

**Where foreign and energy policies
meet: Slovakia's bumpy road to
green economy**

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A few questions for the start

Foreign policy

- What role for the Foreign Ministry?
- What role for the other state actors?
- What if lack of political support?

What interaction with **energy policy**?

What interaction with **domestic politics**?

Introduction: The campaign "We are forest"



Facebook of Erik
Baláž

Biomass in Slovakia

Primary energy source	2015 (GWh)	2016 (GWh)	Production index 2016/2015 (%)	Share of total RES production 2016 (%)
Biomass	1196	1204	100,4	49,5
Biogas	578	614	106,0	25,3
Photovoltaics	578	577	99,6	23,7
Wind power	5,8	5,4	93,0	0,2
Secondary fuel gases	26	29	111,8	1,2
Secondary liquid fuels	1	0	0	0
Solar thermal energy	0,4	0,4	99,0	0,02
Hydrothermal energy	0,6	1	165,3	0,04

Tab. 2. Electricity generation in Slovakia from renewable energy sources (RES) in 2015 and 2016 in GWh.



The outline

Case studies:

1. Power sector: Away from coal
2. Transport sector: Towards e-mobility

What to keep in mind

Document:

*Draft Strategy of Environmental Policy of the Slovak Republic by 2030
(11/2017)*

Quote:

„The Energy Union is about more than energy and climate alone; it is about accelerating the fundamental modernisation of Europe's entire economy, making it low-carbon, energy and resource efficient, in a socially fair manner.“

Marek Šefčovič, European Commission Vice-President in charge of the Energy



1. Power sector: Away from coal

Installed capacity

- GWh -	2015	2016	Index (%) 2016/2015	Share of produc- tion 2016 (%)
Nuclear energy	15146	14774	97,3	53,8
Fossil fuels	5252	5319	101,0	19,4
Hydropower	4338	4844	111,4	17,6
Renewable sources	2384	2430	101,7	8,9
Other	71	85	119,1	0,3
Production	27 191	27 452	100,7	
Balance (Import +)	2357	2651	112,2	
Consumption	29 548	30 103	101,6	

Tab. 3. Total electricity production and consumption in Slovakia in 2015 and 2016 in GWh.

Slovak Energy
Annual, 2017

1. Power sector: Away from coal

Power production

Primary energy source	2015 (GWh)	2016 (GWh)	Production index 2016/2015 (%)	Share of total fossil fuel production 2016 (%)
Hard coal	1023	1008	98,2	18,9
Lignite	1893	1757	92,6	33,0
Natural gas	1456	1632	111,8	30,7
Dense gas	508	463	91,0	8,7
Heavy fuel oil	370	452	121,6	8,5
Diesel fuel	2,3	1,3	55,7	0,02
Other petroleum products	0	5,8	-----	0,1

Tab. 1. Production of electricity in Slovakia from fossil sources in 2015 and 2016 in GWh.

Slovak Energy
Annual, 2017

1. Power sector: Away from coal

Nováky Power Plant

- Installed capacity: 266 MW
- Fuel: domestic lignite
- “General economic interest”
- Subsidies: 120 M EUR in 2015
 - Direct: electricity bills (95 M)
 - Indirect: excise duty tax (15 M)
 - Other: aid for closing down mines



Slovenské
elektrárne

1. *Power sector: Away from coal*

Coal phase-out

- Domestic public pressure: NGOs, companies
- European Commission: carrots and sticks
 - State aid probe into subsidies
 - New emission limits as of 2021
 - Coal Regions in Transition Platform
 - JRC study advantages of closing down Nováky



