Country Sections

Hungary

Handbook Update CLR II

Support service for citizens led renovation projects - ENER/2023/OP/0036

DIRECTORATE-GENERAL FOR ENERGY

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Introduction

Hungary faces one of the most energy-inefficient building stocks in the European Union, with over 70% of residential buildings constructed before 1990 and lacking adequate insulation or modern heating systems. Renovation is thus critical to reduce household energy use, alleviate energy poverty, and align with EU climate targets. This challenge is particularly acute for low-income households and rural areas, where inefficient buildings and high energy costs overlap. Hungary's long-term renovation strategy, submitted under the EU Energy Performance of Buildings Directive (EPBD) [1], outlines goals for achieving a highly energy-efficient and decarbonised building stock by 2050. These objectives are aligned with the EU Renovation Wave and Fit for 55 package. However, renovation rates remain below the required 3% annually, and monitoring frameworks are weak. [2] This limits the ability to track progress and evaluate the impact of renovation policies at scale.

In 2024–2025, Hungary launched a flagship "home renovation" support scheme that combines a non-repayable grant with an interest-free loan, targeting primarily single-family homes built before 1990. Multi-apartment buildings and energy-community-based renovation are not yet a central focus of this scheme. The programme aims to boost renovation uptake while reducing upfront financial barriers, particularly in rural and lower-income districts. Additional resources from the EU Recovery and Resilience Facility (RRF) and REPowerEU package complement national financing.[3]

Despite the scale of available funding, these programmes face significant accessibility challenges. Eligibility criteria are strict, administration is complex, and — critically — schemes operate on a post-financing basis, requiring households to pay upfront before reimbursement. Studies indicate rejection rates as high as 93% among applicants, disproportionately affecting the vulnerable households who would benefit most. The programmes therefore have limited effectiveness in addressing energy poverty despite substantial available resources[4].

A further structural factor constraining the renovation and energy transition landscape is Hungary's regulated universal energy service market, in place for over twelve years. Households access energy at subsidised 'rezsivédelem' (utility cost protection) rates, which places energy prices below the threshold at which technology-led transitions — including energy communities and collective renovation — can compete on a realistic payback basis. This regulated pricing environment directly inhibits the development of energy community structures and collective renovation models.

In addition to climate and energy objectives, building renovation in Hungary has a strong social and territorial dimension. Energy poverty remains widespread, particularly in rural areas and in regions with older, detached housing stock, where inefficient buildings and reliance on solid fuels or outdated gas systems lead to high energy expenditures and poor indoor comfort. Citizen-led renovation initiatives, when combined with targeted public support, can help address these challenges by enabling collective planning, reducing costs through economies of scale, and improving access to information and financing for households that might otherwise be excluded from renovation programmes.

[1] The Clean Energy for all Europeans Package - Florence School of Regulation – Link

[2] National Building Renovation Plans and Zero-Emission Buildings – Link

[3] Hungary's recovery and resilience plan - Reforms and Investments – Link

[4] Gazdaság: Hidegen hagyják az embereket a kormány újabb lakásfelújítási programjai – Link

Although citizen energy communities are still emerging in Hungary, they offer a promising framework for scaling up renovation efforts beyond individual households. By combining renovation works with shared renewable generation, collective procurement, or joint financing mechanisms, citizen-led initiatives can strengthen local engagement and improve project viability. As secondary legislation and support schemes evolve, integrating energy communities more explicitly into renovation policy could enhance uptake, improve affordability, and contribute to a more inclusive and decentralised energy transition.

Energy Communities in Hungary

Hungary transposed key EU provisions from the Renewable Energy Directive (RED II) and Internal Electricity Market Directive (IEMD) into national law in 2021, through amendments to the Electricity Act (Act LXXXVI of 2007). [5] The law recognises energy communities and renewable energy communities, granting rights to generate, store, consume, and share electricity, as well as to provide aggregation and EV-charging services.[6] These rights apply primarily within the electricity sector and are subject to detailed secondary regulation.

