



# Renewable energy policy database and support – RES-LEGAL EUROPE

National profile: Czech Republic

Client: DG Energy

Project Manager: Céline Najdawi, cn@eclareon.com

Berlin, 31 December 2015











#### eclareon GmbH

Giesebrechtstr. 20 10629 Berlin Germany Phone: +49 30 88 66 7400 Fax: +49 30 88 66 74010 www.eclareon.com



#### Öko-Institut

P.O. Box 1771 79017 Freiburg Germany Phone: +49 761 45295-30 Fax: +49 761 45295-88 www.oeko.de



#### ECN

#ECN

P.O. Box 1 1755 ZG Petten The Netherlands Phone :+31-224-564450 Fax: +31-224-568486 www.ecn.nl





# TABLE OF CONTENTS

| RES-E SUPPORT SCHEMES              | 5  |
|------------------------------------|----|
| Summary of support schemes         | 6  |
| Basic information on legal sources | 8  |
| Further information                |    |
| Support schemes                    |    |
| RES-E GRID ISSUES                  | 34 |
| Overview                           |    |
| Basic information on legal sources |    |
| Further information                |    |
| Grid issues                        |    |
| RES-H&C SUPPORT SCHEMES            | 44 |
| Summary of support schemes         |    |
| Basic information on legal sources | 45 |
| Further information                |    |
| Support schemes                    |    |
| RES-T SUPPORT SCHEMES              | 59 |
| Summary of support schemes         | 59 |
| Basic information on legal sources |    |
| Further information                | 62 |
| Support schemes                    |    |











| POLICIES                           | 69 |
|------------------------------------|----|
| Summary of policies                | 69 |
| Basic information on legal sources |    |
| Further information                | 72 |
| Policy categories                  | 73 |











#### Czech Republic summary text

In the Czech Republic, renewable energy is supported through either a guaranteed feed-in tariff or a green bonus paid on top of the market price. Plant operators are free to choose either option. Operators of hydro power plants may also receive subsidies under the Operational Programme "Business and Innovation for Competitiveness".

Operators of renewable energy plants are entitled to priority connection to the grid. The use and the expansion of the grid are subject to general legislation on energy.

The heat from renewable energy sources is supported through subsidies under two Operational Programmes funded by the ERDF. Furthermore, renewable heating plants are exempt from real estate tax.

Currently, the Czech Republic has only introduced a building obligation for the use of renewable heating and the exemplary role of public authorities.











# RES-E support schemes

#### Summary of support schemes

| Overview                  | In the Czech Republic, renewable energy is supported through either a guaranteed feed-in tariff or a green bonus paid on top of the market price. Plant operators are free to choose either option.  |  |
|---------------------------|--|--|
| Summary of support system | <ul> <li>Feed-in tariff. A feed-in tariff can only be granted to operators of RES plants with an installed capacity up to 100 kW (30 kWp in case of PV or 10 MW in case of hydropower). PV and biogas plants are only eligible if put into operation before 31 December 2013. Responsible for the payment of the feed-in tariffs are the "mandatory purchasers" selected by the Ministry of Industry and Trade.</li> <li>Green bonus. All producers of electricity from RES are entitled to select the premium tariff option. Operators of renewable energy plants receive this bonus in an annual or hourly mode on top of the regular market price of electricity. Operators generating renewable electricity to cover their own requirements only are also entitled to the payment of a bonus. PV and biogas plants are only eligible if put into operation before 31 December 2013.</li> <li>Wind, hydro or biomass plants are eligible only if the building permit was issued before 2 October 2013.</li> <li>Subsidies. Operators of hydro power plants may also receive subsidies under the Operational Programme "Business and Innovation for Competitiveness" (OPPIK) which is funded by the ERDF. The detailed conditions for the subsidies will be specified in the call for applications.</li> </ul> |  |
| Technologies              | In general, all renewable electricity generation technologies are eligible for support.  |  |
| Statutory provisions      | <ul> <li>Act No. 165/2012 (Zákon č. 165/2012 Sb. podporovaných zdrojích energie – Act on promoted energy sources)</li> <li>Regulation No. 347/2012 (Vyhláška č. 347/2012 Sb., kterou se stanoví technicko-ekonomické parametry obnovitelných zdrojů pro výrobu elektřiny a doba životnosti výroben elektřiny z podporovaných zdrojů-</li> </ul>  |  |











|  | <ul> <li>Regulation providing technical and economical parameters of renewable sources and lifetime of promoted energy sources)</li> <li>Price Decision of the Energy Regulatory Ofice No. 4/2014 (Cenové rozhodnutí Energetického regulačního úřadu č. 4/2014 ze dne 12. listopadu 2014 – Decision setting the amount of tariff for renewable electricity generation)</li> <li>OPPIK (Operační program Podnikání a inovace pro konkurenceschopnost (OPPIK) 2014-2020 – Operational Programme "Business and Innovation for Competitiveness" 2014-2020)</li> </ul> |
|--|---|
|--|---|











#### **Basic information on legal sources**

| Name of legal source<br>(original language) | Zákon č. 165/2012 Sb. o podporovaných<br>zdrojích energie                               | Vyhláška č. 347/2012 Sb., kterou se stanoví<br>technicko-ekonomické parametry<br>obnovitelných zdrojů pro výrobu elektřiny<br>a doba životnosti výroben elektřiny z<br>podporovaných zdrojů |  |
|---|---|---|--|
| Full name                                   | Zákon č. 165/2012 Sb. o podporovaných<br>zdrojích energie a o změně některých<br>zákonů |   |  |
| Name (English)                              | Act No. 165/2012 Coll. on promoted energy sources                                       | Regulation No. 347/2012 Coll. providing technical and economical parameters of renewable sources and lifetime of promoted energy sources  |  |
| Abbreviated form                            | Act No. 165/2012  | Regulation No. 347/2012   |  |
| Entry into force                            | 01.01.2013  | 05.11.2012  |  |
| Last amended on                             | 05.06.2015  | 08.11.2013  |  |
| Future amendments                           |   |   |  |











| Purpose  | The purpose of this act is to promote the<br>use of renewable energy sources,<br>secondary sources, high-efficiency CHP,<br>biomethane and decentralised electricity<br>generation | The Regulation introduces several provisions that aim to support renewable energy sources. |  |
|--|--|--|--|
| Relevance for renewable energy                           | This act also promotes renewable energy sources.   | This regulation also supports renewable energy.  |  |
| Link to full text of legal source<br>(original language) | http://www.zakonyprolidi.cz/cs/2012-165  | http://www.zakonyprolidi.cz/cs/2012-347  |  |
| Link to full text of legal source<br>(English)           |  |  |  |











| Name of legal source<br>(original language) | Cenové rozhodnutí Energetického regulačního úřadu č. 4/2014  | Operační program Podnikání a inovace<br>pro konkurenceschopnost (OPPIK) 2014 –<br>2020   |  |
|---|--|--|--|
| Full name                                   | Cenové rozhodnutí Energetického<br>regulačního úřadu č. 4/2014 ze dne 12.<br>listopadu 2014, kterým se stanovuje<br>podpora pro podporované zdroje energie |  |  |
| Name (English)                              | Price decision of the Energy Regulatory<br>Office No. 4/2014 of 12 November 2014<br>regulating the support of promoted energy<br>sources                   | Operational Programme "Business and<br>Innovation for Competitiveness" 2014 –<br>2020  |  |
| Abbreviated form                            | Price Decision of the Energy Regulatory<br>Office No. 4/2014   | ОРРІК  |  |
| Entry into force                            | 01.01.2015   | 01.07.2014   |  |
| Last amended on                             |  |  |  |
| Future amendments                           |  |  |  |
| Purpose                                     | The price decision sets the prices for electricity generated from promoted energy sources.   | The Operational Programme "Business<br>and Innovation for Competitiveness" aims<br>to improve the competitiveness of the<br>Czech economy. |  |











| Relevance for renewable energy                           | The price decision supports, among other things, renewable energy.                                | The Operational Programme "Business<br>and Innovation for Competitiveness" also<br>supports renewable energy. |  |
|--|---|---|--|
| Link to full text of legal source<br>(original language) | https://www.eru.cz/documents/10540/61<br>3886/ERV 4 2014/4f60ee4b-5bfa-4636-<br>846f-5c7dee3d8683 | <u>http://www.oppik.cz/files/oppik-text-</u><br>operacniho-programu.pdf                                       |  |
| Link to full text of legal source<br>(English)           |   |   |  |











#### **Further information**

| Institution (name)  | Website                        | Name of contact person<br>(optional) | Telephone number (head office)                            | E-mail (optional)     |
|---|--------------------------------|--------------------------------------|---|-----------------------|
| Ministerstvo životního<br>prostředí (MŽP) – Ministry<br>of the Environment                                | http://www.mzp.cz/             |                                      | +420 267 121 111  | info@mzp.cz           |
| Ministerstvo průmyslu a<br>obchodu (MPO) – Ministry<br>of Industry and Trade                              | http://www.mpo.cz/default.html |                                      | +420 224 851 111  | posta@mpo.cz          |
| Energetický regulační úřad<br>(ERÚ) – Energy Regulatory<br>Office   | <u>http://www.eru.cz/?bl=y</u> |                                      | +420 564 578 666  | <u>eru@eru.cz</u>     |
| Czech RE Agency –<br>Renewable Energy Agency  | http://www.czrea.org/cs        |                                      | Prague: +420 222 512 764<br>Headquarter: +420 575 750 098 | info@czrea.org        |
| Státní fond životního<br>prostředí České republiky –<br>State Environmental Fund<br>of the Czech Republic | https://www.sfzp.cz/           |                                      | +420 267 994 300  | <u>dotazy@sfzp.cz</u> |
| CzechInvest - Agentura pro<br>podporu podnikání a<br>investic - Investment and                            | http://www.czechinvest.org/    |                                      | +420 296 342 500  | info@czechinvest.org  |
| Business Development<br>Agency  |                                |                                      | +420 296 342 579  | fdi@czechinvest.org   |