1. Power sector: Away from coal

Institutional agreement: Action Plan by June 2018

Political positions: cacophony

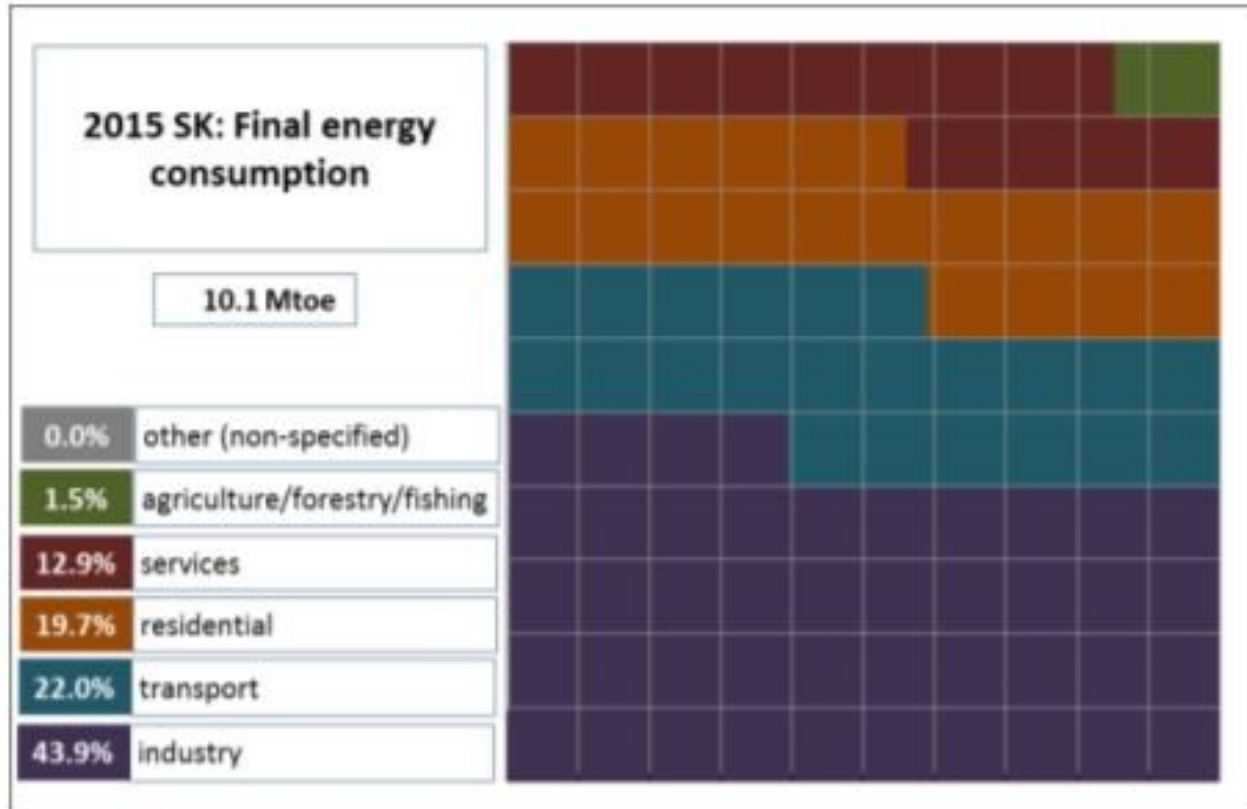
“I don’t know anything of closing the mines. That is some kind of nonsense. I absolutely refuse any declarations on closing mines, I have nothing to do with it.”

