

Annual Report on the Progress Achieved towards National Energy Efficiency Targets for 2014

An annual report on the progress achieved towards national energy efficiency targets (the 'Annual Report') is drawn up annually by the Ministry of Economy of the Slovak Republic for the preceding calendar year on the basis of Section 4(1)(d) of Act No 321/2014 on energy efficiency¹, and in accordance with Article 24(1) and with Annex XIV, Part 1, of Directive 2012/27/EU on energy efficiency (the 'Directive')². This report contains a basic update on progress in the fulfilment of set energy savings targets and on compliance with other provisions of Directive 2012/27/EU.

The aim of the Annual Report is to provide an annual evaluation of compliance with energy savings targets set by Slovakia by reference to Directive 2012/27/EU, and of the fulfilment of obligations thereunder. This chiefly encompasses:

- an evaluation of progress in the pursuit of the national indicative energy efficiency target for 2020 (the 'national target') in the form of the absolute value of primary energy consumption and final energy consumption in accordance with Section 5(1)(c) of Act No 321/2014;
- an evaluation of progress in the pursuit of the final consumer energy savings target in accordance with Section 5(1)(b) of Act No 321/2014;
- an evaluation of progress in the pursuit of the building energy savings target in accordance with Section 10(3)(a) of Act No 321/2014;
- the provision of basic statistics on energy consumption in Slovakia and selected statistical indicators for previous available years;
- updates on legislative and non-legislative measures implemented in the previous year which contribute towards the national target in accordance with Section 5(1)(c) of Act No 321/2014.

The content of the Annual Report is consistent with Annex XIV, Part 1, of Directive 2012/27/EU. A summary of energy savings by measure, serving as underlying documentation for the evaluation of relevant targets, can be found in the annexes.

1. Basic energy efficiency statistics

Basic energy consumption statistics for the previous two years are provided in accordance with Directive 2012/27/EU on energy efficiency (see Table 1).

Table 1: Basic energy efficiency figures for 2012 and 2013

Indicator	2012	2013
Primary energy consumption ¹⁾ (TJ)	658 257	670 615
Final energy consumption (TJ)	379 105	398 577
Final energy consumption – industry (TJ)	134 692	129 681
Final energy consumption – transport (TJ)	90 976	91 151
Final energy consumption – households (TJ)	86 671	89 897
Final energy consumption – services (TJ)	60 759	82 360

¹ Act No 321/2014 of 21 October 2014 on energy efficiency and amending certain laws.

² Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012), as amended by Council Directive 2013/12/EU of 13 May 2013 (OJ L 141, 28.5.2013).

Gross value added - industry (current prices, EUR millions)	17 427	16 610
Gross value added - services (current prices, EUR millions)	40 412.41	42 118.93
Electricity generation from thermal power generation ²⁾ (GWh)	8 231	7 282
Electricity generation from combined heat and power ³⁾ (GWh)	23 726	23 002
Heat generation from thermal power generation ⁴⁾ (TJ)	94 213	74 138
Heat generation from combined heat and power plants, including industrial waste heat ⁵⁾ (TJ)	40 905	35 783
Fuel input for thermal power generation ⁶⁾ (TJ)	128 602	107 317
Average equivalent disposable income of households (EUR), EU-SILC	630	606
Gross domestic product (GDP) - 2010 constant prices (EUR billions)	70.13	71.13
Passenger kilometres (pkm millions) - national total	9 175	9 079
Passenger kilometres (pkm millions) - road public transport	4 584	4 388
Tonne kilometres (tkm millions) - national total	38 173	39 245
Tonne kilometres (tkm millions) - road transport	29 504	30 005
Population as at 31 December 2013	5 410 836	5 415 949

Source: Prepared by sourcing data from the Statistical Office of the Slovak Republic, EU-SILC (2012, 2013).

Note:

- 1) Primary energy consumption is calculated as the difference between gross inland consumption and non-energy consumption (data sourced from Energetika 2012, Energetika 2013);
- 2) Electricity generation from thermal power generation is calculated as the sum of public and works generating plants (data sourced from Energetika 2012, Energetika 2013);
- 3) Electricity generation from combined heat and power is calculated as the sum of public and works generating plants (data sourced from Energetika 2012, Energetika 2013);
- 4) Heat generation from thermal power generation is calculated as the sum of the quantity of heat generated at heating plants, broken down by fuel (data sourced from Energetika 2012, Energetika 2013);
- 5) Heat generation from combined heat and power plants, including industrial waste heat, is calculated as the sum of the quantity of heat generated at public and works heating plants and heat consumption in industry (data sourced from Energetika 2012, Energetika 2013);
- 6) Fuel input for thermal power generation is calculated as the sum of the quantity of fuel inputs at heating plants, broken down by fuel (data sourced from Energetika 2012, Energetika 2013).