#### Support schemes

#### Subsidy I (Operational Programme Business and Innovation for Competitiveness – OPPIK)

| Abbreviated form of legal source(s) | • ОРРІК   |  |
|-------------------------------------|---|--|
| Summary                             | The Operational Programme "Business and Innovation for Competitiveness" allocates investment grants for small, medium and large companies in the amount of CZK 1 million to 100 million (approx. $\leq$ 36,000 to 3.6 million). Renewable energy projects are eligible under Priority Axis 3 "More Efficient Energy Management", namely Investment Priority 1 "Supporting the production and distribution of energy from renewable sources". For the specific target 3.1, a share of 1.24% of OPPIK's total budget (approx. CZK 1.7 billion – $\leq$ 60 million) has been allocated (1.2 OPPIK).<br>The programme supports the construction or reconstruction of electricity or heat-generating plants, for which the energy produced is primarily intended for distribution rather than own consumption. |  |
|                                     | General information   | Eligible technologies under target 3.1 are biomass, biogas and hydropower. However, in the case of biomass and biogas, only cogeneration is being promoted (Specific Target 3.1, 2.A.6.1 OPPIK). |
| Eligible technologies               | Wind energy   |  |
|                                     | Solar energy  |  |
|                                     | Geothermal energy   |  |











|            | Biogas  |   |
|------------|---|---|
|            | Hydro-power   | Eligible for support is the construction or reconstruction of small hydropower plants up to 10 MW (Specific Target 3.1, 2.A.6.1 OPPIK). |
|            | Biomass   |   |
|            | Companies may receive investment grants betwee<br>of the subsidy depends on the size of the company   | n CZK 1 million - 100 million (approx. € 36,000 – 3.6 million). The amount<br>y (Specific Target 3.1, 2.A.6.3 OPPIK):                   |
| Amount     | <ul> <li>Small companies (up to 49 employees): 70% of eligible expenses</li> <li>Medium-sized companies (50 – 249 employees): 60% of eligible expenses</li> <li>Large companies (more than 250 employees): 50% of eligible expenses</li> </ul>  |   |
| Addressees | <b>Eligible party:</b> The persons eligible for subsidies are (small, medium-sized and large) entrepreneurs. Projects must be implemented outside the territory of the City of Prague; however, the company's headquarters may be located in Prague (Specific Target 3.1, 2.A.6.1 OPPIK). |   |
|            | <b>Obligated party:</b> The party obligated is the Ministry of Industry and Trade (Specific Target 3.1, 2.A.6.2 OPPIK).   |   |
|            | Process flow  | <b>Application.</b> Interested companies shall apply for a subsidy under the relevant call for applications.                            |
| Procedure  |   | <b>Selection procedure.</b> The call for applications shall specify the criteria for selection and the method of assessment.            |
|            |   | Award. The institution in charge of the Operational Programme "Business and Innovation for Competitiveness", i.e. the Ministry of       |











|                       |                        | Industry and Trade, decides whether a subsidy is granted. The binding conditions for the subsidy granted are communicated by notice.<br>(Specific Target 3.1, 2.A.6.2 OPPIK)                    |
|-----------------------|------------------------|---|
|                       | Competent authority    | Ministry of Industry and Trade (MPO)  |
| Flexibility mechanism |                        |   |
|                       | State                  |   |
|                       | Consumers              |   |
|                       | Plant operator         |   |
| Distribution of costs | Grid operator          |   |
|                       | European Union         | The subsidies and loans are funded by the ERDF (European Regional Development Fund)   |
|                       |                        | (1.2 OPPIK)   |
|                       | Distribution mechanism | <b>ERDF</b> – <b>Ministry of Industry and Trade.</b> The subsidies and loans are funded by the ERDF (European Regional Development Fund) and distributed by the Ministry of Industry and Trade. |











|  | <b>Ministry of Industry and Trade – CzechInvest.</b> The funds for the subsidy are distributed by CzechInvest on behalf of the Ministry of Industry and Trade.   |
|--|--|
|  | CzechInvest - beneficiaries. CzechInvest distributes the funds among<br>the eligible projects with regard to the fulfilment of the requirements<br>specified in the call for proposals.<br>(1.2 OPPIK) |











#### Feed-in tariff (Act on the promotion of the use of renewable energy sources)

| Abbreviated form of legal source(s) | <ul> <li>Act No. 165/2012</li> <li>Regulation No. 347/2012</li> <li>Price Decision of the Regulatory Office for Energy No. 4/2014</li> </ul>  |  |
|-------------------------------------|---|--|
| Summary                             | In August 2013, the Czech Parliament adopted an amendment to Act No. 165/2012 which de facto abolished the feed-in tariff scheme for all technologies except small hydro by the end of 2013 which de facto abolished the feed-in tariff scheme for all technologies except small hydro by the end of 2013. From January 2014 PV installations and biogas plants were only supported if put into operation before 31 December 2013.<br>In the Czech Republic, renewable electricity generation in plants up to 100 kW (30 kWp in case of PV or 10 MW in case of hydro power) is supported through a feed-in tariff. Plant operators may choose between a guaranteed feed-in tariff and a green bonus paid on top of the regular electricity price achieved in the market (see also "Premium Tariff"). Every electricity producer may make this choice once a year (§ 8 par. 2 Act No. 165/2012). |  |
| Eligible technologies               | General information   | In principle, the feed-in tariff scheme applies to all renewable electricity generation technologies (§ 4 par. 4 Act No. 165/2012).<br>According to the latest amendment to Act No. 165/2012, newly constructed renewable energy plants, with exception of small hydro power plants, are only eligible for the feed-in tariff if put into operation before 31 December 2013 (§ 4 par. 10 Act No. 165/2012).<br>Operators of wind, geothermal or biomass power plants up to a maximum capacity of 100 kW, who hold a building permit issued before the amendment entered into force (2 October 2013), are |











|                   | eligible for support if their plant will be put into operation before 31 December 2015 (Transitional provisions No. 2 Act No. 165/2012).  |
|-------------------|---|
| Wind energy       | <ul> <li>Eligible under following conditions:</li> <li>The maximum capacity must not exceed 100 kW (§ 4 par. 4 in conjunction with § 8 par. 2 Act No. 165/2012)</li> <li>Equipment (e.g. rotor and generator) shall not be older than two years (number 1.9.1 Price Decision of the Energy Regulatory Office No. 4/2014).</li> </ul>  |
| Solar energy      | <ul> <li>Eligible under following conditions:</li> <li>Only installations on rooftops or façades are eligible and the maximum capacity must not exceed 30 kW (§ 4 par. 5d Act No. 165/2012).</li> <li>The installation must have been put into operation until 31 December 2013 (§ 4 par. 10 Act No. 165/2012).</li> </ul>            |
| Geothermal energy | <ul> <li>Eligible under following conditions:</li> <li>The maximum capacity must not exceed 100 kW (§ 4 par. 4 in conjunction with § 8 par. 2 Act No. 165/2012).</li> </ul>   |
| Biogas            | <ul> <li>Eligible under following conditions:</li> <li>The electricity has to be generated in a CHP plant using biogas from no more than 70% energy crops and securing the efficient use of at least 50% of the primary energy generated by the biomass from which the biogas is produced (§ 4 par. 5 c Act No. 165/2012).</li> </ul> |











|             |                     | <ul> <li>The maximum capacity must not exceed 100 kW (§ 4 par. 4 in conjunction with § 8 par. 2 Act No. 165/2012).</li> <li>The installation must have been put into operation until 31 December 2013 (§ 4 par. 10 Act No. 165/2012).</li> </ul>   |
|-------------|---------------------|--|
|             | Hydro-power         | Eligible up to a maximum capacity of 10 MW (§ 4 par. 4 in conjunction with § 8 par. 2 Act No. 165/2012).   |
|             | Biomass             | <ul> <li>Eligible under following conditions:</li> <li>the electricity has to be generated in a CHP plant (§ 4 par. 5 b Act No. 165/2012).</li> <li>Only pure biomass firing in new electricity generation plants put into operation until 31.12.2015 is eligible or pure biomass firing in existing electricity generation plants put into operation until 31.12.2012 (number 1.7 Price Decision of the Energy Regulatory Office No. 4/2014).</li> <li>The maximum capacity must not exceed 100 kW (§ 4 par. 4 in conjunction with § 8 par. 2 Act No. 165/2012).</li> </ul> |
| Amount      | General information | The amount of payment differs for every source of energy and the year in which the plant was put into operation. The tariffs listed below are excluding VAT (General information – Price Decision of the Energy Regulatory Office No. 4/2014).   |
| Wind energy | Wind energy         | <ul> <li>From 1 January – 31 December 2015: CZL 1,980 (€ 73) per<br/>MWh</li> <li>(number 1.9 Price Decision of the Energy Regulatory Office No.<br/>4/2014)</li> </ul>  |











