) above.
9. In the case the prosumer relies on the state financial support, currently provided through

¹⁷ As prescribed by the Act No. 24/2006 Coll, in Annex VIII (2) which transposes the EIA Directive.

¹⁸ <http://www.mhsr.sk/zoznam-instalaterov/139870s>

the national project 'Zelena domacnostiam', he has to submit a request for a voucher (Žiadosť o poukážku) which will be reimbursed up to 50% once the small RES installation is constructed. Detailed procedural steps how to obtain funding support are described on the project's website¹⁹.

10. In terms of one-off costs, the project can compensate between 30-50% of the RES technology cost, the rest has to be provided by the applicant (prosumer). There are no application fees.

2. For the prosumer classified as an entrepreneur who sells the surplus electricity into the system:

Procedure when issuing a permit in case of entrepreneur in energy (§ 8 of the Energy Act):

The permit is issued on the basis of a written request in which the applicant has to demonstrate compliance with certain conditions as prescribed by the Energy Act. These include for instance a valid decision of the Regulatory Office for Network Industries to grant certification of the transmission system operator and several technical requirements concerning the installation operation (§ 7 of the Energy Act).

Electricity producer entitled to the support is then required to (§ 4 (2) of the Act on the promotion of RES):

- 1) submit to the regional distribution system operator a certificate of origin of electricity from RES for the preceding calendar year;
- 2) notify the regional distribution system operator with whom the prosumer signed a contract concerning the electricity supply about the expected delivery schedule if the total installed capacity is greater than 1 MW.
- 3) notify the Regulatory Office for Network Industries and the regional distribution system operator about the use of support under § 3 (1) b) and c), including the expected amount of electricity provided always by the 15th August for the following calendar year.
- 4) return to the regional distribution system operator supplementary payment in accordance with § 3 (1) (c) that the prosumer was paid in breach of the conditions of support under this Act.

In case of entrepreneurs in energy – these types of prosumers finance the RES technology themselves as they are not entitled for the financial aid from the state budget. Based on the Act on the promotion of RES, they have to pay for access to grid to the distribution system operator (§ 5 (2)). The Regulatory Office for Network Industries specifies the cost for accessing the grid which is set in the form of tariff. This tariff includes the cost of accessing the grid, distribution of electricity and losses during distribution²⁰.

- 4.2. Does the national legal/regulatory framework determine the contractual conditions under which prosumers are allowed to feed or sell their surplus back into the grid or to other consumers?

1. **For non-entrepreneurs** – based on Article 4a of the Act on the promotion of RES – In this case, the prosumer feeds any surplus electricity back into the grid for free and he does not enter into any contractual relationship with the distribution system operator. The prosumer will have a reserved capacity in the system. Based on § 4a (2) (b) he receives a positive statement from the distribution system operator concerning the reserved capacity for the small RES installation. The distribution company has also a right to request for the prosumer to have a technology to limit the generation of electricity in case it cannot accept any more into the grid. In that case, he will simply be connected for the purpose to receive electricity from the grid.

¹⁹ <http://zelenadomacnostiam.sk/sk/domacnosti/10-krokov-k-podpore/>

²⁰ <https://www.sse-d.sk/buxus/docs/dokumenty/domacnosti/cenniky/Rozhodnutie%20URSO%20c.%200013-2016-E%20Cennik%20distribucie%20elektriny%20na%20rok%202016.pdf>

2. For entrepreneurs – based on Article 5(6) of the Act on the promotion of RES

§ 5(6) of the Act on the promotion of RES

Regional distribution system operator:

- a) shall enter into a written contract with the electricity producer entitled to the support for the supply of electricity to cover losses in its distribution system. Part of this contract involves also assuming responsibility by the electricity producer entitled to support under § 3(5) for its deviation.
- b) shall accept all electricity by the electricity producer entitled to the support according to § 4 (1) b) and d);
- c) is responsible for deviation concerned with covering losses in the distribution system and its own electricity consumption.

Thus, the distribution companies are obliged to purchase electricity from renewable energy sources but only to cover distribution losses. Under certain conditions, this arrangement can oblige distribution system operators to buy power that they do not require and to resell it at market prices. Hence, the design of this support mechanism was recommended to be reassessed by the IEA in 2012²¹. Currently, the situation is that distribution companies are unwilling to accept and pay for new electricity generated by households. Those with already existing contracts for 15 years are paid according to the above legislation; however, the price for buying out electricity set up by the Regulatory Office for Network Industries is being constantly reduced. There is no support to enter into new contracts with new households generating surplus electricity.

