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## Financial grants and financial credit Slovenia

### Responsible partners

- Eco Fund – Slovenian Environment Public Fund, Mr. Franci Ceklin;  
<http://www.ekosklad.si>
- Petrol d.d., Ljubljana, Mr. Miha Valentinčič;  
<http://www.petrol.si/za-podjetja/storitve/subvencije-ure-ove/objavljeni-razpisi/zaprti-razpisi/javni-razpis-petrolure-j-2012-01>
- GEN-I d.o.o., Mr. Rado Kotar;  
<http://www.gen-i.si/novice-in-mediji/novice/314>
- Energetika Ljubljana, Department URE & OVE (i.e. En. efficiency and RES) , Director of Municipality : Mr. Hrvoje Draškovič  
<http://www.jhl.si/energetika/ucinkovita-raba-energije>

### Date of last information update

20 October 2012

### Model description

Public sectors:

- Public tender PETROLURE/J/2012/U01 (FG) – Petrol

Natural persons:

- Public tender 6SUB-OB11 (FG) – Eco Fund
- Public tender 47OB12 (FC) - Eco Fund

Legal entities or natural persons pursuing business:

- Public tender 48PO12 (FC) – Eco Fund
- Public tender PETROLURE/P/2012/U01/02 (FG) – Petrol
- Public tender URE-GEN-I-2012 (FG) – GEN-I

Legal ground for the financial grants and credits is "Regulation on energy savings ensured to final customers" (Uredba o zagotavljanju prihrankov energije pri končnih odjemalcih). By this regulation all energy suppliers have to ensure energy savings at final costumers (in the amount of 1% of supplied energy) by carrying out programmes (EE and RES measures).

Regulation was adopted by government in 2009 and it is linked to support scheme of financial grants and credits that is running from 2004 and is conducted by Eco Fund.

The "large" suppliers prepare own programmes (call for tenders, etc.), while for the "small" suppliers programmes are prepared by Eco Fund (Slovenian Environment Public Fund).

### Roles of the different actors

The involved stakeholders are:

- Eco Fund – Slovenian Environment Public Fund (for small suppliers)
- large suppliers (e.g. Petrol d.d., Ljubljana, GEN-I d.o.o., Elektro Maribor, etc.)

Large suppliers prepare their own programmes, which have to be ratified by Eco Fund. For small suppliers programmes are prepared and carried out by Eco Fund; they have to be ratified by government.

Eco Fund prepares programmes for small suppliers and ratifies large suppliers' programmes. Every year Eco Fund prepares a report about all the programmes. Report is available on-line. [http://www.ekosklad.si/pdf/LetnaPorocila/LP\\_11\\_slo.pdf](http://www.ekosklad.si/pdf/LetnaPorocila/LP_11_slo.pdf) (2011 report; in Slovenian language)

### Swot analysis

<p>Strengths</p>	<p>Large number and long term tenders, so they enable long term policy or planning. Subsidies are more interesting for the investor than bank credits. Subsidies for SME's enable rather large percentage of total investment (however only for the solar part of the system). The access to financial sources is a bit easier when having more providers of different kinds of subsidies.</p>
<p>Weaknesses</p>	<p>Too low (absolute) amount of the subsidies: E.g. maximum only 200-300 k€ of subsidies:</p> <ul style="list-style-type: none"> <li>- which can represent up to 10% of total costs for public companies</li> <li>- 30% for large companies</li> <li>- 40 % for medium size companies</li> <li>- 50% for small size companies</li> </ul> <p>Even though subsidies are provided, this does not lead to sufficient benefit, expected by investors. The only 10% subsidies for public companies (or municipalities), who are the actual owners of almost all the district energy systems in Slovenia will most probably not lead to good results. For them 10% of discount will simply not lead to sufficient benefit. This is actually a surprising low percentage of subsidies compared for instance with regional structural EU funds, which have been dedicated to e.g. the infrastructure of municipalities. Eligible costs for subsidies do not cover potential investment in district heating network. There exists no tender that would be dedicated to solar district heating systems. The only similar tenders which were published in Slovenia in past, have been dedicated to biomass district heating systems. There is no tender, which would require that the private investor (private) in solar system could ap-</p>