|                   | From 1 January 2014, the feed-in tariff for new PV installations has been abolished. If put into operation until 31 December 2013,  |
|-------------------|---|
| Solar energy      | <ul> <li>following tariffs apply:</li> <li>From 1 January – 30 June 2013: CZK 3,548 (€ 131) per MWh for PV installations with an installed capacity of up to 5 kW</li> <li>From 1 January – 30 June 2013: CZK 2,945 (€ 109) per MWh for PV installations with an installed capacity between 5 and 30 kW</li> <li>From 1 July – 31 December 2013: CZK 3,111 (€ 115) per MWh for PV installations with an installed capacity of up to 5 kW</li> <li>From 1 July – 31 December 2013: CZK 2,529 (€ 94) per MWh for PV installations with an installed capacity between 5 and 30 kW</li> </ul> |
|                   | 30 kW<br>(number 1.9 and 1.10, Price Decision of the Energy Regulatory Office<br>No. 4/2014).   |
|                   | The feed-in tariff and green bonus for PV installations put into operation between 1 Jan 2010 and 31 Dec 2010 are subject to a tax of 10% and 11% respectively (§ 18 a Act No. 165/2012). Exception: Roof-top and facade-integrated installations with a capacity of up to 30 kW (§ 17 Act No. 165/2012). The taxes apply to all electricity generated from 1 Jan 2014 (§ 14 Act No. 165/2012).   |
| Geothermal energy | <ul> <li>From 1 January – 31 December 2014: CZK 3,560 (€ 131) per<br/>MWh</li> </ul>  |











|             | <ul> <li>From 1 January – 31 December 2015: CZK 3,290 (€ 120) per<br/>MWh</li> </ul>  |
|-------------|---|
|             | (number 1.11 Price Decision of the Energy Regulatory Office No. 4/2014)   |
| Biogas      | <ul> <li>From 1 January 2014, the feed-in tariff for biogas plants has been abolished. If put into operation until 31 December 2013, following tariffs apply:</li> <li>Landfill and sewage gas: <ul> <li>CZK 1,977 (approx. € 73) per MWh</li> <li>(number 1.8 Price Decision of the Energy Regulatory Office No. 4/2014).</li> </ul> </li> <li>Biogas plants up to a maximum capacity of 550 kW: <ul> <li>CZK 3,550 (approx. € ct 129) per kWh</li> <li>(number 1.8 Price Decision of the Energy Regulatory Office No. 4/2014).</li> </ul> </li> </ul> |
| Hydro-power | <ul> <li>Small and reconstructed hydropower:</li> <li>CZK 2,599 (approx. € 91) per MWh from 1 January – 31<br/>December 2014</li> <li>CZK 2,499 (approx. € 96) per MWh from 1 January – 31<br/>December 2015</li> <li>Small hydro at new locations:</li> <li>CZK 3,295 (approx. € 122) per MWh from 1 January – 31<br/>December 2014</li> </ul>   |











|            |                     | <ul> <li>CZK 3,230 (approx. € 119) per MWh from 1 January – 31<br/>December 2015</li> <li>(number 1.6 Price Decision of the Energy Regulatory Office No.<br/>4/2014).</li> </ul>   |
|------------|---------------------|--|
|            | Biomass             | <ul> <li>The amount of the tariff varies according to the technology used:</li> <li>1 January – 31 December 2014: CZK 1,310 – 3,335 (approx. € 48-121) per MWh</li> <li>1 January – 31 December 2015: CZK 1,245 – 3,263 (approx. € 46-120) per MWh</li> <li>(number 1.7 Price Decision of the Energy Regulatory Office No. 4/2014).</li> </ul>   |
| Degression | General information | The Energy Regulatory Office determines the feed-in tariffs for the individual technologies used for the generation of renewable electricity for the calendar year to come (§ 12 par. 1 Act No. 165/2012).<br>The feed-in tariffs for new plants for the following year shall not be less than 95%, but also not more than 115% of the tariff applicable at the time of the calculation of the new tariff (§ 12 par. 6 Act No. 165/2012). This does not apply to plants whose reimbursement period is less than 12 years. In these cases, while setting the feed-in tariffs the Energy Regulatory Office has to ensure that:<br>• the simple return of investment period shall not exceed 15 years |











|                    |   | <ul> <li>the profit rate for one unit of electricity from RES is stable from<br/>the day of the commissioning until the end of the eligibility<br/>period; including an annual inflationary adjustment of 2% (§ 12<br/>par. 1 b Act No. 165/2012).</li> </ul> |
|--------------------|---|---|
|                    | Wind energy   |   |
|                    | Solar energy  |   |
|                    | Geothermal energy   |   |
|                    | Biogas  |   |
|                    | Hydro-power   |   |
|                    | Biomass   |   |
| Сар                | In the year in which the plant was put into operation, the feed-in tariff shall not exceed CZK 4,500 (approx. € 164) per MWh (§ 12 par. 8 Act No. 165/2012); with regard to biogas the tariff may not exceed CZK 1,700 (approx. € 62) per MWh (§ 35 par. 3 Act No. 165/2012). |   |
| Eligibility period | The tariff for all eligible technologies is statutorily guaranteed for 20 years. Hydro-energy plants are exempt from this rule, as their tariff will be paid for 30 years (Regulation No. 347/2012).  |   |
| Addressees         | <b>Eligible party:</b> The persons eligible for the purchase of electricity exported to the grid are the producers of electricity from renewable sources (§ 8 par. 2 Act No. 165/2012).   |   |











|                       | <b>Obligated party:</b> The "mandatory purchaser" is obliged to purchase the entire amount of electricity eligible for support (§ 10 par. 2 Act No. 165/2012). The mandatory purchaser will be selected by the Ministry of Industry and Trade from electricity trading licence holders (§ 2 u Act No. 165/2012). |  |
|-----------------------|--|--|
| Procedure             | Process flow   | According to the Energy Regulatory Office (ERU), if a given plant<br>operator chooses to be supported through the feed-in tariff, he shall<br>conclude a contract with the grid operator.<br>More information on the procedure can be found at:<br>https://www.eru.cz/cs/poze/casto-kladene-dotazy#3 |
|                       | Competent authority  | The scope and amount of the promotion of electricity from RES shall be defined by the Energy Regulatory Office (§ 4 par. 7 Act No. 165/2012).  |
| Flexibility Mechanism |  |  |
|                       | State  |  |
| Distribution of costs | Consumers  | In principle, end users bear only the costs of their electricity consumption (§ 28 par. 4 a Act No. 165/2012).   |
|                       | Plant operator   | Plant operators bear the costs of the consumed electricity, including the amount of electricity consumed by market participants, who do not use the transmission or distribution system (§ 28 par. 4 b Act No. 165/2012).  |











| Grid operator          | The grid operators bear the feed-in tariff costs (§ 28 par. 4 c Act No. 165/2012).  |
|------------------------|---|
| European Union         |   |
| Distribution mechanism | <ul> <li>Consumers – Grid operators. The costs arising from the feed-in tariff scheme are borne by consumers through a surcharge ("příspěvek na obnovitelné zdroje") added to the electricity price. This surcharge was lowered through the latest amendment of Act No. 165/2012 and set at a maximum amount of CZK 495 (approx. € 18) per MWh (§ 28 par. 3 Act No. 165/2012).</li> <li>Grid operators – Market operator. The transmission and distribution grid operators are obliged to reimburse the market operator all expenses for the transmission and distribution of electricity in order to cover the costs associated with the support of electricity (§ 13 par. 1 Act No. 165/2012).</li> <li>Market operator – Mandatory purchasers. The market operator is obliged to pay the mandatory purchaser the difference between the feed-in tariff and the hourly market price as well as an additional price according to the amount of electricity obligatorily purchased from the RES plant operators (§ 13 par. 2 Act No. 165/2012).</li> <li>Mandatory purchasers – RES plant operators. The mandatory purchasers are obligated to reimburse the plant operators for the electricity they feed into the grid (§ 10 par. 2 Act No. 165/2012).</li> </ul> |











#### Premium tariff (Green Bonus)

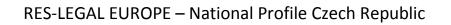
| Abbreviated form of legal source(s) Summary | <ul> <li>Act No. 165/2012</li> <li>Regulation No. 347/2012</li> <li>Price Decision of the Energy Regulatory Office No. 4/2014</li> <li>Please note: In August 2013, the Czech Parliament adopted an amendment to Act No. 165/2012 which de facto abolished the premium tariff scheme for all technologies except for small hydro by the end of 2013. New PV installations and biogas plants are only being supported if put into operation before 31 December 2013 (§4 par. 10 Act No. 165/2012). Plant operators may decide that the electricity they generate should be supported through bonus payments of a statutorily set amount per MWh (number 1.2 Price Decision of the Energy Regulatory Office No. 4/2014). Operators of renewable energy plants receive this bonus on top of the regular market price of electricity. The green bonus is provided in an annual or hourly mode (§ 9 par. 1 Act No. 165/2012).</li> </ul> |   |
|---|---|---|
| Eligible technologies                       | General information   | In principle, the premium tariff scheme applies to all renewable<br>electricity generation technologies (§ 4 par. 4 Act No. 165/2012).<br>Electricity produced in RES plants over 100 kW (30 kWh for PV and 10<br>MW for hydro) is only eligible for the hourly support scheme (§ 9 par.<br>4 b Act No. 165/2012).<br>According to the latest amendment to Act No. 165/2012, newly<br>constructed renewable energy plants, with the exception of small<br>hydro power plants, are only eligible for the premium tariff if put into<br>operation before 31 December 2013 (§ 4 par. 10 Act No. 165/2012).<br>Operators of wind, geothermal or biomass power plants are eligible<br>for support if their plant will be put into operation before 31<br>December 2015 (Transitional provisions No. 1 Act No. 165/2012). |