5. What are the rules applicable to the access to the grid?**For non-entrepreneurs**

There is no contractual relationship between the prosumer non-entrepreneur and the distribution system operator (According to Article 4a(2)(b)(1) of the Act on the promotion of RES the non-entrepreneur will only be required to obtain positive statement from the distribution system operator concerning the reserved capacity of the small RES). The producer of electricity from small RES installation who is not considered an entrepreneur has, when complying with certain conditions, a right to a free access to the distribution system. These conditions include, inter alia, the requirements to submit the notification of the connection to the grid which contains the positive statement by the distribution system operator of the prosumer's reserved capacity in the system and to connect the small RES installation. Despite the free access to the grid, the distribution company may request to limit the generation or delivery of electricity to the system and therefore the connection to the grid will only be for the purpose to receive electricity from the grid.

For entrepreneurs

Based on the Act on the promotion of RES, the prosumers of this kind have to pay for access to the grid to the distribution system operator (§ 5 (2)). The Regulatory Office for Network Industries specifies the cost for accessing the grid which is set in the form of tariff. This tariff includes the cost of accessing the grid, distribution of electricity and losses during distribution²².

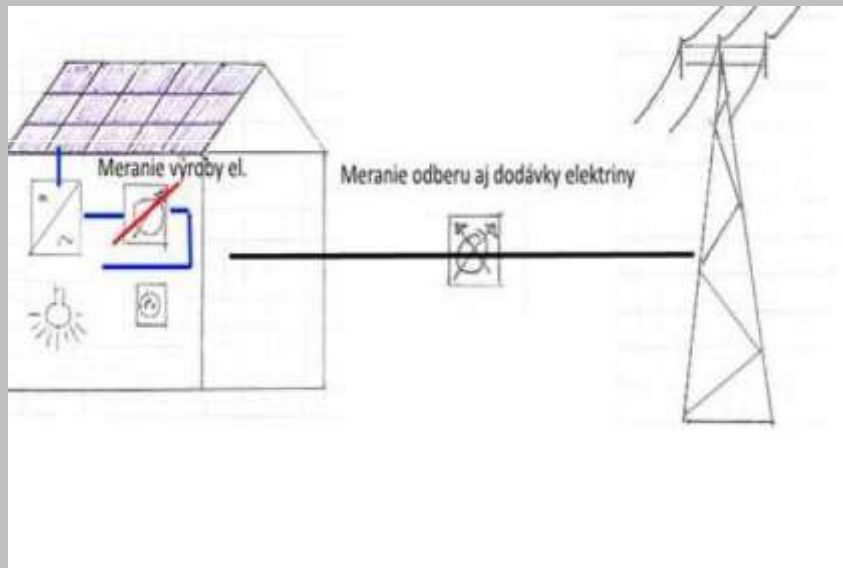
5.1. What is the inter-connection configuration used for each type of residential prosumer?

²¹ Energy Policies in IEA countries, the Slovak Republic, 2012 Review,

https://www.iea.org/publications/freepublications/publication/Slovak2012_free.pdf

²² <https://www.sse-d.sk/buxus/docs/dokumenty/domacnosti/cenniky/Rozhodnutie%20URSO%20c.%200013-2016-E%20Cennik%20distribucie%20elektriny%20na%20rok%202016.pdf>

The picture²³ below illustrates the interconnection between the small energy installations up to 10kW as defined in § 4a of the Act No. 309/2009 Coll. (up to 10kW) and the distribution network. Both energy fed into the grid and taken from the grid is measured via a meter.



Source: Slovak association of PV industry and RES

5.2. Does the competence to determine the inter-connection configuration lie at State level or at a regional/lander level?

The competence lies at the state level.

5.3. Are there any rules to ensure that prosumers are inter-connected to the distribution network/the grid?

As explained in the section 5 and 5.1 above.

5.4. What are the grid access and grid use principles and rules for the energy generated by each type of residential prosumer?

Grid access described above.

5.5. What are the network costs and charges for each type of residential prosumer?

For non-entrepreneurs

There are no charges to access network for this type of prosumer.