	<p>ply together with district energy company (mostly public), where the benefit from such tender would be for both partners.</p> <p>Lack of special bank credits dedicated to the whole system; i.e. solar district heating.</p> <p>District cooling systems are not the subject of any tender. Solar cooling is not the subject of any tender.</p>
<p>Opportunities</p>	<p>Subsidies for SME's enable rather large percentage of investment, what can promote the development of smaller private solar district heating networks.</p> <p>Subsidies for SME's enable rather large percentage of investment, what can promote the development of special PPP, where the small company owns solar source and has a special contract with the (mostly state owned) owner of district energy system.</p> <p>Solar source can enable additional source for summer season, which can cover the existing energy from cogeneration plants. Since these do not operate at optimum, solar source could contribute to a kind of bivalent system.</p> <p>There exists only one solar district system in Slovenia. There exists no larger system of seasonal heat storage in Slovenia. This gives an opportunity to build pilot (demonstration) system for certain areas, backed up with e.g. heat pump.</p> <p>If (or when) the owners (municipalities) of Slovenian district energy systems learn possibilities, economic models, then the solar district cooling may be implemented in several systems. Since the municipalities are related to local or even governmental policy and even politicians, it may be very helpful if the European Commission sends them certain note on importance of such systems.</p>
<p>Threats</p>	<p>The majority of existing district energy networks today is public owned. They also in most cases do not have several or diverse sources of energy supply. They have no experiences or policy in connecting neither small suppliers nor larger suppliers. Especially not such, that represent solar energy. The question is also is the provider of solar energy can provide sufficiently small price for distributor. Small solar supplier = individual house of living block through heat station. Large solar supplier = owner of the larger field of solar collectors.</p> <p>The rate of return on investments of public companies (note 10% subsidies), such are most existing district energy companies in Slovenia, is too small. Therefore in the sense of good investors, they will</p>

	<p>not invest in such technologies, unless they just want to demonstrate their environmental concern. Large threat not only to solar driven, but to all district heating networks is given by natural gas. Behind the natural gas are very large investors and very strong lobby for both the national as well as the local or regional level.</p> <p>Cogeneration plants can hardly operate in summer season because of the very low heat consumption, unless they reject heat to the environment and operate in the condensation regime. Solar energy would actually worsen such situation, by reducing the number of operating hours of the cogeneration plant. However, this can also be seen as the opportunity, because the cogeneration plants do not optimally operate in summer.</p> <p>Too high costs of solar systems compared to other potential technologies (heat pumps, natural gas, district heat from other sources, biomass, etc)</p> <p>Some other renewable energy sources represent smaller overall carbon footprint.</p>
<p>Improvements/recommendations/lessons learned</p>	<p>Increase the highest amount of subsidies. Substantially increase the 10% of total costs for subsidies dedicated to public companies Involve national solar and DH industry and service providers (this is important because they are related to the state economy – economy is related to politics – and politics is related to initiatives and support for SDH) Create tenders that enable PPP between a private company as investor in solar system and the owner of the district heating system. Ensure that both partners financially benefit. Perhaps it makes sense to involve the solar with some other supporting technology (e.g. large scale solar supported heat pumps) Extend tenders for the whole system, not only the solar part. Make supporting schemes for pilot demonstration projects Include district cooling projects into support scheme. Include solar cooling into support scheme. Improve local legislation for district heating and cooling. These systems must have priority over natural gas. The later can be used but only as the source for the cogeneration plant and not burning only.</p>

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### **Replication potential of the model**

The model is replicable. The key requirement depends on the financial source, where it comes from. If the state has such a model, that the CO<sub>2</sub> taxes can be applied into tenders by those who produce the CO<sub>2</sub>, then this model can be implemented.

### **Links to web site and/or documents for more detailed information**

Ministry and legislation

<http://www.energetika-portal.si/podrocja/energetika/podporna-shema-ove-in-spte/>

Eko Sklad – governmental

<http://www.ekosklad.si/html/razpisi/main.html>

Petrol company – subsidies for public and private companies

<http://www.petrol.si/za-podjetja/storitve/subvencije/objavljeni-razpisi>

GEN-I company

<http://www.gen-i.si/novice-in-mediji/novice/314>

Energetika Ljubljana

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