2. Energy consumption trends by sector

Final energy consumption reported an effectively downward trajectory until 2012, before recording a modest upswing in 2013. Traditionally, industry in Slovakia has led the way in terms of energy consumption, followed by the transport sector, households and commerce and services; agriculture accounts for the lowest proportion of final energy consumption (Table 2, Figure 1).

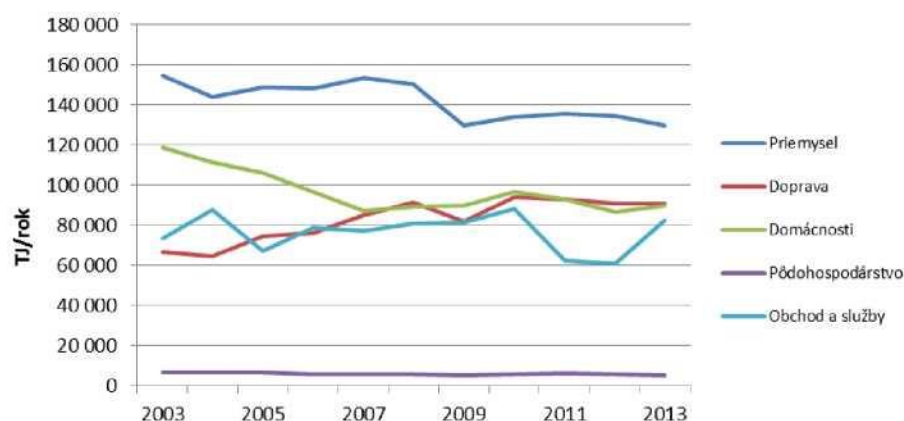
Table 2: Final energy consumption trends by sector in 2003-2013 (TJ)

Final energy consumption in the years 2003-2013 [TJ]											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total FEC	420 963	414 612	404 068	406 458	409 033	418 291	388725	419 031	390845	379105	398 577
Industry	154 734	143 898	148 785	148 381	153 704	150 591	130038	134 268	135575	134692	129 681
Transport	66 932	64 469	74 846	76 496	85 004	91 490	81895	94 303	92851	90976	91 151
Households	118 887	111 645	106 059	96 721	87 248	89 209	89994	96 754	93106	86671	89 897
Agriculture	6 608	6 920	6 847	5 895	5 673	5 839	5393	5 589	6549	6007	5 488
Commerce and services	73 802	87 680	67 531	78 965	77 404	81 162	81405	88 117	62764	60759	82 360

Source: Statistical Office of the Slovak Republic (2015) – SLOVSTAT as at 7 April 2015

In the past 10 years, final energy consumption has declined overall by approximately 5 %. Energy consumption has contracted most among households (-24 %), in agriculture (-17 %), and in industry (-16 %). At the other end of the scale, energy consumption has risen primarily in transport (by as much as 36 %), as well as in commerce and services (12 %) (see Figure 1). However, energy consumption rose by 5.14 % year on year. The largest year-on-year growth has been recorded in commerce and services.

Figure 1: Final energy consumption in 2003-2013 by sector (TJ)



