

Environment minister hires top lawyer to defend green energy subsidies

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Estonian minister of environmental affairs Keit Pentus has hired one of Estonia's most expensive law firms Sorainen to defend the current system of renewable energy subsidies, writes Postimees daily.

The ministry does not disclose the fee that Sorainen lawyers are earning on the case, but their regular rates start from 150 euros an hour.

The leading lawyer in the case is Allar Jõks, former law chancellor. His job is to analyse whether renewable energy subsidies are illegal state aid or not.

At the beginning of March the European Commission's Directorate-General for Competition issued a statement in which it expressed its doubts over the legality of green energy subsidies.

The issue is a significant one since this year alone Estonia will pay over 70 million euros to companies producing energy from renewable sources.

The ministry of environmental affairs that is headed by Reform Party's Keit Pentus is battling not only with the European Commission, but also a fellow minister, Juhan Parts (IRL).

Parts whose party has promised to cut renewable energy fees has submitted a draft law to the government that would lower the current fees.

Parts argues that renewable energy fees are not linked to the pool price of electricity and give producers excessive capital returns.

The ministry of economic affairs has asked the competition authority to prepare an analysis on justification of renewable energy fees, but has decided not to disclose it.

It is said that with the help of current renewable energy fees, some green energy projects have capital return levels of 30 percent.