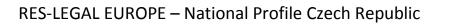
| Wind energy       | <ul> <li>Eligible under the following conditions:</li> <li>Only newly erected wind power plants are eligible, of which production technology units (especially the rotor and generator) are not older than two years (number 1.9.1 Price Decision of the Energy Regulatory Office No. 4/2014).</li> </ul>   |
|-------------------|---|
| Solar energy      | <ul> <li>Eligible under following conditions:</li> <li>Only installations on rooftops or façades are eligible and the maximum capacity must not exceed 30 kW (§ 4 par. 5d Act No. 165/2012).</li> <li>The installation must have been put into operation until 31 December 2013 (§ 4 par. 10 Act No. 165/2012).</li> </ul>  |
| Geothermal energy |   |
| Biogas            | <ul> <li>Eligible under following condition:</li> <li>The electricity has to be generated in a CHP plant using biogas from no more than 70% energy crops and securing the efficient use of at least 50% of the primary energy generated by the biomass from which the biogas is produced (§ 4 par. 5 d Act No. 165/2012).</li> <li>The installation must have been put into operation until 31 December 2013 (§ 4 par. 10 Act No. 165/2012).</li> </ul> |
| Hydro-power       | Eligible under the following condition:   |













|        | <ul> <li>Only small hydro-energy plants (capacity of up to<br/>are eligible (number 1.62 Price Decision of t<br/>Regulatory Office No. 4/2014).</li> </ul> |  |
|--------|--|--|
|        | Biomass  | <ul> <li>Eligible under following conditions:</li> <li>The electricity has to be generated in a CHP plant (§ 4 par. 5 b Act No. 165/2012).</li> <li>Only pure biomass firing in new electricity generating plants or pure biomass firing in existing electricity generating plants put into operation before 31.12.2015 is eligible (number 1.7 Price Decision of the Energy Regulatory Office No. 4/2014).</li> </ul>   |
| Amount | General information  | Generally, the green bonus is provided either in an annual or an<br>hourly mode. The annual green bonuses are set by the Energy<br>Regulatory Office for the following calendar year. The amount of the<br>hourly green bonuses will be derived from the market price of<br>electricity on the day-ahead market; their amount will therefore<br>change at every hour (§ 2 letter w Act No. 165/2010 in conjunction<br>with number 1.1 and 1.2 Price Decision of the Energy Regulatory<br>Office No. 4/2014).<br>Listed below are the annual green bonuses as determined by the<br>Energy Regulatory Office for 2015. |
|        | Wind energy  | From 1 January – 31 December 2015: CZL 1,450 (€ 54) per MWh.<br>(number 1.9 Price Decision of the Energy Regulatory Office No.<br>4/2014)  |











|      | Solar energy      | From 1 January 2014, the premium tariff for new PV installations has<br>been abolished. If put into operation by 2013, following tariffs apply:<br>From 1 January – 30 June 2013: CZK 2898 (€107) per MWh for PV<br>installations with an installed capacity of up to 5 kW<br>From 1 January – 30 June 2013: CZK 2295 (€ 85) per MWh for PV<br>installations with an installed capacity between 5 and 30 kW<br>From 1 July – 31 December 2013, CZK 2,461 (€ 95) per MWh for PV<br>installations with an installed capacity up to 5 kW:<br>From 1 July – 31 December 2013, CZK 1,879 (€ 70) per MWh for PV<br>installations with an installed capacity between 5 and 30 kW<br>(number 1.10 Price Decision of the Energy Regulatory Office No.<br>4/2014)<br>The green bonus for PV installations put into operation between 1 Jan<br>2010 and 31 Dec 2010 is subject to a tax of 11% (except for building-<br>integrated installations with a capacity of up to 30 kW) (§18 a Act No.<br>165/2012). The tax applies for all electricity generated from 1 Jan<br>2014 (§14 Act No. 165/2012). |
|------|-------------------|---|
| Geot | Geothermal energy | From 1 January – 31 December 2015: CZK 2440 (€ 90) per MWh<br>(number 1.11 Price Decision of the Energy Regulatory Office No.<br>4/2014)  |
|      | Biogas            | From 1 January 2014, the premium tariff for biogas plants (landfill and sewage gas) has been abolished. If put into operation from 1 January until 31 December 2013, following tariffs apply:   |











|       |             | • CZK 1157 (approx. € 43) per MWh  |
|-------|-------------|--|
|       |             | (number 1.8 Price Decision of the Energy Regulatory Office No. 4/2014)                               |
|       |             | Biogas plants up to a maximum capacity of 550 kW:  |
|       |             | • CZK 2,700 (approx. € 100) per MWh  |
|       |             | (number 1.8 Price Decision of the Energy Regulatory Office No. 4/2014)                               |
|       |             | Small and reconstructed hydropower:  |
|       |             | <ul> <li>From 1 January – 31 December 2015: CZK 1,679 (approx. €<br/>96) per MWh</li> </ul>          |
|       | Hydro-power | Small hydropower at new locations:   |
|       |             | <ul> <li>1 January – 31 December 2015: CZK 2,410 (approx. € 89) per<br/>MWh</li> </ul>               |
|       |             | (number 1.6 Price Decision of the Energy Regulatory Office No. 4/2014)                               |
| Bioma |             | The amount of the annual bonus varies according to the technology used:                              |
|       | Biomass     | <ul> <li>From 1 January – 31 December 2015: CZK 395 – 2,413<br/>(approx. € 15-89) per MWh</li> </ul> |
|       |             | (number 1.7 Price Decision of the Energy Regulatory Office No. 4/2014)                               |











|                    | General information  | The Energy Regulatory Office determines the annual green bonuses<br>for the individual RES-E technologies for the calendar year to come<br>and sets the procedure for the determination of the hourly green<br>bonus, so that the amount of the annual green bonus shall cover at<br>least the difference between the purchase price and the expected<br>average annual hourly price, and the amount of the hourly green<br>bonus shall cover at least the difference between the purchase price<br>and the achieved hourly price (§ 12 par. 2 Act No. 165/2012). |  |
|--------------------|--|---|--|
| Degression         | Wind energy  |   |  |
|                    | Solar energy   |   |  |
|                    | Geothermal energy  |   |  |
|                    | Biogas   |   |  |
|                    | Hydro-power  |   |  |
|                    | Biomass  |   |  |
| Сар                | In the year in which the plant was put into operation, the green bonus shall not exceed CZK 4,500 (approx. € 164) per MWh (§ 12 par. 7 Act No. 165/2012); with regard to biogas the tariff may not exceed CZK 1,700 (approx. € 62) per MWh (§ 35 par. 3 Act No. 165/2012). |   |  |
| Eligibility period | The tariff for all eligible technologies is statutorily guaranteed for 20 years. Hydro-energy plants are exempt from this rule, as their tariff will be paid for 30 years (Regulation No. 347/2012).   |   |  |











| Addressees            | <ul> <li>Eligible party: The persons eligible for payment for electricity exported to the grid are the producers of electricity from renewable sources (§ 8 par. 2 Act No. 165/2012).</li> <li>Obligated party: The obligated party for both the annual and the hourly mode is the market operator, i.e. the state owned company OTE a.s., which shall reimburse the producer for the green bonus for electricity generated from RES (§ 9 par. 4 Act No. 165/2012).</li> </ul> |   |  |
|-----------------------|--|---|--|
| Procedure             | Process flow       If a given plant operator chooses to be supported through the shall conclude a contract with the market operator operators may use part of the total amount of electric generate for own purposes.         More information on procedure: https://www.eru.cz/cs/pozkladene-dotazy#3         Competent authority       The scope and amount of the promotion of electricity from be defined by the Energy Regulatory Office (§ 4 par. 7 165/2012).           |   |  |
| Flexibility Mechanism |  | <u> </u>  |  |
|                       | State  |   |  |
| Distribution of costs | Consumers  | In principle, end users bear only the costs of their electricity consumption (§ 28 par. 4 a Act No. 165/2012).                          |  |
|                       | Plant operator   | Plant operators bear the costs of the consumed electricity, including the amount of electricity consumed by market participants, who do |  |











|                        | not use the transmission or distribution system (§ 28 par. 4 b Act No. 165/2012).  |
|------------------------|--|
| Grid operator          | The grid operators bear the feed-in tariff costs (§ 28 par. 4 c Act No. 165/2012).   |
| European Union         |  |
| Distribution mechanism | <ul> <li>Consumers – Grid operators. The costs arising from the green bonus scheme are borne by consumers through a surcharge ("příspěvek na obnovitelné zdroje") added to the electricity price. This surcharge was lowered through the latest amendment of Act No. 165/2012 and set at a maximum amount of CZK 495 (approx. € 18) per MWh (§ 28 par. 3 Act No. 165/2012).</li> <li>Grid operators – Market operator. The transmission and distribution grid operators are obliged to reimburse the market operator all expenses for the transmission and distribution of electricity in order to cover the costs associated with the support of electricity (§ 13 par. 1 Act No. 165/2012).</li> <li>Market operator – RES plant operators. The market operator is obligated to reimburse the plant operators for the electricity they feed into the grid (§ 10 par. 2 Act No. 165/2012).</li> </ul> |











# **RES-E grid issues**

#### **Overview**

| Overview of grid issues | Operators of renewable energy plants are entitled to priority connection to the grid. The use and the expansion of the grid are subject to general legislation on energy.  |  |  |
|-------------------------|--|--|--|
| Connection to the grid  | Plant operators are entitled against the grid operator to priority connection of a renewable energy plant to the grid. The grid operator is obliged to enter into connection agreements.   |  |  |
| Use of the grid         | Plant operators are entitled against the grid operator to non-discriminatory use of the grid for the transmission or distribution of electricity from renewable sources. The grid operator is obliged to enter into transmission agreements.   |  |  |
| Grid expansion          | Plant operators are entitled against the grid operator to the expansion of the grid, if the expansion is necessary to satisfy the terms of a connection agreement. The grid operator is obliged to expand the grid without discriminating against certain plant operators  |  |  |
| Statutory provisions    | <ul> <li>Energy Act (Zákon č. 458/2000 Sb. o podmínkách podnikání a o výkonu státní správy v energetických odvětvích – Act)</li> <li>Act No. 165/2012 (Zákon č. 165/2012 Sb. podporovaných zdrojích energie – Act on promoted energy sources)</li> <li>Regulation No. 79/2010 (Vyháška č. 79/2010 o dispečerském řízení elektrizační soustavy a o předávání úda dispečerské řízení – Regulation on Energy Management)</li> <li>Regulation No. 80/2010 (Vyhláška č. 80/2010 o stavu nouze v elektroenergetice – Regulation on Energy Emergen</li> </ul> |  |  |