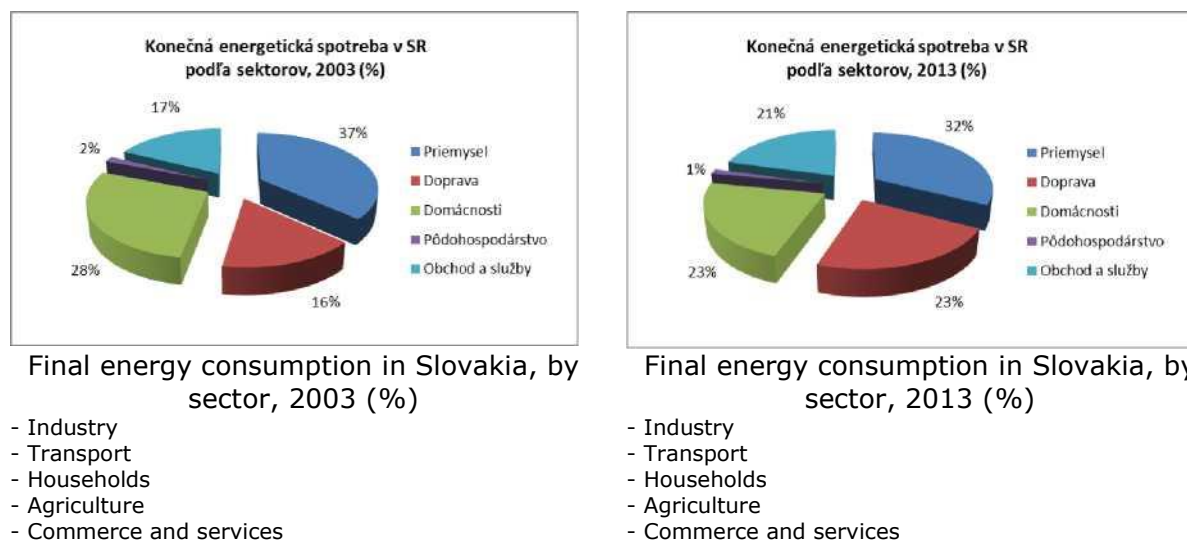
TJ/year

- Industry
- Transport
- Households
- Agriculture
- Commerce and services

Source: Statistical Office of the Slovak Republic (2015) – SLOVSTAT as at 7 April 2015

The changes in the past decade, as described above, also triggered a change in the final energy consumption shares of each sector in Slovakia. The most striking change concerns households and transport. While the household share of energy consumption declined by five percentage points (in 2003-2013), the transport share expanded by seven percentage points. Nevertheless, industry continued to account for the lion's share of energy consumption, taking up roughly a third of overall final energy consumption in Slovakia.

Figure 2: Final energy consumption in Slovakia by sector, 2003 and 2013 (%)



Source: Statistical Office of the Slovak Republic (2015) – SLOVSTAT as at 7 April 2015

Industry:

The industrial sector is the largest consumer of energy. Energy consumption in industry gradually decreased between 2003 and 2007, when a modest rise in consumption was recorded. In 2010-2013, the sector again followed a downward energy consumption trajectory. Final energy consumption in industry in 2013 was 129.7 PJ, accounting for 32.5 % of total final energy consumption in Slovakia. In 2013, industry reported a 3.7 % year-on-year dip in energy consumption.

Households:

The household sector reported the largest decline in absolute energy consumption compared to other sectors of the national economy in the 2003-2007 period. After this period of a pronounced downturn in energy consumption, the sector recorded tentative growth and, in recent years, consumption has fluctuated up and down. Between 2012 and 2013, household energy consumption climbed by 3.7 %.

Commerce and services:

Overall energy consumption in commerce and services fluctuated in the 2003-2013 period, during which the average annual energy consumption stood at 77 PJ.

Consumption felt most sharply in 2006 and 2011. In 2013, energy consumption recorded significant year-on-year growth in the region of 36 %. This deviation can be explained by the division and merger of undertakings, changes in their sector classification, the resulting revision of where their consumption is classified in the energy balance, and the calculation method used by the Statistical Office for this item³.

Agriculture:

Energy consumption in agriculture has not reported such pronounced fluctuations as in other sectors. Even so, medium-term energy consumption here has shrunk by 20 % (2003-2013). In 2013, the sector recorded a year-on-year 8.6 % decline.

Transport:

Transport was the only sector in the national economy to record rising energy consumption in the reporting period (by as much as 22 %). Energy consumption rose most conspicuously in 2005-2010, after which it peaked. In 2013, energy consumption stood at 91 PJ, only a very modest 0.19 % increase on 2012.

The chief factors fuelling energy consumption growth in transport in the reporting period include the ever growing numbers of registered motor vehicles and the accompanying upswing in people travelling by private car (a hike in private car capacity at the expense of public transport), along with expanding road haulage as the carriage of goods switches from modes of transport that are less energy intensive to the highways. Annex 3 presents a detailed analysis of how the factors behind energy consumption growth in transport have developed.

3. Updated information on the most important legislative and non-legislative measures implemented in 2014

This section discusses legislative and non-legislative measures implemented in 2014 which contribute towards the national energy efficiency targets for 2020.

