

WASTE TO ENERGY HELPS TO SECURE EUROPE'S ENERGY FUTURE

Advising in utilities projects that convert waste to energy is just one way that Wolf Theiss helps clients innovate and achieve added value. In advance of his guest presentation in February at the Energy from Waste (EfW) Conference 2017 at the Royal College of Physicians in London, Partner **Bryan W. Jardine** of Wolf Theiss Bucharest examines the current regulatory and incentive regimes that promote EfW projects in CEE/SEE and takes a look at the wide variation between the different countries.

The European Commission has been preparing a technical communication focusing on waste to energy (WtE) aiming to explore the opportunities it offers, particularly with regard to synergies between resource and energy efficiency. The communication was scheduled to be published at the end of 2016 together with the reviewed Renewable Energy Directive. According to the Commission, the WtE Communication will aim to tackle increasing challenges to energy security in Europe in the years ahead. In particular, a critical element in weaning Europe away from vulnerable Russian gas supplies includes the development of domestic energy sources. While few countries in Europe enjoy large oil and natural gas reserves, many alternative and renewable energy sources exist such as wind, solar, geothermal and biomass. With the increased emphasis on waste management in the EU, especially following the adoption of Directive 2008/98/EC on Waste (the so-called Waste Framework Directive), the member states of the EU and those aspiring to accede thereto must tackle the issue of proper waste management and disposal.

Austria is the regional leader in WtE. The country has developed a fairly robust body of law around WtE, stemming initially from the Austrian Waste Management Act of 2002 (which pre-dated the Waste Framework Directive) and being further addressed in the Green Electricity Act of 2012. Therefore, it should be seen as no surprise that in 2013, the incineration rate of municipal waste was 37% in Austria. Only 4% of municipal waste was landfilled due to the introduction of landfill bans (compared to over 70% of waste in Poland, which is currently disposed of at landfill sites without any treatment). Although there is no definition of WtE per se under the Waste Management Act of 2002, the Green Electricity Act of 2012 recognises that various WtE sources can be classified as facilities producing RES-Electricity and therefore eligible for certain tariff subsidies and priority dispatch. Accordingly, some 8% of the total waste volume is thermally treated or incinerated for WtE.

While not quite as developed, the **Czech Republic** has also taken notable strides in this area. Between 2010 and 2014, the production of electricity from waste sources more than doubled – from 36GWh to 87GWh. In 2013, 3.4% of waste was used to produce energy (both electricity and heat). Moreover, WtE projects are expected to further increase in the years ahead. The Czech government has plans to double the charge for disposing of

waste in landfills with the hope of driving more waste disposal towards WtE. Currently there are three waste incineration plants, with three more planned to come online in the near future.

In contrast, in other countries in the same region, the legislation for promoting WtE is less developed and accordingly fewer WtE projects are operating or even planned.

In **Bulgaria**, WtE projects are not yet widely developed. Although the number of operational WtE projects and the total installed capacity has increased in recent years, their impact on the energy market does not yet qualify as significant. Still, the country has made some notable strides, as the number of WtE projects increased from just seven in 2012 to 29 by 2015. The total installed capacity is approximately 55.1MW (around 1.33% of the total installed capacity of RES-Electricity).

Although there is currently only one power plant in **Hungary** that produces WtE and the overall percentage of electricity produced from WtE is only 0.5%, expectations are that WtE will increase significantly in the future. Specifically, Hungary's parliament recently approved the country's National Energy Strategy through to 2030, whereby the envisaged increase of the share of RES (including WtE) in the energy mix is anticipated to increase to 15% in 2030 and 20% by 2050.

In **Poland** there is significant demand to upgrade opportunities in WtE projects. Although currently most of the municipal waste collected is still deposited in landfills (indeed there are only two operating installations for thermal treatment of municipal waste), some six other plants are planned to come online shortly, with another five thereafter. In summary, there are plans to construct a total of at least 11 thermal waste treatment plants in the years ahead.

Slovenia has recently acknowledged the importance of WtE projects in the hierarchy of waste treatment. WtE currently ranks fourth behind waste prevention, reuse and recycling. Efforts are being made by the regional centres for waste treatment to upgrade facilities to handle WtE. Currently there is only one such facility, but there are plans to bring more online in the future, such as credits and subsidies offered to investors by the Slovenian Ecological Fund, and of the general promotion scheme for RES.

In **Albania** there are a few plants using biomass as fuel for the production of energy, but only one WtE project that uses waste as a form of fuel – this is the Landfill of Elbasan project which is currently in the construction phase. At present, the total percentage of the amount of energy generated by these plants is unknown.

In **Romania**, there is no specific legislation covering WtE, but rather an amalgamation of legislation intended to generally govern renewable energy (RES) projects. However, the green certificate incentives previously available under Law 220/2008 to promote RES projects have been significantly reduced in recent years - resulting in decreased investor appetite for all types of RES projects in Romania, including WtE. During the period 2008-2012, this percentage was even lower than one percent (1%).

Bosnia, on the other hand, compares favourably in this respect, with over 6.5% of total energy consumption coming from biomass energy and with plans to increase this number in the future. Hence, although progress towards WtE varies across different countries, it is clear that this is a trend which needs to continue – driven by a combination of environmental responsibility and future geopolitical reality.

Croatia specifically identified WtE projects as part of the 'co-incineration of waste' under the Sustainable Waste Management Act of 2013. Such WtE projects are given priority as a method of waste management (after reuse and recycling) and are also encompassed within the relevant RES legislation. Notwithstanding this encouraging legislative framework, no WtE facilities have been established to date.

In **Serbia** there are no official statistics on the current number of WtE facilities. However, WtE has been recognized by Serbian authorities as an important area for future growth with several projects currently ongoing and more having recently been announced.

Statistics are also lacking for the Slovak Republic on the number of current WtE projects. While **Slovakia** has implemented the EU Waste Framework Directive through its Waste Act, there is no specific definition of WtE contained therein.

For further insight into the current legislation please see the first edition (2016) of "*The Wolf Theiss Waste to Energy Guide in Central, Eastern and Southeastern Europe*" ([link to the Guide](#)).

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