For entrepreneurs

Based on the Act on the promotion of RES, the prosumers of this kind have to pay for access to

²³ Slovak association of PV industry and RES, 'Seminars on how to use renewable energy sources in households', September 2015, available at :
https://www.siea.sk/materials/files/poradenstvo/aktuality/2015/seminar_elosys/03_Simon_Fotovolticke_systemy_SIEA_seminar_ELOSYS_16102015.pptx.pdf

grid to the distribution system operator (§ 5 (2)). The Regulatory Office for Network Industries specifies the cost for accessing the grid which is set in the form of tariff. This tariff includes the cost of accessing the grid, distribution of electricity and losses during distribution²⁴.

6. What are the incentives (e.g through taxes or tariffs) for each type of residential prosumers?

Incentives for prosumers classified as non-entrepreneurs

1. Article 4a(1)(a) of the Act on the promotion of RES – **free of charge connection** to the grid, **free of charge installation of meter**, free of charge installation of the expanding **device for mechanical separation** of the connections in case of voltage loss in the distribution system
2. ‘Zelena domacnostiam’ – project funded via OP Environment 2014-2020 (30-50% funding support covering the cost of the RES installation). Zelena domacnostiam is the first stage of **financial support** aimed at the use of so-called small RES in houses and apartment buildings with a budget of 45 million euro. The total amount allocated for small RES installation support is 115 million euro for the period 2014-2020 from the EU and national sources²⁵.
3. However, there is the limitation related to the access to the grid whereby the distribution company can request a limitation in the generation and delivery of electricity. In those cases, the access to the grid is limited only to ensure the possibility to receive electricity from the grid.

Incentives for prosumers classified as entrepreneurs

1. All producers of renewable energy enjoy the right of **preferential access** to the grid and distribution of the electricity (§3 (1) (a) of the Act on the promotion of RES)
2. In addition, residential prosumers are entitled to **payment for the electricity fed back** in the grid (b) and depending on the generation capacity, also to a supplementary payment. The price is set up by the Regulatory Office for Network Industries in the form of a feed-in tariff (§ 6(1) of the Act No.309/2009 Coll.)
3. The Regulatory Office for Network Industries sets **tariffs** for different technologies which vary according to the installed capacity of the system. Distribution system operators are obliged to buy all electricity generated from renewables at the so called “price to cover losses” which is set by the Regulatory Office for Network Industries²⁶. This type of prosumers receive an additional payment which is calculated as the difference between the feed-in tariff and the price to cover losses (§ 3(1) (c). In other words, the feed-in tariff is the sum of the “price to cover losses” and the additional payment. However, only systems with installed capacity below 10 MW (below 15 MW for wind) are eligible for this additional payment. If the plant capacity exceeds 10 MW (or 15 MW in the case of wind), electricity produced above the limit will be purchased at the “price to cover losses” only²⁷.

6.1. Does your country apply specific tariffs to prosumers

- to charge them for the electricity they draw from the grid for consumption???
- or to compensate them for the electricity they feed back into the grid?

Residential prosumers that are entrepreneurs, they are entitled to payment for the electricity fed back in the grid and depending on the generation capacity, also to a supplementary payment. The price is set up in the form of tariff by the Regulatory Office for Network Industries (§ 6(1) of the Act No.309/2009 Coll.) and for small RES installation it is better as it includes the price for the electricity plus the supplementary payment § 3(1) (c). However, currently this scheme is not

²⁴ <https://www.sse-d.sk/buxus/docs/dokumenty/domacnosti/cenniky/Rozhodnutie%20URSO%20c.%200013-2016-E%20Cennik%20distribucie%20elektriny%20na%20rok%202016.pdf>

²⁵ <http://zelenadomacnostiam.sk/sk/o-projekte-zelena-domacnostiam/>

²⁶ The “price to cover losses” is calculated by RONI as the arithmetic average of the prices of electricity to cover losses of all regional distribution system operators.

²⁷ See n.17, https://www.iea.org/publications/freepublications/publication/Slovak2012_free.pdf

supported by either the Government or distribution operators. The reasoning is that there is sufficient electricity in the central grid system and new electricity causes problems. There are no special tariffs for drawing electricity from the grid in case of self-production.

6.2. Does your country

- tax prosumers in a specific way?
- allocate to them a certain part of the cost to upgrade the grid to accommodate the extra generation they feed into the grid?

The income of a prosumer classified as an entrepreneur from feeding electricity back in the grid is taxed according to standard tax rules. There are no tax advantages for residential prosumers.