#### **Basic information on legal sources**

| Name of legal source<br>(original language) | Zákon č. 458/2000 Sb. o<br>podmínkách podnikání a o<br>výkonu státní správy v<br>energetických odvětvích a o<br>změně některých zákonů<br>(energetický zákon) | Zákon č. 165/2012 Sb. o<br>podporovaných zdrojích energie                               | Vyhláška č. 79/2010 o<br>dispečerském řízení elektrizační<br>soustavy a o předávání údajů pro<br>dispečerské řízení                             | Vyhláška č. 80/2010 o stavu<br>nouze v elektroenergetice a o<br>obsahových náležitostech<br>havarijního plánu |
|---|---|---|---|---|
| Full name                                   | Zákon č. 458/2000 Sb.<br>Energetický zákon  | Zákon č. 165/2012 Sb. o<br>podporovaných zdrojích energie<br>a o změně některých zákonů |   |   |
| Name (English)                              | Act No. 458/2000 Coll. on<br>Business Conditions and Public<br>Administration in the Energy<br>Sectors and on the Amendment<br>to Other Laws (Energy Act)     | Act No. 165/2012 Coll. on promoted energy sources                                       | Regulation No. 79/2010 on the<br>management of the transmission<br>grid system and on the<br>transmission of data related to<br>grid management | Regulation No. 80/2010 on<br>Energy Emergencies and on the<br>Contents of the Emergency Plan                  |
| Abbreviated form                            | Energy Act  | Act No. 165/2012  | Regulation No. 79/2010  | Regulation No. 80/2010  |
| Entry into force                            | 01.01.2001  | 01.01.2013  | 01.04.2010  | 01.04.2010  |
| Last amended on                             | 01.01.2015  | 05.06.2015  | 01.12.2012  |   |
| Future amendments                           |   |   |   |   |











| Purpose  | Act No. 485/2000 Coll. is a framework for entrepreneurship, public administration and non-discriminatory regulation of the energy industries. | The purpose of this act is to<br>promote the use of renewable<br>energy sources, secondary<br>sources, high-efficiency CHP,<br>biomethane and decentralised<br>electricity generation | This regulation establishes<br>provisions on the operations<br>management of the electricity<br>grid and the calculation of the<br>usable capacities. | This regulation establishes<br>provisions to reduce the<br>generation and consumption of<br>electricity in case of (risk of)<br>emergency |
|--|---|---|---|---|
| Relevance for renewable energy                           | The act also applies to the generation of electricity from renewable sources.   | This act also promotes renewable energy sources.  | The regulation also applies to renewable electricity generation.  | The regulation also applies to renewable electricity generation.  |
| Link to full text of legal source<br>(original language) | <u>http://www.zakonyprolidi.cz/cs/</u><br>2000-48   | <u>http://www.zakonyprolidi.cz/cs/</u><br>2012-165  | <u>http://www.zakonyprolidi.cz/cs/</u><br>2010-79   | <u>http://www.zakonyprolidi.cz/cs/</u><br>2010-80   |
| Link to full text of legal source<br>(English)           |   | http://www.eru.cz/user_data/fil<br>es/legislativa/english/acts/165<br>2012_AJ.pdf<br>Please_note_that_the_English<br>version_does_not_include_the<br>latest amendment to the act.     |   |   |











#### **Further information**

| Institution (name)   | Website                        | Name of contact person<br>(optional) | Telephone number (head office)       | E-mail (optional)                    |
|--|--------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Ministerstvo životního<br>prostředí (MŽP) – Ministry<br>of the Environment   | http://www.mzp.cz/             |                                      | +420 267 121 111                     | <u>info@mzp.cz</u>                   |
| Ministerstvo průmyslu a<br>obchodu (MPO) – Ministry<br>of Industry and Trade | http://www.mpo.cz/default.html |                                      | +420 224 851 111                     | posta@mpo.cz                         |
| Energetický regulační<br>úřad (ERÚ) – Energy<br>Regulatory Office            | http://www.eru.cz/?bl=y        |                                      | +420 564 578 666                     | <u>eru@eru.cz</u>                    |
| Czech RE Agency –<br>Renewable Energy Agency                                 | http://www.czrea.org           |                                      | +420 575 750 090<br>+420 222 512 764 | director@czrea.org<br>info@czrea.org |











#### <u>Grid issues</u>

#### Connection to the grid

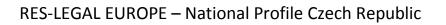
| Abbreviated form of legal sources   | <ul> <li>Energy Act</li> <li>Act No. 165/2012</li> </ul>   |   |  |
|---|--|---|--|
|   | delimited in their licence provided that th<br>Regulation No. 51/2006 on the Connection  | tors are obliged to give priority connection to renewable energy plants within the area<br>e plant operator applies for grid connection and that he fulfils the conditions laid down in<br>n to the Electricity Grid (§ 7 par. 1 Act No. 165/2012). |  |
| Overview  | A transmission grid operator's obligation to connect a renewable energy plant shall arise where the connection costs are lowest.<br><b>Entitled party:</b> The persons entitled to priority connection are the generators of electricity from renewable sources. Wind plant operators are entitled to be connected according to non-discriminatory criteria and in line with general legislation on energy.  |   |  |
|   | <b>Obligated party:</b> Both transmission and distribution grid operators are obliged to give priority connection to renewables. Where a plant is connected to a distribution grid, the distribution grid operator whose connection costs are lowest is obliged to connect it. As there is only one transmission grid operator, the costs of connection to a transmission grid are not subject to variation. |   |  |
| Procedure       Application. The plant operator applies for connection of his plant.         Connection requirements. The plant operator must comply with the con requirements and the terms and conditions set out in Energy Act (§ 7 par. 1 / 165/2012 and § 24 par. 10 letter a) Energy Act).         Procedure       Connection agreement. The grid operator is obliged to enter into con agreements (§ 7 par. 1 RES Act No. 165/2012). |  |   |  |
|   | Deadlines  | Statutory law does not provide any deadlines for connection to the grid. However, deadlines may be specified in the connection agreements.  |  |













|  | Obligation to inform  | On request of the plant operator, the grid operator is obligated to submit any information needed for the connection to the grid, the estimated connection costs, and the deadline for submitting the application as well as the estimated time for connecting the plant to the grid (§ 7 par. 2 Act No. 165/2012). |  |
|--|---|---|--|
| Priority to renewable energy<br>(qualitative criteria) | <ul><li>(X) Priority to renewable energy</li><li>( ) Non-discrimination</li></ul>   | Plant operators are entitled against the grid operator to priority connection of a renewable energy plant to the grid. The grid operator is obliged to enter into connection agreements (§ 7 par. 1 Act No. 165/2012).  |  |
| Capacity limits<br>(quantitative criteria)             | In case of proven capacity shortage, the grid operator is exempt from his obligation to connect a plant that generates renewable electricity (§ 7 par. 1 Act No. 165/2012). |   |  |
|  | State<br>Consumers  |   |  |
| Distribution of costs                                  | Grid operator   | The cost of the connection of a plant to the distribution or transmission grid is borne by the plant operator (§ 23 par. 2 letter a) Energy Act.).  |  |
|  | Plant operator  |   |  |
|  | European Union  |   |  |
|  | Distribution mechanism  |   |  |











#### <u>Use of the grid</u>

| Abbreviated form of legal sources | <ul> <li>Energy Act</li> <li>Regulation No. 79/2010</li> <li>Regulation No. 80/2010</li> </ul>  |  |  |
|-----------------------------------|---|--|--|
| Overview                          | <ul> <li>Plant operators are entitled against the grid operator to non-discriminatory use of the grid for the transmission or distribution of electricity from renewable sources. The grid operator is obliged to enter into transmission agreements (§ 24 par. 1 letter b) in conjunction with § 24 par. 10 letter c) and § 25 par. 1 letter b) in conjunction with par. 11 letter d) Energy Act). There are no special provisions on the use of the grid for the transmission and distribution of electricity from renewable sources.</li> <li>Entitled party: The persons entitled to use the grids are all electricity suppliers that have concluded an agreement with a transmission or distribution grid operator (§ 24 par. 1 letter b) in conjunction with § 25 par. 1 letter b) Energy Act).</li> <li>Obligated party: The grid operator in charge is obligated to connect the plants of all applicants to the grid and transmit and distribute their electricity, given that the applicants comply with the conditions laid down by a separate legal provision. The grid operator is exempt from his obligation in cases of proven capacity shortages or threats to the reliable operation of the grid (§ 24 par. 10 letter a) in conjunction with § 25 par. 11 letter a) Energy Act).</li> </ul> |  |  |
| Procedure                         | Process flow  | <ul> <li>Conclusion of an agreement. Where renewable electricity is offered to them, the grid operators are obliged to purchase all electricity from eligible renewable sources and conclude a supply contract.</li> <li>Obligations. Plant operators who choose to be supported through the green bonus are obliged to enter into a supply contract with another supplier. This obligation does not apply to producers who consume all renewable electricity they produce.</li> <li>Guarantee of origin. The electricity market operator shall issue a certificate of origin of renewable electricity upon written request by an operator of a renewable energy plant. This guarantee of origin shall be issued within 30 days</li> </ul> |  |











