

According to the Government's new strategy for reducing emissions, Hungary needs 65 GW in green energy production capacities, including 51 GW in solar, in order to meet its energy demand and become climate neutral by 2050.

The strategy envisages that, under the baseline scenario, the country's total production capacity would increase from less than 10 GW in 2020 to around 18 GW in 2040, and then decrease to 15 GW in 2050, not including new incentives or interventions. According to the "early action" scenario, the capacity would reach almost 20 GW in the period 2030-40, and then it would rise to almost 70 GW by 2050, partly as a result of increased electrification in transport and households. Most of the capacity would be nuclear and solar.

Last year, Hungary has transposed into legislation its goal of becoming completely climate neutral by 2050.

The new strategy reiterates the Government's earlier plans to rely heavily on nuclear and solar capacities to achieve this goal. The country aims to put into operation two new reactors at nuclear power plant Paks with installed capacity of 2.4 GW by 2030, and also expects that its solar capacities will increase to over 6 GW by 2030 from the current more than 2 GW.

The use of lignite for electricity generation should be phased out in 2025, while gas-fired electricity production would be significantly reduced by 2030 under both scenarios in the new strategy.

Rapid expansion of weather-dependent capacity would require significant energy storage capacity, which is estimated to reach several dozen GW in 2050, according to the "early action" scenario.

According to the strategy, the implementation of an "early action" scenario to achieve carbon neutrality by 2050 would require a total additional investment of 84 billion dollars. However, achieving climate neutrality will help avoid other costs and bring additional benefits, such as higher GDP and increased state revenues, which would significantly exceed investment costs by 2050.