A key regulatory distinction between the two types of community relates to whether the community operates within a single transformer district; separate licences are required for each category, along with ongoing compliance obligations including segregated accounting. Energy communities are registered in Hungary by Hungarian Energy and Public Utility Authority (HEPURA). As of March 2026, 17 energy communities are registered, spanning both communities operating within a unified metering group and those connected through a shared private line.

Despite these advances, the framework remains focused on the electricity sector. Heat-related community activities are not yet integrated. This limits the integration of building renovation with collective heating solutions such as shared heat pumps or district-level systems. Practical implementation is at an early stage, with ongoing refinements in secondary legislation. Recent reforms allow electricity sharing within multi-apartment buildings and through private lines, expanding opportunities for citizen-led renovation and prosumer participation. [7] In practice, most projects remain small-scale and experimental. The regulatory environment is still evolving, particularly regarding grid integration, metering, and guarantees of origin.[8]

In practice, the establishment of energy communities in Hungary is still constrained by administrative complexity, limited guidance, and uncertainty around detailed implementation rules. While the legal recognition of energy communities represents a significant step forward, citizen groups often face challenges related to grid connection procedures, metering arrangements, and contractual relationships with suppliers and distribution system operators. These barriers can be particularly pronounced for multi-apartment buildings, where collective decision-making and technical coordination add further complexity.

[5] 2007. évi LXXXVI – National Repository of Legislation – Link

[6] Commence magyarorszag az energiakoezoessegek szabalyozasi keretrendszere – Link

[7] Hungary - REScoop – Link

[8] Oppenheim Law Firm Budapest – Link

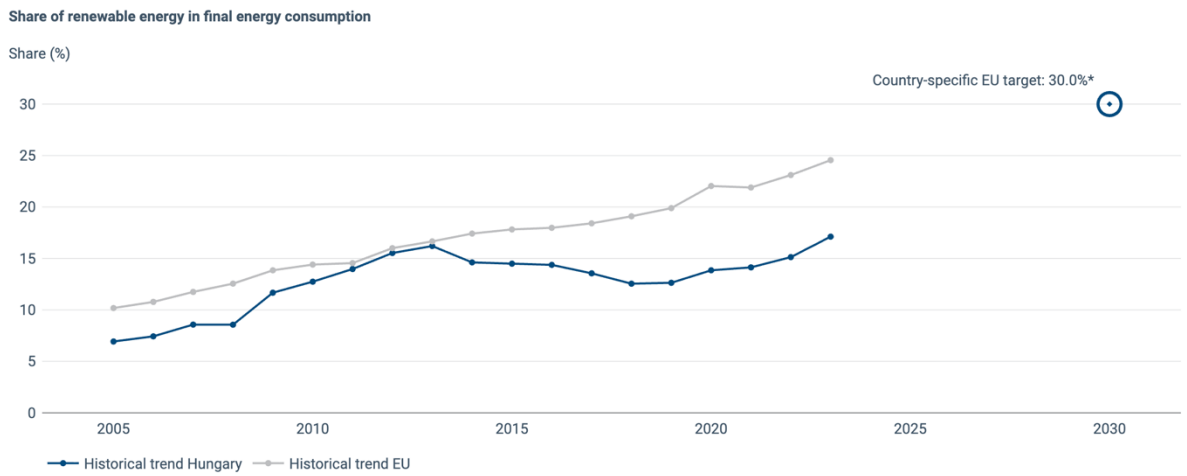

Fig. 1 Hungary's share of renewable energy in final energy consumption. Target/objective will not be reached following the historical trend[9]

For citizen-led renovation initiatives, energy communities can play a complementary role by enabling shared renewable generation, collective self-consumption, and more efficient use of upgraded building systems. In condominiums, combining envelope renovation with shared photovoltaic systems or storage can improve project economics and increase the attractiveness of renovation investments. However, the lack of dedicated support schemes and standardised models for renovation-linked energy communities currently limits the replication of such approaches at scale.