**Prime Minister Robert Fico,
February 2018**



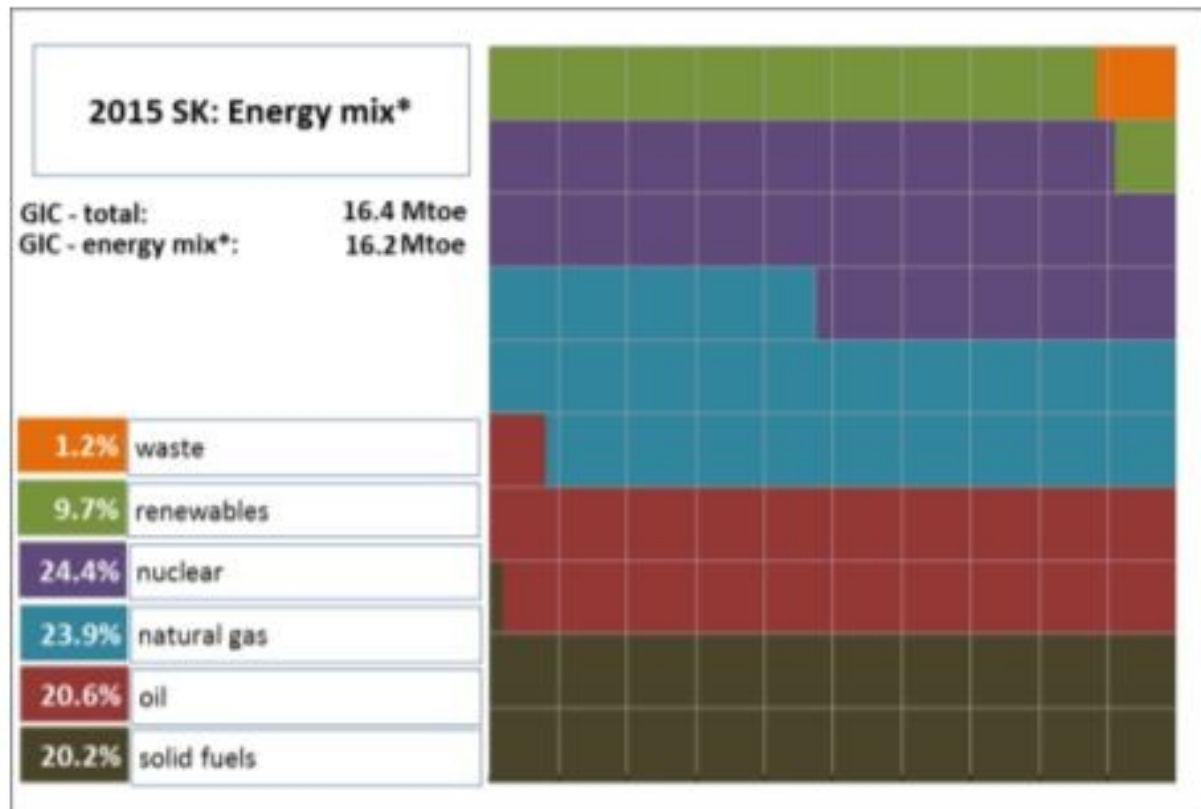
2. *Transport sector: Towards e-mobility*