3.1 Legislative measures

On 25 October 2014, the National Council of the Slovak Republic passed Act No 321/2014 on energy efficiency and amending certain laws, which transposes Directive 2012/27/EU on energy efficiency. This Act, entering into effect on 1 December 2014, includes an amendment to Act No 71/2013 on the award of grants within the competence of the Ministry of Economy of the Slovak Republic in order to enable support programmes to be prepared for the Bratislava Region, which cannot be financed by European and Structural Funds (ESIF). The Act also facilitates the preparation of voluntary agreements with stakeholders.

During 2014, the EU adopted the following secondary legislation on ecodesign and energy labelling:

³ Energy consumption in commerce and services is not ascertained separately, but is calculated by reference to other figures. Consequently, any derogations from the norm in other sectors are also reflected here.

- Commission Regulation (EU) No 4/2014 of 6 January 2014 amending Regulation (EC) No 640/2009 implementing Directive 2005/32/EC of the European Parliament and of the Council with regard to ecodesign requirements for electric motors;
- Commission Regulation (EU) No 66/2014 of 14 January 2014 implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to ecodesign requirements for domestic ovens, hobs and range hoods;
- Commission Regulation (EU) No 548/2014 of 21 May 2014 on implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to small, medium and large power transformers;
- Commission Delegated Regulation (EU) No 65/2014 of 1 October 2013 supplementing Directive 2010/30/EU of the European Parliament and of the Council with regard to the energy labelling of domestic ovens and range hoods.

3.2 Non-legislative measures

In 2014, Energy Efficiency Action Plan 2014-2016, with an Outlook up to 2020, was approved under Slovak Government Resolution No 350/2014 of 9 July 2014 (the 'Third Action Plan' or '3AP'). This programme document encompasses the most significant measures contributing to the energy savings targets for 2020.

In 2014, numerous key measures contributing to the energy savings target were drawn up and approved, in particular:

- new European Structural and Investment Funds (ESIF) were approved (Operational Programme Environmental Quality, Operational Programme Integrated Infrastructure, IROP); the first calls will be made in 2015;
- the Environmental Fund announced a call for aid applications for the restoration of public buildings (in April 2014);
- the second stage of the Munseff programme, geared towards the restoration of public buildings, was launched;
- the first Sloveff III projects were implemented.

The most important measures contributing to the energy savings target under Article 7 of the Directive are set out in Table 3.

Table 3: Overview of the most significant policy measures for the fulfilment of the target under Article 7 of Directive 2012/27/EU in 2014

Source of financing	Most significant non-legislative active measures in 2014
Operational Programme Competitiveness and Economic Growth, 2007-2013 Structural Funds	- Innovation and technology transfers at industrial enterprises; - Increased energy efficiency in industrial production; - Upgrading of public street lighting; - Energy auditing in public buildings;
Operational Programme Health, 2007-2013 Structural Funds	- Improvements in the thermal performance of buildings – hospitals and healthcare facilities;
Operational Programme Transport, 2007-2013 Structural Funds	- Fleet renewal and modernisation (rail and bus/coach transport); - Building and upgrading the transport infrastructure;
Regional Operational Programme, 2007-2013 Structural Funds	- Improvements in the thermal performance of public buildings – Schools and school facilities, social service facilities, cultural facilities, etc.;

Operational Programme Research and Development, 2007-2013 Structural Funds	- Improvements in the thermal performance of public buildings – Schools and school facilities;
Operational Programme Bratislava Region, 2007-2013 Structural Funds	- Improvements in the thermal performance of public buildings; - Upgrading of public street lighting;
State Housing Development Fund – Residential Building Insulation	- Improvements in the thermal performance of residential buildings;
State Housing Development Fund (2013-2014) – 2007-2013 Structural Funds	- Improvements in the thermal performance of multi-family buildings in urban areas;
Slovseff III Green Programme	- Improvements in the thermal performance of multi-family buildings; - Improvements in energy efficiency in industry;
Environmental Fund – Activity L1	- Improvements in the thermal performance of public buildings;

4. Information on the restoration of buildings within the competence of central bodies of State administration

According to Directive 2012/27/EU, each Member State shall ensure that, as from 1 January 2014, 3 % of the total floor area of heated and/or cooled buildings owned and occupied by its central government is renovated each year to meet at least the minimum energy performance requirements for buildings (Article 5(1) of the Directive). This target may also be pursued by an alternative approach (Article 5(6) of the Directive) achieving the same level of energy savings as the basic approach set out in Article 5(1) of the Directive.