7. A. What are the conditions that may encourage the take up of residential prosumers (to entry into activity or during functioning)?

Incentives described above

B. What are the conditions that may act as barriers for residential prosumers (to entry into activity or during functioning)?

For non-entrepreneurs

Currently, only the administrative procedures based on the requirements of the national project running as part of the OP Environment 'Zelena domacnostiam' was identified as a minor potential barrier²⁸. This is due to specific funding conditions set up for each small RES installation, application requirements and waiting time for approval.

For entrepreneurs

- High administrative burden
- Complex reporting requirements according to Act No. 309/2009 Coll. Several reporting and administrative requirements imposed on the prosumers (Article 4(2)) require the submission of documents declaring the origin of electricity, expected characteristics of the electricity **delivery based on the schedule in operational order of the regional distribution system**, the fact that the prosumer is taking advantage of the supplementary payment. This requirement has certain deadlines and in case the prosumer does not satisfy them, the supplementary payment support for the next calendar year cannot be claimed (Article 4(3)).
- Numerous cases of prosumers not complying with the Act's reporting obligations (complaints directed to Slovak Energy Inspection)
- No willingness to accept and pay for any more new electricity generated by households. Those with already existing contracts for 15 years are paid according to the above legislation; however, the price for buying out electricity set up by the Regulatory Office for Network Industries is being constantly reduced.

For both categories specifically in case of wind turbines:

There are no certified experts to install the turbines as required by the Energy Act 251(unlike for other types when the technical experts are available). For this reason, although the theoretically possible to support a small wind turbine, there are no existing installations used by residential prosumers in Slovakia.

²⁸ The Slovakian Innovation and Energy Agency representative, in the interview December 2016

7.1. What are the metering systems for each type of residential prosumer? Do these systems provide adequate conditions for prosumers integration in the market?

The Concept for Development of electricity from small renewable energy sources states that so called net metering proves very complicated in Slovakia, does not encourage end users to save and store energy, causes losses to distribution companies with a direct negative impact on the overall cost of electricity.

Alternative is so called continuous metering ('priebehové meranie'), which is in line with the Directive 2009/72 / EC and 2012/27 / EU, as well as the strategy for the implementation of intelligent metering systems in Slovakia.

Every prosumer will need to have a meter installed measuring both, the generated and the supplied energy (for non-entrepreneur this is provided for free according to § 4a of the Act on the promotion of RES). According to § 6 of the Notice No.3/2013 of the Regulatory Office for Network Industries²⁹ concerning storage of measured data, these can be stored in electronic form and it is possible to transform them into the written form during 5 years since the measurement took place.

7.2. What are the billing conditions for each type of residential prosumer?

There are no special billing conditions for either type of prosumers in Slovakia. The electricity bought by prosumer from the grid is sold for standard price as for any other consumer.

7.3. Are there measures to encourage the creation of energy communities at municipal level, or other schemes to encourage inclusive development of the market?

There are currently no measures to encourage the creation of energy communities at municipal level.

7.4. Are there rules facilitating the creation of energy cooperatives to provide a legal entity to energy communities? Are there measures facilitating other type of schemes and if so which ones?

No information available

7.5. What are the procedures/provisions for establishing cooperatives for prosumers? Are they more simple/less costly than those for other schemes?

No information available

²⁹ http://www.urso.gov.sk/sites/default/files/vyhl_003-2013.pdf

8. Other questions on the regulatory framework

8.1. What are the provisions for establishing a complaint system? What are the complaint handling procedures for each type of residential prosumer?

In Slovakia, the State Energy Inspection, one of the divisions of the Slovak Trade Inspection (hereafter the 'Inspection')³⁰ is an authority responsible for overseeing the compliance with the energy-related legislation. According to the Act on the promotion of RES, the Inspection is entitled to impose fines in cases of non-compliance with this Act (particular cases when the fines can be imposed on both the prosumer and distribution system operator are spelled out §16 entitled administrative offences). The Inspection is the responsible authority in cases prosumers are classified as entrepreneurs.

There are 2 energy inspectors per each of the 8 regions in Slovakia. In case of complaint from either the prosumer or the distribution operator, the inspector undertakes control visit. Depending on the nature of complaint, sanction, redress measure or fine can be applied. The most common complaint procedures are related to non – compliance with the requirements of the Act on the promotion of RES. In limited cases where the prosumer is classified as an entrepreneur, the complaints can also be directed to the Regulatory Office for Network Industries.