Hungary's residential net metering ("szaldó") system, which allowed annual energy balance settlement between household generators and the grid, was progressively phased out. Under Government Decree 427/2023, net metering rights are limited to systems commissioned before 2026 based on applications submitted before 7 September 2023. As existing net metering contracts expire over the following decade, a significant pool of distributed residential generation capacity is expected to become available for collective energy arrangements.

This transition creates a structural medium-term opportunity for energy community models. Over the past ten years, Hungarian households benefited from 0% MFB loan schemes to install rooftop photovoltaic systems, resulting in relatively high distributed PV penetration by regional standards. As these systems exhaust their net metering entitlements, they are expected to re-enter the generation market — potentially as community generation assets. Future citizen-led renovation models can actively factor in the absorption of these post-net-metering prosumers as a realistic near-term resource.

Anticipated regulatory changes

Following the European Court of Justice ruling in the NRG[10] case, Hungary is expected to implement a series of modifications to its existing tariff regulation framework. These changes are likely to require a restructuring of the current regulated tariff environment — a development that could, over time, alter the economic calculus that has constrained energy community formation and collective renovation under the current utility pricing regime. The regulatory environment is therefore in a

[9] Share of renewable energy in final energy consumption | Hungary | Europe's environment 2025 (EEA) – Link

[10] Judgment of the Court (Eighth Chamber) of 25 January 2024 (request for a preliminary ruling from the Fővárosi Törvényszék — Hungary) — Global NRG Kereskedelmi és Tanácsadó Zrt. v Magyar Energetikai és Közmű-szabályozási Hivatal https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C_202401821

period of transition, and citizen-led renovation initiatives should monitor these developments closely as they may significantly affect project viability assessments.

Looking ahead, the role of energy communities in Hungary is expected to expand as secondary legislation is refined and EU-level initiatives promote citizen participation in the energy transition. Targeted financial incentives simplified administrative procedures, and clearer guidance for integrating energy communities into renovation programmes would significantly enhance uptake. Strengthening the link between renovation policy and community energy frameworks could support Hungary in accelerating renovation rates, improving energy affordability, and fostering greater citizen engagement in the transition to a low-carbon building stock.

Country specific information on energy communities

Energy communities in Hungary are primarily organised around photovoltaic (PV) generation, reflecting high household interest in rooftop solar. Communities can include households, SMEs, municipalities, and associations such as homeowners' associations (HOAs).[11] For apartment buildings, internal energy sharing is possible through condominium-level agreements, supported by recent legislation that permits "active customer" setups within a single metering point.[12] Energy sharing across multiple buildings or public networks remains limited and subject to further regulatory clarification.

Policy maturity is considered partial: while the legal foundation is in place, Hungary lacks systematic support programmes for community energy, and awareness remains limited. EU-level trackers and the Energy Communities Repository classify Hungary as progressing but still behind frontrunner countries.[13] This assessment is consistent with EU-level monitoring and stakeholder feedback.

For citizen-led renovation, energy communities offer synergies: collective purchasing power, shared infrastructure (e.g., PV + storage in condominiums), and stronger access to finance. This is particularly relevant for condominium renovations, where collective investment can overcome individual liquidity constraints. Pilot projects are beginning to test these models, though scaling up requires stable policy, simplified permitting, and targeted financial incentives.[14]

Energy communities operate on a primarily non-profit basis; any financial surplus realised is reinvested in the community's technical development rather than distributed to members. Ongoing model assessments are exploring how energy community structures could be deployed in the coming period to: (i) address energy poverty at a local level; (ii) support the national roll-out of electric vehicle charging infrastructure; and (iii) provide settlement mechanisms for prosumers whose net metering entitlements have expired.