Final energy consumption



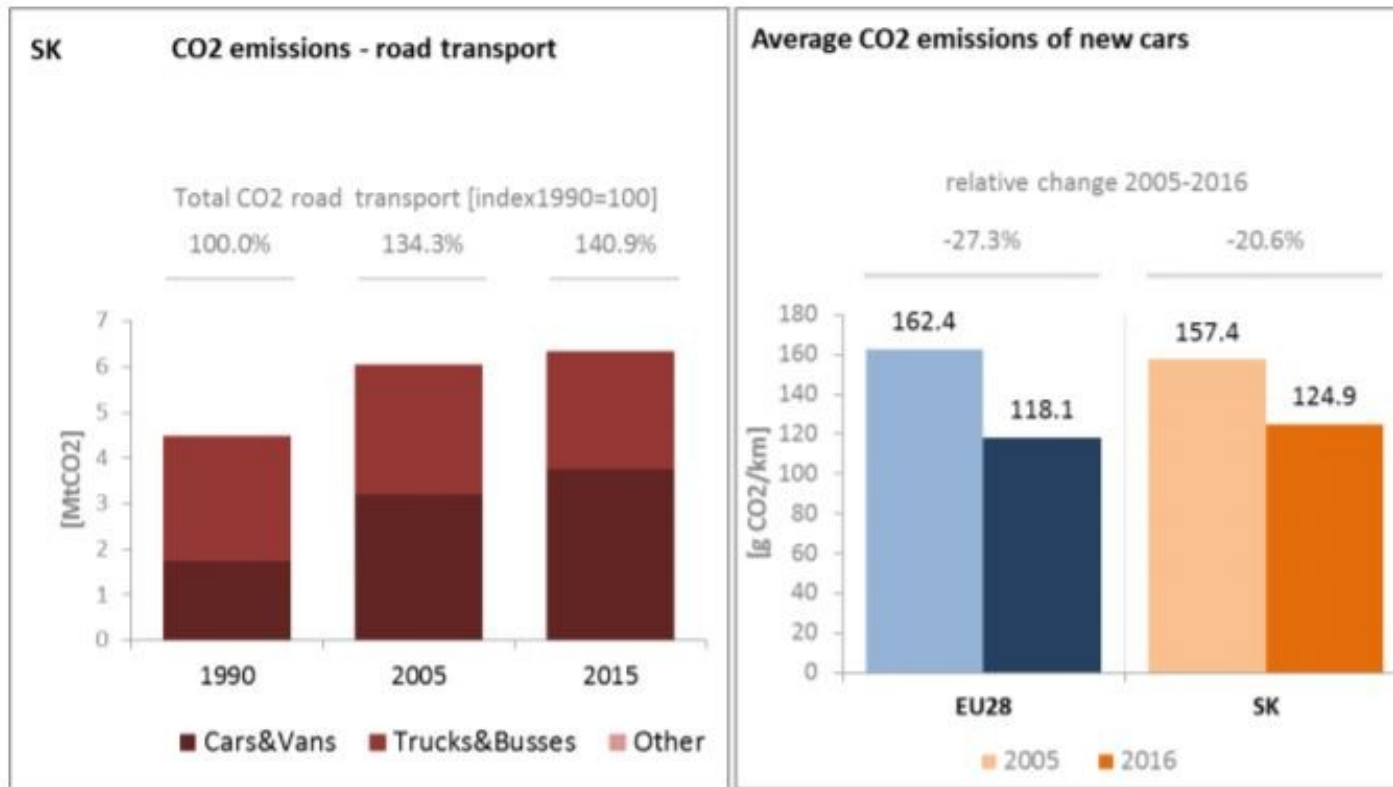
2. Transport sector: Towards e-mobility

Gross inland energy consumption



2. Transport sector: Towards e-mobility

Road transport emissions



2. *Transport sector: Towards e-mobility*

Road transport emissions

- Half of all NO_x emissions
- With biomass:
 - Major reason for damaging health
 - Premature death of 5,600 people/y
 - “Lost years” cost 1.95 bn EUR (can be decreased by 450 M EUR)



2. *Transport sector: Towards e-mobility*

Electric vehicles

- 2,500 out of 1,950,000 passenger cars (2017)
- Less numerous than LPG + gasoline (2015)
- 335 publicly accessible charging points



Nissan USA

2. *Transport sector: Towards e-mobility*

Automotive industry in Slovakia

- 1 M cars produced, 5.4 M inhabitants (2016)
- World's biggest car producer in per-capita terms
- Less numerous than LPG + gasoline (2015)
- "Makes the economy vulnerable" (European Commission)
- Only 1 out of 3 (4) plants produces electric cars
- No production plant for batteries
- 2,000 jobs in R&D out of 250,000
- Multinationals don't have R&D in Slovakia



Volkswagen

2. *Transport sector: Towards e-mobility*

Institutional attempts for improvement

- Creation of low-emission zones in cities (2017+)
- CO2 emissions as a factor of registration fee (2017+)
- Funding scheme for buyers of e-vehicles worth 5.2 M EUR (2016–2017)
- Funding scheme for cities and regions buying e-vehicles worth 1 M EUR (2018)

Plans

- Funding scheme for cities and regions building infrastructure
- Equal environmental taxation of gasoline and diesel, lower taxes for alternative fuels

Scenarios for 2020

- Conservative: 10,000
- Technological: 25,000

2. *Transport sector: Towards e-mobility*

European Commission driving the change

- Alternative Fuels Directive (2014)
- Infrastructure construction funded by CEF
- Political leader: European Commissioner Maroš Šefčovič



2. *Transport sector: Towards e-mobility*

Former Slovak Prime Minister calls for prudence

“In times, when some global players adopt a flexible approach to the objectives of green economy despite their international commitments, I cannot but call for a self-reflective prudence to the objectives of the Energy Union, especially in their application in the industry.”

EU should care for its own “*competitiveness*” in combustion-engine production.

Prime Minister Robert Fico, November 2017



Conclusion: Hope for a change?

Slovak institutions

- No leaders, followers
- Acting under pressure from
 - Domestic actors
 - European institutions



Conclusion: Hope for a change?

New government

- Peter Pellegrini, the digital leader, becomes Prime Minister
- László Sólymos, the Environment Minister, becomes Vice-Prime Minister

Possible political instability...





Debate

Slovakia's energy and transport transition in foreign policy

Institutional setup:

What is the role of Slovakia's foreign ministry and other ministries?

What added value can foreign policy bring to domestic-oriented policies?

Larger political environment:

What should be the role of non-state actors like NGOs and businesses?

Who are the relevant domestic and international actors?

Ambiguous foreign policy:

How can institutions handle the predetermined policy goals without sufficient political backup, in political instability or even with political divergence inside the government?