In case the prosumer is a non – entrepreneur and receives state funding, the Slovak Innovation and Energy Agency (SIEA) is responsible for handling complaints as an implementing authority of the project 'Zelena domacnostiam'. In case the prosumer did not make use of state funding, he can direct his complaint to the regional distribution system operator or the Ministry of Environment, depending on the nature of complaint.

8.2. Are there any specific redress procedures available only to residential prosumers?

The Act on the promotion of RES spells out the cases of non-compliance and subsequently applicable fines which the Inspection has the competence to impose. There are not specific redress mechanisms available specifically to prosumers; depending on the nature of complaint the Inspection or the SIEA will take the appropriate measure in the form of sanction or a fine. In case the prosumer was non-compliant, the relevant fine/sanction will be applied. In case the wrongdoing was coming from the other party, the Inspection will investigate and decide.

When there is a contractual relationship between the prosumer and the distribution system operator, the court proceeding might be initiated.

³⁰ Slovak Trade Inspection, <http://www.soi.sk/en/SOI-News.soi>

Country fiche (Summary and ranking)

The **country fiche** below summarises the information from the report and ranks the **level of favourable impact** of measures in relation to its favourable impact to the take up of residential prosumers.

Country fiche	Ranking Low/Medium/High
General Description of the national regulatory framework - Types of residential prosumers The Slovak legislation differentiates between energy consumers generating as - Entrepreneurs (§ 4 (1) of the Energy Act No. 251/2012 Coll.) or - Non-entrepreneurs (§ 4 (4) of the Energy Act No. 251/2012 Coll.) The distinction is based on the fact whether a person uses its right to be paid for generated electricity fed to the grid system (entrepreneur) or not (non-entrepreneur). Given the fact that only non – entrepreneurs are currently supported through legislative provisions (Act on the promotion of RES Article 4a) and OP Environment funding, the second category is not incentivised to produce electricity from RES and sell it to the grid. Based on this, the support is ranked as medium as priority is only given to one category.	Medium
- Institutional framework - Ministry of Economy - Building office in the municipality - Regional distribution system companies - Slovak Innovation and Energy Agency - Regulatory Office for Network Industries - State Energy Inspection The current institutional framework is clear and provides adequate support for the small RES installations and their functioning.	High
- Applicable legislation, plans and objectives - Concept for Development of electricity from small renewable energy sources, 2013 - Energy Act No. 251/2012 Coll. - Act on the promotion of RES No. 309/2009 Coll. - Zelena domacnostiam – funding for small RES installations from OP Environment 2014-2020 The support is ranked as medium due to the complex reporting requirements imposed on the entrepreneur in energy based on the Act 309/2009 Coll. On the other hand, there is sufficient legislative and policy support for prosumers classified as non-entrepreneurs.	Medium
Definition of residential prosumers No definition of residential prosumer in Slovakia. In 2012, the Energy Act No. 251/2012 Coll. defined a small source for generation of renewable electricity as a small source with the generation capacity of up to 10 kW (§ 2 (b) (28)). Currently, the national project ‘Zelena domacnostiam’ provides funding for these small RES installations which are primarily intended for self-	Low

consumption.	
Specific Questions on the regulatory framework for residential prosumers	
Permitting requirements for each type of residential prosumer - For all types of small RES installations except the wind turbines - simple procedure obtaining the building permit from the Building Office or simply notifying the Building Office about the small construction based on the Building Act No. 50/1976 Coll. - Wind turbines - no certified experts to install the turbines as required by the Act on the promotion of RES § 13a (2) therefore no construction possible - EIA and building permit required according to law, can lead to delays - Currently no wind turbines in Slovakia	Medium
Rules applicable to the access to the grid For non-entrepreneurs - There is no contractual relationship between the prosumer and distribution system operator, free access to the distribution system (Possibility this access is limited in case the distribution system operator so requires). For entrepreneurs - Based on the Act on the promotion of RES, the prosumers pay for access to grid to the distribution system operator (§ 5 (2)). The Regulatory Office for Network Industries specifies the cost for accessing the grid which is set in the form of tariff. This tariff includes the cost of accessing the grid, distribution of electricity and losses during distribution.	Medium
Incentives (e.g. taxes and tariffs) for each type of residential prosumers - Incentives for prosumers classified as non-entrepreneurs - Article 4a(1)(a) of the Act on the promotion of RES – free of charge connection to the grid, free of charge installation of meter, free of charge installation of the expanding device for mechanical separation of the connections in case of voltage loss in the distribution system - ‘Zelena domacnostiam’– project funded via OP Environment 2014-2020 (30-50% funding support covering the cost of the RES installation). The total amount allocated for this type of support is 115 million euro from the EU and national sources. Incentives for prosumers classified as entrepreneurs - Right of preferential access to the grid and distribution of the electricity (§3 (1) (a) of the Act on the promotion of RES) - Payment for the electricity fed back in the grid and depending on the generation capacity, also to a supplementary payment. - BUT No willingness to accept and pay for new electricity generated by households and the price for buying out electricity set up by the Regulatory Office for Network Industries is being constantly reduced.	Medium
Conditions encouraging residential prosumers Those conditions are those described as incentives Metering systems for each type of residential prosumer - Every prosumer will need to have a meter installed measuring	Medium

