

Summarised overall assessment of Hungary's NECP

It is difficult to assess the Government's real intentions on the basis of the NECP document, which we could study, as several questions are not explicated (not addressed at all or referred to detailing it in the end 2019 version).

The ambition of 20% renewable and 8-10% energy efficiency improvement by 2030 is rather modest, and can hardly contribute to the common climate targets of the EU. The 40% GHG reduction target by 2030 (compared to 1990 levels) is not very ambitious either as the emissions are already today 35% lower than the 1990 level, mostly because of the collapse of the heavy industry at the beginning of the 1990's. Furthermore 6,4 tCO₂e of the total 8,2 million tCO₂e reduction would come from phasing out the lignite&biomass-fired Mátra power plant. But as national emissions are on the rise since 2015 (partly due to increasing industry, agriculture, and first of all transport emissions), this 40% target is deemed "realistic" by the Ministry with additional measures (BAU: 31,7% cuts.) We have to note that the GHG emissions of Hungary are still well below EU averages, both in terms of volume and per capita carbon intensity figures.

The NECP does not really explain how such policies as 'introducing flexibility into the electric system', or 'provision of adequate reserves in order to integrate PV producers' will be realized. With several measures we are missing the proof of feasibility, and the willingness of the Government to provide financing for the measures in addition to the expected EU funds.

The submitted draft also lacks addressing required issues: phasing out fossil fuel subsidies, setting an energy poverty reducing objective or measures to ensure proper implementation of the rights of prosumers' and renewable energy communities' rights in accordance with the Clean Energy Package.

The document cannot be regarded as a major call for the transition of the energy system towards clean energy.

Transport

The Hungarian NECP builds mainly on e-mobility, of which we can't see the financial background well and there are counterproductive effects of not phasing out the tax support of fossil fuels use (company cars, etc.).

The NECP aims a 15.66 million tCO₂e emission from transport by 2030. This is a more than 50% rise compared to 2015. We think that the transport sector should contribute to the climate change mitigation goals in accordance with the general requirement, i.e. at least 7% emission reduction on 2015 basis. This cannot be achieved only by promoting e-mobility and biofuel use, that are often referred to in the document; the Clean Air Action Group already made several detailed proposals for the government for decarbonising the transport sector. The Hungarian Government even plans to make infrastructure investments that again produce a rise in passenger and freight transport producing additional emissions and energy use.

Buildings

There are plans to renovate the residential and institutional building stock. According to the NECP draft, with additional measures the savings can be doubled, resulting in 20% decrease of the residential energy use between 2015 and 2030. But there is no long-term strategy in the NECP for the energy modernisation of buildings, what makes it hard to find out what data are used in the calculations in this sector.

Though the energy modernisation of buildings has the greatest potential by volume, the payback time is long and the cost to be covered by the residents is prohibitively high. Better regulation and targeted support would be necessary to harness this savings potential.

In the Hungarian NECP we can only read about ESCO's, but we doubt that the building sector can be attractive enough for this type of for-profit companies.

Agriculture

Until 2020 the non-ETS sectors are regulated by the ESD. So is agriculture, and this means Hungary can produce a 10% rise of emission between 2013 -2020 compared to 2005 to reach the final 7% emission reduction by 2030.

Hungary aims to reach a maximum of 9.28 million tCO₂e that contains 1.59 million tCO₂e of energy and 7.69 million tCO₂e non-energy origin agricultural emission. The rise of the emission in Hungary (18% by 2030) is due to the use of fertilizers, the growth of the cattle stock and its milk production. But the calculation of emission of this sector is still in progress.