4.1. Total floor area of buildings with a total floor area over 500 m² owned and occupied by central bodies of State administration that do not meet the national minimum energy performance requirements as at 1 January 2015

Indicator	2014
Total floor area of the buildings of central bodies of State administration not complying with national minimum energy performance requirements for buildings	404 816 m ²

Source: Ministry of Transport, Construction and Regional Development (2015)

4.2. Total floor area of heated and cooled buildings with a total floor area over 500 m² owned and occupied by central bodies of State administration that was renovated at least to national minimum energy performance requirements for buildings in 2014

Indicator	2014
Total floor area of the buildings of central bodies of State administration renovated at least to national minimum energy performance requirements for buildings	19 139 m ²

Source: Slovak Innovation and Energy Agency (2015), figures for 2014 collected as at 24 March 2015.

4.3. Energy savings achieved in buildings owned and occupied by central bodies of State administration – 2014

Indicator	2014
Energy savings in buildings owned and occupied by central bodies of State administration	0.85 GWh

Source: Slovak Innovation and Energy Agency (2015), figures for 2014 collected as at 24 March 2015.

In addressing building energy savings, Slovakia opted for an alternative approach to the pursuit of the target under Article 5(1) of Directive 2012/27/EU in accordance with Article 5(6) thereof. The alternative approach selected included the setting of an energy savings target of 52.17 GWh/year⁴. As at the date of preparation of this Annual Report, the data collected indicated that the energy savings achieved by renovating buildings within the competence of central bodies of State administration amounted to 0.85 GWh in 2014, equivalent to approximately 1.6 % of the stated energy savings target for buildings. These energy savings include energy saved by renovating the buildings of organisations directly subordinate to central bodies of State administration. This result can be explained by the fact that Act No 321/2014 entered into effect on 1 December 2014, and the annual building renovation plan (in accordance with Section 10 (1) of the Act), including the requirement to earmark the corresponding resources from the central government budget, will be prepared for the first time in 2015.

5. Evaluation of energy efficiency measures

In the evaluation of energy efficiency measures, such measures were assessed by individual project, i.e. by a bottom-up method. Measures are evaluated by reference to the broad-based collection of data harvested between November 2014 and March 2015. This collection included data on savings made by projects implemented in 2013 and in 2014. These figures were not part of the Third Action Plan.

To evaluate the cumulative savings (i.e. for the final consumer energy savings target), the annual energy savings that can be achieved by the projects implemented in the given year are counted. By reference to individual projects, energy savings were put at approximately 2 322 TJ in 2013 and roughly 2 142 TJ in 2014 (final energy consumption).

Table 4 provides an evaluation of energy efficiency measures in 2013 and 2014 from the perspective of annual energy savings. Detailed information on energy savings achieved, by measure, can be found in Annex 2.

Table 4: Evaluation of energy efficiency measures in 2013 and 2014 - annual savings

	Annual energy savings*			
	Energy savings (FEC)		Energy savings (PEC)	
	2013	2014	2013	2014
	[TJ/year]	[TJ/year]	[TJ/year]	[TJ/year]
Buildings	1 693.02	1 665.57	2 649.48	2 606.52
Industry	314.83	108.43	492.69	169.68
Public sector	151.73	135.89	237.46	212.67

⁴ Report notifying an alternative approach in accordance with Article 5 of Directive 2012/27/EU on energy efficiency. The report was sent to the European Commission on 27 December 2013.

Transport	0.00 A)	88.07	0.00 A)	137.83
Appliances	161.92	143.51	253.40	224.58
Energy transformation, transmission and distribution	0.00	0.00	0.00 B)	35.72 C)
Total	2 321.51	2 141.47	3 633.03	3 387.00

Note: A) savings in 2013 were included in the 3AP evaluation; B) up to 2014, the evaluation only kept track of energy consumption in accordance with the requirements of Directive 2006/32/EC; C) in the sector of energy transformation, transmission and distribution, these savings are only in relation to primary energy consumption.

The methodologies in place for the evaluation of measures to comply with Article 7 of Directive 2012/27/EU and other targets derived from Directive 2012/27/EU and Directive 2006/32/EC differ from one another in that the target under Article 7 only takes account of savings beyond the minimum requirements arising from EU legislation. This exception concerns appliances and passenger cars and light-duty vehicles. Otherwise, the calculation methodology for annual energy savings is the same under each measure. The procedure for the evaluation of energy savings under selected measures is set out in the methodology tables in Annexes 3 and 4 to the 3AP. These methodology tables will be supplemented and made more specific during the year.