|                              | Deadlines  |  |
|------------------------------|--|--|
|                              | Obligation to inform   |  |
| Priority to renewable energy | () Priority to renewable energy The conditions of use of the grid must be non-discriminatory (§ 24 par. 10 letter  |  |
| (qualitative criteria)       | (X) Non-discrimination   | 25 par. 11 letter d) Energy Act). Operators of renewable energy plants are not entitled to priority use.   |
| Curtailment                  | A grid operator is not obliged to grant to an applicant the connection of a plant and the transmission and distribution of electricity is he provides evidence of a capacity shortage (§ 25 par. 10 letter a) Energy Act). Plants in the affected area will be managed by the energy dispatcher, who is responsible for the secure and reliable operation of the grid, the operations management of the grid and the calculation of the load of the connection lines (Regulation No. 79/2010). In case of an emergency, he may reduce the production and the consumption of electricity and cut electricity imports from plants in the affected area (Regulation No. 80/2010). |  |
|                              | State  |  |
|                              | Consumers  |  |
| Distribution of costs        | Grid operator  |  |
|                              | Plant operator   | Producers of electricity from renewable sources are obligated to refund to the grid operator the cost of system services, which depend on the amount of electricity produced (§ 23 par. 2 letter j) Energy Act). |
|                              | European Union   |  |
|                              | Distribution mechanism   |  |











#### Grid expansion

| Abbreviated form of legal source | <ul> <li>Energy Act</li> <li>Act No. 165/2012</li> </ul>   |  |  |
|----------------------------------|--|--|--|
|                                  | The plant operator is contractually entitled against the grid operator to the expansion of the grid if the expansion is necessary to satisfy a connection agreement (§ 45 par. 1 Energy Act).  |  |  |
| Overview                         | <b>Entitled party:</b> The persons entitled are those producers of electricity from renewable sources that hold an electricity production licence and comply with both the connection requirements, which are set out in a separate legal provision (Notice of the Ministry of Industry and Trade), and the grid operator's terms and conditions (§ 23 par. 1 letter a) Energy Act). |  |  |
|                                  | <b>Obligated party:</b> The transmission or distribution grid operator whose cost of connection is lowest is obligated to connect a renewable energy plant to his grid except where the reliable operation of the distribution system is at risk (§ 7 par. 1 Act No. 165/2012).  |  |  |
|                                  | Process flow   | From the beginning, the relationship between the grid operator and the plant operator<br>is governed by contracts, which set out the grid operator's obligations and the plant<br>operator's rights. The contracts may contain provisions for cases where the grid<br>operator fails to fulfil his obligations (e.g. the expansion of the grid). These provisions<br>must be in line with the current legal framework. |  |
| Procedure                        | Enforcement of claims  |  |  |
|                                  | Deadlines  | Statutory law does not provide any deadlines for an expansion of the grid. However, deadlines may be specified in the connection and transmission agreements.  |  |
|                                  | Obligation to inform   |  |  |











| Regulatory incentives for grid<br>expansion and innovation |                        |  |
|--|------------------------|--|
|  |                        |  |
|  | State                  |  |
|  | Consumers              |  |
| Distribution of costs                                      | Grid operator          | The distribution grid operator bears the costs of extending low-voltage lines in built-up areas and low-voltage lines of up to 50 m in non-built-up areas (§ 45 par. 2 Energy Act).        |
|  | Plant operator         | In all other cases, the cost of grid expansion is borne by the person that derives a benefit from the expansion. Thus, the plant operator usually bears the cost (§ 45 par. 2 Energy Act). |
|  | European Union         |  |
|  | Distribution mechanism |  |
| Grid studies   |                        |  |











## **RES-H&C** support schemes

#### Summary of support schemes

| Overview                   | In the Czech Republic, the heat from renewable energy sources is mainly supported through subsidies.<br>Furthermore, renewable heating plants are exempt from real estate tax.   |  |  |
|----------------------------|--|--|--|
| Summary of support schemes | <ul> <li>Subsidies. Generally, RES-H plant operators may receive subsidies for the support of renewable heat from the Operational Programmes (OP) funded by the ERDF.</li> <li>Tax regulation mechanism. Operators of renewable heating plants are exempt from real estate tax.</li> </ul>   |  |  |
| Technologies               | In general, all RES-H technologies are eligible for support.   |  |  |
| Statutory provisions       | <ul> <li>OPPIK (Operační program Podnikání a inovace pro konkurenceschopnost (OPPIK) 2014-2020 –<br/>Operational Programme "Business and Innovation for Competitiveness" 2014-2020)</li> <li>OPŽP (Operační program Životní prostředí 2014-2020 – 6. Verze - Operational programme Environment 2014-2020 – 6<sup>th</sup> update)</li> <li>MŽP Directive No. 6/2014 (Směrnice MŽP č. 6/2014 pro předkládání žádostí a o poskytování finančních prostředků pro projekty z Operačního programu Životní prostředí - Directive of the Ministry of the Environment No. 6/2014 on the submission of applications and the allocation of grants for projects under Operational Programme Environment)</li> <li>Act No. 338/1992 (Zákon č. 338/1992 Sb. o dani z nemovitosti - Act No. 338/1992 Coll. on the Property Tax)</li> </ul> |  |  |











#### **Basic information on legal sources**

| Name of legal source  |  | Operační program Životní prostředí 2014-<br>2020 – 6. verze                                 | Směrnice MŽP č. 6/2014 pro předkládání<br>žádostí a o poskytování finančních<br>prostředků pro projekty z Operačního<br>programu Životní prostředí |  |
|---|--|---|--|--|
| Full name   |  |   |  |  |
| Operational Programme "Business and<br>Innovation for Competitiveness" 2014 –<br>2020 |  |   |  |  |
| Abbreviated form OPPIK  |  | ΟΡŽΡ  | MŽP Directive No. 6/2014   |  |
| Entry into force 01.07.2014   |  | 24.07.2014  | 27.05.2014   |  |
| Last amended on   |  |   | 15.09.2015   |  |
| Future amendments   |  |   |  |  |
| Purpose   | The Operational Programme "Business<br>and Innovation for Competitiveness" aims<br>to improve the competitiveness of the<br>Czech economy. | The Operational Programme Environment<br>aims to improve the quality of the<br>environment. | The directive establishes a framework for<br>the allocation of subsidies under<br>Operational Programme Environment.                               |  |











| Relevance for renewable energy                        | The Operational Programme "Business<br>and Innovation for Competitiveness" also<br>supports renewable energy. | The Operational Programme Environment also supports renewable energy.                                      | The Directive also establishes provisions<br>on the allocation of subsidies in the field<br>of renewable energy. |
|---|---|--|--|
| Link to full text of legal source (original language) | <u>http://www.oppik.cz/files/oppik-text-</u><br>operacniho-programu.pdf                                       | https://www.sfzp.cz/soubor-ke-<br>stazeni/52/15709-<br>6 verze%20OPZP %202014%20-<br>%202020 SFC final.pdf | http://www.opzp2007-2013.cz/ke-<br>stazeni/632/15615/detail/smernice-mzp-<br>c-6-2014/                           |
| Link to full text of legal source (English)           |   |  |  |











| Name of legal source<br>(original language)           | Zákon č. 338/1992 Sb. o dani z<br>nemovitosti                                 |  |
|---|---|--|
| Full name   |   |  |
| Name (English)  | Act No. 338/1992 Coll. on the Property Tax                                    |  |
| Abbreviated form                                      | Act No. 338/1992  |  |
| Entry into force                                      | 01.07.1992  |  |
| Last amended on                                       | 01.05.2015  |  |
| Future amendments                                     |   |  |
| Purpose   | Regulating the property tax.  |  |
| Relevance for renewable energy                        | Constructions used for renewable heating plants are exempt from property tax. |  |
| Link to full text of legal source (original language) | http://www.zakonyprolidi.cz/cs/1992-338                                       |  |
| Link to full text of legal source (English)           |   |  |











#### **Further information**

| Institution (name)         | Website                        | Name of contact person | Telephone number (head office) | E-mail (optional)  |
|----------------------------|--------------------------------|------------------------|--------------------------------|--------------------|
|                            |                                | (optional)             |                                |                    |
| Ministerstvo životního     | http://www.mzp.cz/             |                        | +420 267 121 111               | info@mzp.cz        |
| prostředí (MŽP) – Ministry |                                |                        |                                |                    |
| of the Environment         |                                |                        |                                |                    |
| Ministerstvo průmyslu a    | http://www.mpo.cz/default.html |                        | +420 224 851 111               | posta@mpo.cz       |
| obchodu (MPO) – Ministry   |                                |                        |                                |                    |
| of Industry and Trade      |                                |                        |                                |                    |
| Czech RE Agency – Energy   | http://www.czrea.org/cs        |                        | +420 575 750 090               | director@czrea.org |
| Agency                     |                                |                        | +420 222 512 764               | info@czrea.org     |











