

## **Slovak contribution:**

### **Energy Component of Economic Stimulus Policy Package**

The sharp downturn faced by the European economy in the wake of the financial crisis and to shortcomings in the security of energy supply illustrated by the gas crisis has shown that energy security and interconnections in Europe are not sufficient, both pose structural problems for the European economy and the welfare of citizens. A comprehensive European Economic Recovery Plan was endorsed by the European Council of 11-12 December 2008. A financial stimulus to key parts of the energy sector creates an essential element of it.

The Slovak Government assumes its responsibility and attach great importance to take appropriate measures in order to mitigate adverse impacts of economic crises. At the same time takes into consideration the limitation of instruments which keeps at its disposal to be used against the crisis which has global character.

In spite of these limitations the Government of the Slovak Republic adopted since last autumn in successive steps three economic stimulus packages and put in place measures of crucial importance in order to minimise adverse impacts of crises on the Slovak economy and living standard of citizens.

More concretely the Government adopted on November 6, 2008 a document „Proposal of measures for global financial crisis impacts reduction“. Approved measures are oriented to concerned economic policy areas. Implementation of each measure is being supervised by the relevant ministry and by co-operating government departments. A specific performance term has been set up. Generally, there have been adopted 27 specific measures covering both fiscal and structural policies area. Among them several measures cover the „energy component“.

The most important energy sector's governmental measures are as follows:

#### **1. The support to a transfer of innovative technologies:**

The purpose of this measure is to enhance a private sector, especially small and medium size enterprises performance by enhanced technology transfers, which would contribute to energy savings, increase of energy efficiency and mitigation of environmental damage caused by energy generation and consumption.

Improvements in productivity of labour will consequently increase the competitiveness of Slovak enterprises and contribute to higher value added.

The above-mentioned measures have already been adopted in the Strategy of Innovation Policy of the Slovak Republic for 2008-2010. (Targets: fostering an implementation of innovative technologies in the industry and in services sectors, the innovative incentives, adoption of the innovation vouchers, better intellectual property rights protection).

**2. The increase of consumption of energy generated from domestic resources** by earlier completion of the third and fourth units of Nuclear Power Plant (NPP Mochovce) and by higher involvement of the Slovak industry into the construction of a new and reconstruction of existing thermal power stations and combined cycle gas turbine (CCGT) .

The purpose of this measure is to decrease the negative balance of electricity generation as well as to promote the Slovak industry capacity by constructing the new generation capacities.

The key precondition for sufficient electricity supply in long term horizon is determined by the an early completion of 2 units of NPP Mochovce. The beginning of electricity generation of the above-mentioned two units is previewed for 2013 at least, an earlier production running from 2012 might significantly contribute to reduction of negative electricity balance of Slovakia.

**3. The increase of the Energy Efficiency by establishing of the Energy Efficiency Support Programme.** The purpose is to avoid an energy shortage caused by high energy prices or by deficit of power capacity. In this respect, an adoption of the above-mentioned programme would contribute to a competitiveness increase and business environment stability as well as energy costs drop.

**4.** The Government of the Slovak Republic adopted on February 9, 2009 the third package of measures for reduction of the financial crisis. **Programme for higher utilization of biomass and a solar energy** forms a part of this package. The programme aims to promote the use of biomass and solar energy in household sector's heating and is particularly targeted to assistance for installation of biomass generated boilers or solar collectors. The implementation of this programme will contribute to the increase of a share of renewable energy sources in final energy consumption of Slovakia.

Within the frame of the programme, there is planned to promote approx. 5000 projects (solar collectors, biomass generated boilers and their combinations), which will require the support from state budget amounting to 8 Mil. EUR.