6. Energy savings achieved through energy efficiency obligation schemes or alternative measures

In accordance with Article 7(1) of Directive 2012/27/EU, each Member State must establish an energy efficiency obligation scheme ensuring that energy suppliers achieve the cumulative end-use energy savings target by 31 December 2020. The cumulative target represents the accumulation of annual energy savings established at 1.5 % of the average annual energy sales to final customers of all energy suppliers. The resulting cumulative energy savings target for 2014-2020 was set at 26 565 GWh (in terms of final energy consumption). Of this, the annual energy saving is 948.75 GWh per year (3 416 TJ).

In connection with measures to save energy among final consumers, Slovakia opted to apply an alternative approach in accordance with Article 7(9) of the Directive. By following this course, Slovakia attempted to eliminate, as much as possible, potential increases in the end pricing of energy (electricity, gas, heat) that would have occurred by applying obligation schemes, under which the obligated parties would have reflected the investment costs of implementing energy efficiency measures among final consumers in the end energy prices.

The introduction of the alternative approach did not affect the level of the cumulative energy savings target in 2014-2020, which should amount to 26 565 GWh in 2021.

Methodology for the inclusion of energy savings when evaluating the final consumer savings target

In the pursuit of the final consumer energy savings target, the opportunity to include energy savings achieved in 2010-2013 in the 2014 result (n-4), in accordance with Article 7(1), (7)(c) and (9) of the Directive, serves as a basis. Energy savings in 2010-2012 are derived from an evaluation of energy efficiency measures in the Energy

Efficiency Action Plan 2014-2016, with an Outlook up to 2020⁵. Savings in the appliance sector reflect the minimum requirements laid down by European legislation. Energy savings in 2013 and 2014 stem from an evaluation carried out on the basis of broad-based data collection in 2015.

The level of savings achieved in the preceding period (in accordance with Article 7(1), (7)(c) and (9) of the Directive) did not prompt a reduction in the overall target in accordance with Article 7(2)(d) of the Directive, with only energy savings made in 2009 counted, i.e. savings at a level of just 210 GWh⁶. This prevented energy savings from being counted twice.

In order to evaluate the fulfilment of the final consumer energy savings target, energy savings were counted on the basis of measures implemented in the given year that create conditions for annual energy savings; this is consistent with paragraph 49 of the Interpretation Note for Article 7 of the Directive⁷.

Only implementation projects with a life-cycle up to at least 2020 (hard measures) were included in the energy efficiency measures of previous periods (2010-2013). Horizontal and support missions (soft measures) contribute to energy savings indirectly and often across the sector. However, their contribution to energy savings is manifested in savings achieved in the investment measures implemented. Consequently, and in order to avoid duplicate inclusion, the energy savings achieved under soft measures are not quantified separately.

The fulfilment of the final consumer energy savings target will also include energy savings stemming from 'voluntary agreements' in accordance with Section 8 of Act No 321/2014. The Ministry of Economy, in collaboration with energy suppliers, is preparing voluntary agreement procedures. We are currently seeking a common approach to the evaluation of energy savings among final customers in order to prevent the duplicate counting of energy savings in accordance with Article 7(12) of the Directive. The upshot of this will be the involvement of energy suppliers in the implementation of energy efficiency measures. The first results of this evaluation are expected in 2015.

Energy savings for an evaluation of the fulfilment of the final consumer energy savings target in 2014

Energy savings from the perspective of final energy consumption totalled 2 587 GWh in the preceding period of 2010-2013 (n-4). In 2014 (n), energy savings among final customers amounted to 593 GWh, which is approximately 63 % of the annual target (948 GWh per year). Hence the overall energy savings among final customers in 2014 can be quantified as 3 180 GWh. This amount will be adjusted once data from stakeholders under voluntary agreements have been processed, as mentioned above. Measures implemented by energy suppliers and other entities in 2014, including measures in accordance with Article 7(7)(c) of the Directive (see Table 5), will be included in energy savings.

⁵ Energy Efficiency Action Plan 2014-2016, with an Outlook up to 2020. Note: The evaluation includes savings made by projects completed in 2010-2012 which, on account of the methodology used (i.e. energy savings were reported in the Third Action Plan in the year following the year of project implementation), were reflected in energy savings for 2011-2013.

⁶ Information on the implementation in Slovakia of Article 7(2) of Directive 2012/27/EU on energy efficiency

⁷ Guidance note on Directive 2012/27/EU on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC, Article 7: Energy efficiency obligation schemes. SWD(2013) 451 final, Brussels, 6.11.2013.