#### Support schemes

#### Subsidy I (Operational Programme Business and Innovation for Competitiveness – OPPIK)

| Abbreviated form of legal source(s) | • OPPIK 2014-2020  |  |
|-------------------------------------|--|--|
| Summary                             | The Operational Programme "Business and Innovation for Competitiveness" allocates investment grants from the European Regional Development Fund (ERDF) for small, medium and large companies in the amount of CZK 1 million to 100 million (approx. € 36,000 to 3.6 million). Renewable energy projects are eligible under Priority Axis 3 "More Efficient Energy Management", namely Investment Priority 1 "Supporting the production and distribution of energy from renewable sources". For the specific target 3.1, a share of 1.24% of OPPIK's total budget (approx. CZK 1.7 billion – € 60 million) has been allocated (1.2 OPPIK).<br>The programme supports the construction or reconstruction of electricity or heat generating plants, for which the energy produced is primarily intended for distribution rather than own consumption. |  |
|                                     | General information  | Eligible technologies under target 3.1 are biomass plants (Specific Target 3.1, 2.A.6.1 OPPIK). In case of biogas, only the construction of cogeneration plants is being promoted. |
| Eligible technologies               | Aerothermal  |  |
|                                     | Hydrothermal   |  |
|                                     | Biogas   |  |











|            | Biomass   | Eligible for support is the construction or reconstruction of biomass plants (Specific Target 3.1, 2.A.6.1 OPPIK).                |
|------------|---|---|
|            | Geothermal energy   |   |
|            | Solar Thermal   |   |
|            | Companies may receive investment grants betwee<br>of the subsidy depends on the size of the company   | n CZK 1 million - 100 million (approx. € 36,000 – 3.6 million). The amount<br>y (Specific Target 3.1, 2.A.6.3 OPPIK):             |
| Amount     | <ul> <li>Small companies (up to 49 employees): 70% of eligible expenses</li> <li>Medium-sized companies (50 – 249 employees): 60% of eligible expenses</li> <li>Large companies (more than 250 employees): 50% of eligible expenses</li> </ul>  |   |
| Addressees | <b>Eligible party:</b> The persons eligible for subsidies are (small, medium-sized and large) entrepreneurs. Projects must be implemented outside the territory of the City of Prague; however, the company's headquarters may be located in Prague (Specific Target 3.1, 2.A.6.1 OPPIK). |   |
|            | <b>Obligated party:</b> The party obligated is the Ministry of Industry and Trade (Specific Target 3.1, 2.A.6.2 OPPIK).   |   |
|            | Process flow  | <b>Application.</b> Interested companies shall apply for a subsidy under the relevant call for applications.                      |
| Procedure  |   | <b>Selection procedure.</b> The call for applications shall specify the criteria for selection and the method of assessment.      |
|            |   | Award. The institution in charge of the Operational Programme "Business and Innovation for Competitiveness", i.e. the Ministry of |











|                       | Industry and Trade, decides whether a subsidy is granted. The bindir<br>conditions for the subsidy granted are communicated by notice.<br>(Specific Target 3.1, 2.A.6.2 OPPIK) |  |
|-----------------------|--|--|
|                       | Competent authority  | Ministry of Industry and Trade (MPO)   |
| Flexibility mechanism |  |  |
|                       | State  |  |
| Distribution of costs | Consumers  |  |
|                       | Plant operator   |  |
|                       | Grid operator  |  |
|                       | European Union   | The subsidies and loans are funded by the ERDF (European Regional Development Fund).   |
|                       | Distribution mechanism   | <b>ERDF</b> – <b>Ministry of Industry and Trade.</b> The subsidies and loans a funded by the ERDF (European Regional Development Fund) ar distributed by the Ministry of Industry and Trade. |











|   | <b>Ministry of Industry and Trade – CzechInvest.</b> The funds for the subsidy are distributed by CzechInvest on behalf of the Ministry of Industry and Trade.  |
|---|---|
| 1 | <b>CzechInvest - beneficiaries.</b> CzechInvest distributes the funds among the eligible projects with regard to the fulfilment of the requirements specified in the call for proposals.<br>(1.2 OPPIK) |











#### Subsidy II (Operational Programme Environment)

| Abbreviated form of legal source(s) | <ul> <li>OPŽP 2014-2020</li> <li>MŽP Directive No. 6/2014</li> </ul>  |  |  |
|-------------------------------------|---|--|--|
| Summary                             | The Operational Programme "Environment" allocates investment grants from the European Regional Development Fund (ERDF). Renewable energy projects are eligible under Priority Axis 5 "Energy Savings", namely Investment Priority 1 "Encouraging the transition to a low carbon economy in all sectors by promoting energy efficiency, smart energy management systems and the use of renewable energy in public infrastructures, including public buildings and the housing sector". |  |  |
| General information                 |   | Under the specific target 5.1, the installation of biomass and solar thermal boilers are eligible for support (2.5.3.2.1 OPŽP) |  |
| Eligible technologies               | Aerothermal   |  |  |
|                                     | Hydrothermal  |  |  |
|                                     | Biogas  |  |  |
|                                     | Biomass   | Eligible.  |  |
|                                     | Geothermal energy   |  |  |











|            | Solar Thermal  | Eligible. |
|------------|--|-----------|
| Amount     | The Operational Programme Environment grants subsidies up to 85% of a project's total eligible expenditures (art. 4 no.<br>7 MŽP Directive No. 6/2014). Under target 5.1, only individual projects (up to € 50 million of total project costs) are eligible<br>for support (2.5.3.2.4 OPŽP). Further terms and conditions will be set out in each call for applications.   |           |
| Addressees | <ul> <li>Eligible party: Those eligible for the programme are public institutions such as municipalities, regions, public research institutions, universities or associations (2.5.3.2.1 OPŽP).</li> <li>Obligated party: The party obligated is the Ministry of the Environment (art. 1 number 1 MŽP Directive No. 6/2014).</li> </ul>  |           |
| Procedure  | Obligated party: The party obligated is the Ministry of the Environment (art. 1 number 1 MŽP Directive No. 6/2         Process flow       Application. Interested parties shall apply for subsidies at authority in charge of the national fund (depending on the project is implemented in) within the submission period number 2 MŽP Directive No. 6/2014). The documents deta annex no. 1 of the Directive must be submitted together application (art. 5 number 4 MŽP Directive No. 6/2014)         Assessment procedure. First, the applicants' projects are checked for completeness. Then, the State Fund examines ecologic, economic and technical compliance and submits the committee in charge. The committee then recommends the chosen to the Ministry of the Environment for approval (a Directive No. 6/2014). After approval by the Ministry of the Environment, large projects are submitted to the Ministry of t |           |











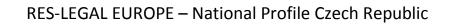
|                       |                     | Commission for approval (art. 6 number 12 MŽP Directive No. 6/2014).<br><b>Award.</b> The Ministry of the Environment bases its decisions on whether to grant a subsidy to a project and which amount to be granted on the recommendation of the committee (art. 6 number 6 MŽP Directive No. 6/2014). Large projects must be authorised by the European Commission, which also decides on the amount of subsidy (art. 3 number 3 MŽP Directive No. 6/2014). |
|-----------------------|---------------------|--|
|                       | Competent authority | Ministry of the Environment (art. 1 number 1 MŽP Directive No. 6/2014).  |
| Flexibility mechanism |                     |  |
|                       | State               |  |
|                       | Consumers           |  |
| Distribution of costs | Plant operator      |  |
|                       | Grid operator       |  |
|                       | European Union      | The subsidy is funded by the Cohesion Fund of the European Union (art. 2 MŽP Directive No. 6/2014).  |













|                        | <b>Cohesion Fund – Ministry of the Environment.</b> The subsidy is funded by the Cohesion Fund of the European Union. The budget is managed by the Ministry of the Environment.                       |
|------------------------|---|
| Distribution mechanism | Ministry of the Environment – entrepreneurs entitled. The Ministry<br>of the Environment allocates the financial resources available to the<br>projects chosen.<br>(art. 2 MŽP Directive No. 6/2014). |











#### Tax regulation mechanism (Exemption from Real Estate Tax)

| Abbreviated form of legal source(s) | • Act No. 338/1992  |  |  |
|-------------------------------------|---|--|--|
| Summary                             | Properties used solely for the generation of heat from biogas, biomass, geothermal energy or heat pumps are exempt from real estate tax (§ 9 par. 1 letter m Act No. 338/1992). |  |  |
|                                     | General information   | Biogas, biomass, geothermal energy sources as well as heat pumps<br>are eligible for the tax exemption.                          |  |
|                                     | Aerothermal   | Eligible if the generated heat is supplied to other customers (§ 9 par.<br>1 letter m no. 10 Act No. 338/1992).                  |  |
| Eligible technologies               | Hydrothermal  | Eligible if the generated heat is supplied to other customers (§ 9 par.<br>1 letter m no. 10 Act No. 338/1992).                  |  |
|                                     | Biogas  | Eligible if the generated heat is fed into the grid or supplied to other customers (§ 9 par. 1 letter m no. 9 Act No. 338/1992). |  |
|                                     | Biomass   | Eligible (§ 9 par. 1 letter m no. 11 Act No. 338/1992).  |  |
|                                     | Geothermal energy   | Eligible if the generated heat is supplied to other customers (§ 9 par.<br>1 letter m no. 10 Act No. 338/1992).                  |  |
|                                     | Solar Thermal   |  |  |
| Amount                              | The tax benefit is an exemption from real estate tax  |  |  |











|                       | Entitled party: The persons entitled are the operators of renewable heating plants. |   |  |
|-----------------------|---|---|--|
| Addressees            | <b>Obligated party:</b> The obligated party is the state.                           |   |  |
|                       | (§ 8 Act No. 338/1992).   |   |  |
| Procedure             | Process flow  | Exemption from real estate tax can be claimed through the tax return (§ 9 par. 5 Act No. 338/1992). |  |
|                       | Competent authority   | Tax office (§ 13 par. a 1 Act No. 338/1992).  |  |
| Flexibility Mechanism |   |   |  |
|                       | State   | The cost of tax exemption is borne by the Czech state which receives lower tax revenue.             |  |
|                       | Consumers   |   |  |
| Distribution of costs | Plant operator  |   |  |
|                       | Grid operator   |   |  |
|                       | European Union  |   |  |
|                       | Distribution mechanism  |   |  |











