

BRIEFING No. 1

NEW GREEN SAVINGS PROGRAMME

September 2013

Background

Czech Republic was successful in selling its Kyoto credits (AAUs) back in 2009–2010. Revenues from sales of over 90 mil. AAUs amounted to appr. 21 bln. CZK (>800 mil. euro) and were distributed through the Kyoto Protocol's Green Investment Scheme (locally called Green Savings Programme) to over 80,000 projects. It supported energy savings and use of local renewable energy sources for heat production at family houses and later also at multi-apartment buildings. The programme ended in autumn 2010 due to exhaustion of financial allocation. It attracted strong interest from residential building owners at the same time.

Financing the new programme

The first programme created certain demand in Czech society for KfW-like support. When EU ETS started auctioning in its third trading period (2013–2020), the Czech government and consequently Parliament has legally earmarked one half of revenues for various energy efficiency measures and appr. 2/3rds out of the half directed towards State Environmental Fund (SEF) managed by Ministry of Environment who was responsible for the Green Savings Programme. Preparation of the new successive programme was announced in early 2013, it's conditions published in June and receipt of applications opened on 12 August 2013.

As the price of emission allowances collapsed (though revived later a bit), a lack of revenues was substituted with 1 bln. CZK (40 mil. euro) from SEF's own assets (the programme was publically announced by then minister of environment so it constituted a kind of public commitment for him). So far, requests for support amounted to one half of the first allocation. The first week (or actually day or two), there was a boom in number of applications, intake of applications is now stabilized at a rate of 600,000 euro of requested subsidy per day.

Ministry of Environment declares that it will add some 35 mil. euro from auctioning

Founding partners



Senior partner



Partner



Chance for Buildings is an alliance by leading trade associations that supports energy efficient construction. It brings together the **Czech Green Building Council**, **Passive House Center**, **Czech Mineral Insulation Manufacturer's Association** and the **Czech EPS Association**. It represents over 200 companies across the entire value chain of building construction and renovation. Chance for Buildings aspires to reap the crucial societal benefits of energy efficient buildings. We advocate for favourable policy and economic incentives, including proper implementation of relevant EU directives in the Czech Republic. www.sanceprobudovy.cz

revenues by the end of 2013 and further 80–120 mil. euro will be taken from assets of state enterprise managing Czech national forests. The political party which is most likely to win the coming elections states that it wants to ensure continuous funding for the programme from state budget.

Chance for Buildings calls for long-term programme with stable conditions and stable financing. Our estimate of effective absorption capacity for energy efficiency improvements of family houses is 1 bln. euro until 2020. This should go hand in hand with similar programmes for multi-apartment residential, public and commercial buildings. These could be funded from EU Funds in the new period.

Basic Programme Segmentation and Criteria

The programme is divided into the following basic support areas (so far subsidies are provided only to owners of family houses):

- Area A: Reducing energy consumption for space heating in existing buildings. Support is provided in three levels. The main (not the only) criteria are shown in the table.

Minimal energy savings for heating	40 %	50 %	60 %
Target energy needs for space heating	70 kWh/(m ² .a)	55 kWh/(m ² .a)	35 kWh/(m ² .a)

- Area B: New construction of family houses in passive energy standard in two levels of support. The higher level requires a certain share of renewable energy covering the house needs.
- Area C: Replacement of solid and liquid fossil source boilers with efficient renewable or low-emission sources (i.e. biomass boilers, heat pumps, condensation gas heaters and solar thermal collectors). It also covers support to mechanical ventilation systems with heat recovery.
- Area D: Support for development of project documentation, energy performance certificate and energy assessment by authorized specialists.
- Area E. Bonus for combining selected measures.

The minimum quality standards for both services provided and products and technologies used in the programme are guaranteed by the so-called List of Qualified Suppliers and List of Supported Products and Technologies. Any company or product that fulfills certain criteria should be included in the lists.

Further reading

Full programme description is available at <http://www.nzu2013.cz/>. The page also has a modest section in English.

Chance for Buildings's recommendations and media information are available at <http://www.sanceprobudovy.cz/kategorie/nova-zelena-usporam> (in Czech only).