[11] Government Decree No. 273/2007 (X.19.) on the Implementation of Certain Provisions of Act LXXXVI of 2007 on Electricity - Collection of Legislation in Force – Link

[12] Hungary - REScoop – Link

[13] Commence magyarorszag az energiakoezoessegek szabalyozasi keretrendszere – Link

[14] Kinstellar – Link

Relevant legislation

Renovation-related legislation

- Electricity Act (LXXXVI of 2007, as amended)[15]: establishes rules for generation, prosumer rights, grid connection, and defines energy communities.[16]
- Government Decree 273/2007[17]: operationalises key provisions, including metering, net settlement, and smart-meter obligations.[18]
- Built environment / permitting Act LXXVIII of 1997 on the built environment[19]: sets the framework for urban planning, construction works, and permitting.
- Act CXXXIII of 2003 on condominiums[20]: governs renovation decisions in multi-owner buildings, including voting rules and definitions of renovation, partial renovation, and modernisation. The Act defines voting thresholds and cost-sharing rules for works affecting common property.

Legislation on engagement of neighbours and volunteers in the renovation

- Neighbour/owner engagement in multi-owner buildings[21]: The Condominium Act sets decision-making and information duties for renovation works; recent guidance highlights streamlined voting for PV counted as "modernisation," with options for online assemblies. Always verify the latest HOA by-laws and municipal rules.[22] Major renovation works typically require a qualified majority, depending on their classification.
- Volunteers: Act LXXXVIII of 2005[23] on public-interest volunteer activities regulates formal volunteering (who can host, registration, liability/insurance). For citizen projects using volunteers (e.g., outreach, light works), ensure the host entity and tasks fit this law and occupational-safety rules.[24] Volunteers may not carry out regulated construction or electrical works, which must be performed by licensed professionals.

[15] 2007. évi LXXXVI. törvény - Nemzeti Jogszabálytár – Link
[16] VET - 2007. évi LXXXVI. törvény a villamos energiáról - Hatályos Jogszabályok Gyűjteménye – Link
[17] 273/2007. (X. 19.) Korm. rendelet a villamos energiáról szóló 2007. évi LXXXVI. törvény egyes rendelkezéseinek végrehajtásáról - Hatályos Jogszabályok Gyűjteménye – Link
[18] eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A52023PC0748& – Link
[19] 1997. évi LXXVIII. törvény - Nemzeti Jogszabálytár – Link
[20] Időállapot: közlönyállapot (2003.XII.29.) – Link
[21] Időállapot: közlönyállapot (2003.XII.29.) – Link
[22] THT - Társasházi és ingatlanpiaci szaklap | Egyszerűbb lett a napelemtelepítés és az online közgyűlés – Link
[23] 2005. évi LXXXVIII. törvény a közérdekű önkéntes tevékenységről - Hatályos Jogszabályok Gyűjteménye – Link
[24] 2005. évi LXXXVIII. Törvény – Link

Funding bodies and schemes

Funding bodies in Hungary

Funding for renovations is channelled through national ministries, the Hungarian State Treasury (Magyar Államkincstár), and EU-level mechanisms. The Ministry for Energy coordinates implementation of EU Recovery and Resilience Facility (RRF)[25] measures. The Hungarian National Bank (MNB[26]) also issues consumer information and guidance on financial schemes. Local municipalities and energy agencies may support outreach and applicant guidance.