Table 5: Energy savings for compliance with Article 7 of the Directive by means of alternative measures in 2014

	Annual energy savings (FEC)					
	2010*	2011*	2012*	2013**	2014**	Total savings included in 2014
	[GWh/year]	[GWh/year]	[GWh/year]	[GWh/year]	[GWh/year]	[GWh/year]
Buildings	263.92	389.15	473.22	470.28	462.66	2,059.23
Industry	94.79	65.29	136.73	87.36	30.12	414.38
Public sector	52.88	73.42	56.73	42.15	37.75	262.93
Transport	88.58	59.48	11.91	5.71	24.47	190.14
Appliances	80.64	64.89	27.52	42.12	38.46	253.62
Voluntary agreements	0.00	0.00	0.00	0.00	0.00	0.00
Total	580.81	652.23	706.10	647.71	593.45	3,180.30

Source: Energy Efficiency Action Plan 2014-2016, with an Outlook up to 2020, Ministry of Economy (2015).

Notes:

* - savings on the basis of 3NEEAP;

** - savings on the basis of an evaluation in 2015.

Overall progress in the pursuit of the final consumer energy savings target in the first year of implementation, i.e. 2014, was 3 180 GWh. This amount reflects the data available as at 22 April 2015. Energy savings for the individual measures in all sectors are presented in Annex 1. Cumulatively, this amount equates to savings of approximately 22 262 GWh up to 2020, i.e. roughly 84 % of the overall cumulative final consumer energy savings target for 2020 (see Table 6).

Table 6: Energy savings for compliance with Article 7 of the Directive by means of alternative measures in 2014

		Cumulative energy savings (FEC)						
		2014	2015	2016	2017	2018	2019	2020
Annual energy savings (FEC)	n-4	2,586.85	5,173.71	7,760.56	10,347.41	12,934.26	15,521.12	18,107.97
	2014	593.45	1,186.89	1,780.34	2,373.79	2,967.24	3,560.68	4,154.13
	Total	3,180.30	6,360.60	9,540.90	12,721.20	15,901.50	19,081.80	22,262.10

Several factors have a bearing on the result of compliance with the final consumer energy savings target in 2014.

- Actual utilisation of Structural Funds (as at 30 November 2014) was incomplete under many of the operational programmes contributing to energy savings (e.g. on average the utilisation of funds was approximately 53 % under the Operational Programme Competitiveness and Economic Growth, 65 % under the Operational Programme Research and Development, 65 % under the Operational Programme Transport, 70 % under the Operational Programme Bratislava Region, 75 % under the ROP, and 90 % under the Operational Programme Health, returning an average of 67 %). In 2014, many projects were still at the stage of implementation and, in some cases, were still under preparation. Financial resources can be drawn down up to the end of 2015, and the savings achieved in these projects will not be known until the end of 2015 or the beginning of 2016.

There is a significant gap between the contracted and actually physically completed projects.

- Although energy savings can be monitored within the scope of the Structural Funds (2007-2013), in some of the projects implemented the measurable energy savings indicator is not always set as a mandatory indicator, and additional information required to evaluate the energy savings is often unavailable in the ITMS system (e.g. the initial energy intensity of a building prior to renovation, the total floor area, etc.).
- Most projects financed by the Structural Funds in the 2007-2013 financial perspective were implemented by 2013, with the final financial resources utilised in 2014 and 2015.
- The projects which are to be financed by the European Structural and Investment Funds in the new 2014-2020 financial perspective (ESIF 2014-2020) will not start to be implemented until 2015. The ESIF partnership agreement (2014-2020) was approved in October 2014. The first calls will be made in 2015. The first projects will be implemented at the end of 2015.
- For some of the measures taken in 2014 and planned in the 3AP (e.g. the renovation of public buildings within the scope of the Environmental Fund, Sloveff III projects), only incomplete information on savings was available by the date on which this Annual Report was prepared. These figures will be added in the course of 2015.
- For numerous new measures deriving from the new Act No 321/2014 and planned under the 3AP (e.g. measures implemented within the scope of transformation, transmission and distribution, or projects implemented by energy service providers), a system for the collection of data required for energy-saving evaluations is currently being legislatively configured. This information will be established and trialled in 2015. At present, only incomplete information relating to these measures is available.
- Act No 321/2014 provides for the conclusion of voluntary agreements under which additional energy savings are anticipated. These agreements are currently under negotiation with a view to configuring a system for the conclusion of such agreements and a system for the collection and evaluation of data. Information on voluntary agreements will be updated as soon as it becomes available.
- At present, there is no comprehensive support system in place for energy efficiency measures offering constant financing arrangements that covers those segments not embraced by the Structural Funds (in the new 2014-2020 financial framework, this mainly concerns the Bratislava Self-governing Region) and that responds flexibly to market needs.