generated and supplied energy (for non-entrepreneur this is provided for free according to § 4a of the Act on the promotion of RES). - No support for Net metering system	
Billing conditions for each type of residential prosumer - no special conditions, - The electricity bought by prosumer from the grid is sold for standard price as for any other consumer. Due to the non-existent special billing conditions for prosumers this support is ranked as low.	Low
Conditions acting as barriers for residential prosumers For non-entrepreneurs The requirements of the national project running as part of the OP Environment ‘Zelena domacnostiam’ have been identified as a minor potential barrier due to specific funding conditions, application requirements and waiting time for approval. For entrepreneurs - High administrative burden - Complex reporting requirements according to Act No. 309/2009 Coll. Several reporting and administrative requirements imposed on the prosumers (Article 4(2)). - Numerous cases of prosumers not complying with the Act’s reporting obligations (complaints directed to Slovak Energy Inspection) - No willingness to accept and pay for new electricity generated by households. Those with already existing contracts for 15 years are paid according to the legislation; however, the price for buying out electricity set up by the Regulatory Office for Network Industries is being constantly reduced.	Medium
Measures to encourage the creation of energy communities at municipal level - None existing	Low
Rules facilitating the creation of energy cooperatives - None existing	Low
Other questions on the regulatory framework • Complaint handling procedures for residential prosumer State Energy Inspection is an authority responsible for overseeing the compliance with the energy-related legislation. the inspector undertakes control visit. Depending on the nature of complaint, sanction or fines can be applied. As there is a special authority to handle energy-legislation related compliance and clear legislative rules on rights and obligations, this support measure is ranked as high.	Medium
• Redress procedures available only to residential prosumers There are not specific redress measures available only to prosumers.	Low

Executive Summary

The legislative framework for the promotion and construction of RES installations is established in Act No. 309/2009 Coll. amending the Act on the promotion of RES and the Energy Act. This legislation does **not establish a definition** of residential prosumer but considers small sources for generation of renewable electricity the ones with a generation capacity of up to 10 kW. The Government stated its intention to support households in their energy generation from RES through legislative and financial support in 2013 and set out **reforms to facilitate energy production** from small RES installations and their connection to the grid. A simple procedure for obtaining the required permit has been set for all types of small RES installations except the wind turbines. The country uses a net metering system.

The Slovak legislation differentiates between energy consumers generating as either **entrepreneurs or non-entrepreneurs**. The distinction is based on the fact whether a person uses its right to be paid for generated electricity fed to the grid system (entrepreneur) or not (non-entrepreneur). The non-entrepreneur producer of electricity will benefit from various measures (e.g. free connection to the distribution system, free installation of the meter). In relation to **access to grid**, the non-entrepreneur has, when complying with certain conditions, a right to a free access to the distribution system. This type of producer will feed any remaining generated electricity back to the distribution system for free. In the entrepreneur's category producers have to pay for their access to the grid to the distribution system operator based on the tariff set by the Regulatory Office for Network Industries. Given the fact that only non – entrepreneurs are currently supported through legislative provisions and OP Environment funding (project entitled Zelena Domacnostiam), the second category is not incentivised to produce electricity from RES and sell it to the grid. In addition, there is no willingness to accept and pay for new electricity generated by households and the price for buying out electricity set up by the Regulatory Office for Network Industries is being constantly reduced.