Funding schemes in Hungary

- National home renovation programme (KEHOP Plusz 2024–2025)[27]**:** Supports single-family homes built before 1990. The scheme provides up to HUF 10 million in combined support (HUF 5 million non-repayable grant pus HUF 5 million interest free loan), with a minimum 30% energy savings requirement. Regional variations apply based on income levels.[28] Applications are subject to budget limits and may be processed on a first-come, first-served basis.
- Rural home renovation strand (Vidéki Otthonfelújítási Program): Administered by the State Treasury, offering up to HUF 3 million in non-repayable support from January 2025, also combined with optional interest-free loans.[29] The scheme plays a key role in addressing energy poverty in rural regions. The scheme plays a key role in addressing energy poverty in rural regions, targeting settlements under 5,000 inhabitants.
- Launched in January 2026 and administered by the National Energy Agency (Nemzeti Energetikai Ügynökség, NEÜ Zrt.) under the Ministry of Energy, the OETP offers a non-repayable grant of up to HUF 2,500,000 covering 100% of eligible costs for residential battery storage installations. Two tracks are available: new rooftop PV systems built with integrated storage (Track 1), and the addition of storage to existing household-scale power plants (Track 2, no new generation capacity). A minimum storage capacity of 10 kWh and DC-side coupling via a hybrid inverter are required. The programme explicitly prioritises households whose net metering (szaldó) entitlements have expired or are due to expire by 2030, as well as residents of settlements under 5,000 inhabitants. Total programme budget is HUF 100 billion. Applications are submitted electronically via otthonienergiatarolo.gov.hu; the scheme is open from February 2026 in two tranches, with a final deadline of 30 September 2026.

Both programmes operate on a post-financing (reimbursement) basis, requiring households to pay costs upfront before reimbursement. Strict eligibility criteria and complex administration have resulted in rejection rates as high as 93% among applicants, particularly affecting the vulnerable households who would most benefit[30]. These accessibility barriers represent a significant structural gap.

[25] Hungary's recovery and resilience plan - Reforms and Investments – Link
[26] Kérdések és válaszok az Otthonfelújítási programról – Link
[27] Home Renovation Program 2024 – eNET Magyarország Kft. – Link
[28] Otthonfelújítási támogatás | Feltételek és igénylés 2026 | Bankmonitor – Link
[29] A Vidéki Otthonfelújítási Program keretében nyújtható otthonfelújítási támogatás - Magyar Államkincstár – Link
[30] Gazdaság: Hidegen hagyják az embereket a kormány újabb lakásfelújítási programjai – Link

Special grants for vulnerable households

While Hungary has defined energy poverty indicators, support remains fragmented. However, renovation schemes[31] incorporate progressive design[32], with higher grant shares in low-income districts and rural programmes tailored for vulnerable households. Municipalities may add complementary support at the local level.[33] Dedicated, energy-community-specific support for vulnerable households has not yet been developed.

[31] Home Renovation Program 2024 – eNET Magyarország Kft. – Link

[32] Working Together to End Homelessness in Europe | FEANTSA - Link

[33] A Vidéki Otthonfelújítási Program keretében nyújtható otthonfelújítási támogatás - Magyar Államkincstár – Link

Useful tools

Useful tools for citizen-led renovation and energy communities include:

- PVGIS (European Commission JRC): provides site-specific solar potential and production estimates, valuable for planning rooftop PV in renovation projects.34
- National EPC portal (E-építés / e-tanúsítás): the official platform for obtaining and verifying energy performance certificates, required before and after renovations.35
- RenoHUb / RenoPont: Hungary's EU-backed one-stop-shop for renovation, offering guidance for homeowners, financing advice, and practical renovation checklists. These services function as one-stop-shops, reducing administrative and information barriers for households.
- EU Energy Communities Repository: provides EU-wide resources, national fiches, and examples to help design and implement community-based renovation projects.
- Budapest Solar Map (budapest.hu/zold-budapest): an interactive map showing solar potential for individual buildings in Budapest, useful for initial feasibility assessments[36].
- HMKE access map: a national tool for locating grid connection points and capacities relevant to household-scale power plant (HMKE) installations[37]

Most tools are oriented toward individual homeowners, adaptation for collective or community led renovation is still emerging.

[34] Photovoltaic Geographical Information System (PVGIS) – Link

[35] Az energetikai tanúsítás és az energetikai tanúsítvány | Építésügyi portál – Link

[36] Zöld Budapest – Link

[37] Hálózati betáplálási lehetőség ellenőrzése – Link