As not all information on projects implemented in 2014 was available, the figures on progress in the fulfilment of this binding target will be updated on the basis of additional data collection as soon as possible. The Ministry of Economy and the Slovak Innovation and Energy Agency are currently working on extensions to the energy efficiency monitoring system so that the savings made under measures not tracked so far can be monitored.

7. Evaluation of the fulfilment of the national energy efficiency target

On the basis of Article 3 of Directive 2012/27/EU and in accordance with section 5(1)(c) of Act No 321/2014, a national energy efficiency target was set for 2020 (the 'national target') in the form of an absolute value of primary energy consumption and final energy consumption.

As statistics on the level of final energy consumption and on the level of primary energy consumption in 2014 are not yet available, as at 30 April 2015 this target can only be

evaluated by means of a comparison with energy consumption in 2013 (see Table 7).

Table 7: National indicative energy efficiency target for 2020 and a comparison thereof with the level of energy consumption in 2013

	Comparison of the national indicative energy efficiency target for 2020 and the current level of energy consumption					
	FEC			PEC		
	[TWh]	[PJ]	[%]	[TWh]	[PJ]	[%]
National indicative energy efficiency target (level of energy consumption in 2020)	105	378	-	191	686	-
Level of energy consumption (FEC and PEC) in 2013	110.72	398.58	5.16%	186.28	670.62	-2.29 %

Source: Ministry of Economy (2015), Statistical Office of the Slovak Republic (2015)

Current energy consumption (FEC₂₀₁₃ and PEC₂₀₁₃) can be compared to some extent with the energy efficiency targets set for 2020; the differences move in a range of approximately up to 5 %. Current final energy consumption (FEC₂₀₁₃) is 2 % lower than the energy efficiency target for 2020 (FEC₂₀₂₀). In contrast, current primary energy consumption (PEC₂₀₁₃) is 5 % higher than the 2020 target at this point in time. This can be explained by the fact that the target reflects the planned launch of new facilities at Mochovce Nuclear Power Station (EMO 3,4), which will push PEC up by approximately 60 PJ by 2020, with no change in FEC.

Conclusions

The annual report is drawn up by the Ministry of Economy of the Slovak Republic every year for the preceding calendar year on the basis of Section 4(1)(d) of Act No 321/2014 on energy efficiency. The annual report contains information on compliance with selected basic obligations deriving from Directive 2012/27/EU. The fact that 2014 is the first year for the evaluation of obligations deriving from the Directive and the Act also merits attention. In this respect, some information is not yet available and planned measures are still being implemented.

In the building renovation scheme, only a handful of buildings within the competence of central bodies of State administration have been renovated because, to date, the central government budget has not systematically earmarked funds for such building renovation. Each budget heading will arrange for renovation by drawing on financial resources that have been saved.

In terms of progress in the pursuit of the final consumer energy savings target, in the first year of implementation, i.e. 2014, the energy saving can be put at 593 GWh, i.e. approximately 63 % of the annual target (948 GWh/year). Hence, once the energy savings for the previous four calendar years have also been factored in (in accordance with Article 7(9) of the Directive), the energy savings among final customers in 2014 can be quantified as 3 180 GWh. Progress in the fulfilment of this binding target will be updated on the basis of additional data collection as soon as possible.

In the pursuit of the national indicative energy efficiency target for 2020 (in accordance with Section 5(1)(b) of Act No 321/2014), the level of energy consumption in 2013 could be said to be on a par with the target consumption level for 2020 (the differences are in a range of approximately up to 5 %). Statistics for 2014 are not yet available. To achieve this indicative target, it is important to maintain the current level of energy consumption until 2020. From the perspective of the energy consumption structure in

Slovakia, it will be important, in this respect, to ensure that energy consumption in transport does not rise any further and/or to ensure that consumption in this area is set off by lower energy consumption in other sectors of the national economy.

With this in mind, in the future it will be necessary to focus on supporting energy efficiency measures, including a search for other opportunities for the financing thereof, and on monitoring the results in the form of energy savings and financial expenditure. The Ministry of Economy is taking action in both of these areas. Nevertheless, assistance from other ministries is unavoidable if Slovakia is to meet its energy saving commitments.