## RES-T support schemes

#### Summary of support schemes

| Overview                   | In the Czech Republic, the main support scheme for renewable energy sources used in transport is a que system. This scheme obliges companies importing or producing petrol or diesel to ensure that biofuels make a defined percentage of their annual fuel sales. Furthermore, biofuels are exempt from consumption tax.  |  |
|----------------------------|--|--|
| Summary of support schemes | <ul> <li>Tax regulation mechanism. In the Czech Republic, biofuels as well as the biofuel content of mixed fuels are exempt from consumption tax.</li> <li>Biofuels quota. In the Czech Republic, there is an obligatory biofuel share for petrol and diesel fuel introduced on the Czech market.</li> </ul>   |  |
| Technologies               | The tax regulation mechanism and the biofuels quota apply to biofuels only   |  |
| Statutory provisions       | <ul> <li>Act No. 201/2012 (Zákon č. 86/2002 Sb o ochraně ovzduší a související předpisy - Act No. 86/2002 – Clean Air Act)</li> <li>Regulation No. 133/2010 (Vyhláška č. 133/2010 Sb. o jakosti a evidenci pohonných hmot - Regulation No. 133/2010 Coll. on the Quality and the Registering of Fuels)</li> <li>Zákon č. 353/2003 Sb., o spotřebních daních (Zákon č. 353/2003 Sb., o spotřebních daních - Act No. 353/2003 on Consumption Taxes)</li> </ul> |  |











#### **Basic information on legal sources**

| <u>Name of legal source</u><br>(original language) | Vyhláška č. 133/2010 Sb. o jakosti a<br>evidenci pohonných hmot   | Zákon č. 201/2012 Sb o ochraně ovzduší<br>a související předpisy   | <u>Zákon č. 353/2003 Sb., o spotřebních</u><br><u>daních</u>  |
|--|---|--|---|
| <u>Full name</u>                                   | Vyhláška č. 133/2010 Sb. o požadavcích na<br>pohonné hmoty, o způsobu sledování a<br>monitorování složení a jakosti pohonných<br>hmot a o jejich evidenci |  |   |
| <u>Name (English)</u>                              | Regulation No. 133/2010 Coll. on the Quality and the Registering of Fuels   | <u>Act No. 201/2012 – Clean Air Act</u>  | Act No. 353/2003 on Consumption Taxes   |
| Abbreviated form                                   | Regulation No. 133/2010   | Act No. 201/2012   | <u>Act No. 353/2003</u>   |
| Entry into force                                   | <u>13.05.2010</u>   | <u>01.09.2012</u>  | 26.09.2003  |
| Last amended on                                    | 01.01.2012  | 01.06.2014   | 01.07.2015  |
| Future amendments                                  |   |  |   |
| Purpose  | This regulation lays down the requirements for fuels, the monitoring of their composition and quality.  | This act regulates the permitted levels of<br>pollution and air pollution, determines<br>instruments to reduce pollution and lays<br>down the rights and obligations of public<br>administration and fuel producers. | This act regulates the conditions for the taxation of mineral oils, alcohol and tobacco with consumption taxes. |











| Relevance for renewable energy                        | This regulation is also relevant for biofuels. | This act is also relevant for biofuels.     | This act is also relevant for biofuels.     |
|---|--|---|---|
| Link to full text of legal source (original language) | http://www.zakonyprolidi.cz/cs/2010-133        | http://www.zakonyprolidi.cz/cs/2012-<br>201 | http://www.zakonyprolidi.cz/cs/2003-<br>353 |
| Link to full text of legal source (English)           |  |   |   |











#### **Further information**

| Institution (name)   | Website                      | Name of contact person<br>(optional) | Telephone number (head office)       | E-mail (optional)  |
|--|------------------------------|--------------------------------------|--------------------------------------|--------------------|
| Ministerstvo životního<br>prostředí (MŽP) – Ministry<br>of the Environment   | <u>http://www.mzp.cz/</u>    |                                      | +420 267 121 111                     | <u>info@mzp.cz</u> |
| Ministerstvo průmyslu a<br>obchodu (MPO) – Ministry<br>of Industry and Trade | <u>http://www.mpo.cz/</u>    |                                      | +420 224 851 111                     | posta@mpo.cz       |
| Czech RE Agency –<br>Renewable Energy Agency                                 | <u>http://www.czrea.org/</u> |                                      | +420 575 750 090<br>+420 222 512 764 | info@czrea.org     |











#### Support schemes

#### Tax regulation mechanism (Exemption from Consumption Tax)

| Abbreviated form of legal source(s) | • Act No. 353/2003   |   |  |
|-------------------------------------|--|---|--|
| Summary                             | In the Czech Republic, pure biofuels as well as the biofuel content of mixed fuels are exempt from consumption tax.  |   |  |
| Eligible technologies               | General information  | Subject to the tax allowance are only biofuels distributed for transportation purposes (§ 49 par. 13-16 Act No. 353/2003).  |  |
|                                     | Biofuels   | <ul> <li>Eligible for tax exemption are following biofuels:</li> <li>Fatty acid methyl esters (FAME) or ethyl esters (§ 49 par. 1<br/>Act No. 353/2003)</li> <li>Vegetable oils (§ 49 par. 14 Act No. 353/2003)</li> <li>Liquefied biogas (§ 49 par. 15 Act No. 353/2003)</li> <li>Mineral oil produced from cellulosic biomass or from organi<br/>waste (§ 49 par. 16 Act No. 353/2003)</li> </ul> |  |
|                                     | Electricity  |   |  |
|                                     | Hydrogen   |   |  |
| Amount                              | Biofuels are exempt from consumption tax. For regular petrol fuel, this tax amounts to CZK 12,840 (approx. € 470) per 1,000 litres (§ 48 par. 1 Act No. 353/2003). |   |  |
| Addressees                          | Entitled party: End consumers of biofuels resp. fuel producers   |   |  |











| Procedure             | Process flow           |  |
|-----------------------|------------------------|--|
|                       | Competent authority    |  |
| Flexibility Mechanism |                        |  |
|                       | State                  | The costs of the tax exemption are borne by the state, which receives lower tax revenue. |
|                       | Consumers              |  |
| Distribution of costs | Plant operator         |  |
|                       | Grid operator          |  |
|                       | European Union         |  |
|                       | Distribution mechanism |  |











#### **Biofuel quota**

| Abbreviated form of legal source(s) | • Act No. 201/2012  |   |  |  |
|-------------------------------------|---|---|--|--|
|                                     | Regulation No. 133/2010   |   |  |  |
| Summary                             | <ul> <li>A person introducing petrol or diesel fuel on to the Czech market for the purposes of transport is required to ensure that these fuels include the following minimum quantity of biofuel:</li> <li>4.1 % by volume for petrol (§ 19 par. 1 a Act No. 201/2012)</li> <li>6.0 % by volume for diesel (§ 19 par. 1 b Act No. 201/2012)</li> </ul> |   |  |  |
|                                     | General information   | The definition biofuels is laid down in § 2 of Regulation No. 133/2010.   |  |  |
| Eligible technologies               | Biofuels  | <ul> <li>Biofuel is defined as liquid or gaseous fuel used for transportation purposes, produced from biomass.</li> <li>Biomass is defined as biodegradable fraction of products, wastes and residues of biological origin from agriculture (including vegetal and animal substances), forestry and related industries, as well as the biodegradable fraction of industrial and municipal waste.</li> <li>Biogas is defined as gaseous fuel produced from biomass or biodegradable fraction of waste that is purified to a quality corresponding with natural gas, and which is designed for motor drive.</li> <li>Bioethanol is defined as generally or naturally denatured ethanol, produced from biomass.</li> <li>Bioether is defined as ethyl tert-butyl ether (ETBE) produced from bioethanol or methyl tert-butyl ether (MTBE) produced from biomethanol, used as an additive to petrol. The share of</li> </ul> |  |  |











|        | Electricity   | <ul> <li>ETBE regarded as biofuel amounts to 47 percent, and the share of MTBE regarded as biofuel amounts to 36 percent.</li> <li>Biodiesel is defined as fatty acid methyl ester (FAME) produced vegetable oil or animal fat with the qualities of diesel fuel, intended to power internal combustion diesel engines.</li> <li>Mixed fuel is defined as diesel fuel blended with at least 30 percent of FAME, a mixture of at least 70 percent bioethanol with petrol, and bioethanol with a maximum of 5 percent of processing additives, intended to power internal combustion engines.</li> </ul> |
|--------|---|--|
|        | Hydrogen  |  |
| A      | Amount of quota and period of application<br>Adjustment of quotas | <ul> <li>Since 1 June 2010, following minimum quantities for biofuel apply:</li> <li>4.1% by volume for petrol (§ 19 par. 1 a Act No. 201/2012)</li> <li>6.0% by volume for diesel (§ 19 par. 1 b Act No. 201/2012)</li> <li>The quotas can be subject to further legal amendments.</li> </ul>   |
| Amount | Adjustment of quotas  | The quotas can be subject to further legal amenuments.   |
|        | Fees and penalty charges  | The customs office imposes a fine to every fuel supplier failing to meet the obligatory volume of biofuels. The fine amounts to CZK 40 (approx. € 1.50) per litre of undelivered biofuel and has to be paid no later than within 30 days after receipt (§ 19 par. 10 Act No. 201/2012).  |











| Addressees            | The parties obliged are those who introduce petrol or diesel on to the Czech market for the purposes of transport (§ 19 par. 1 Act No. 201/2012) |  |  |
|-----------------------|--|--|--|
| Procedure             | Process flow Competent authority   | <ul> <li>Record keeping. Fuel suppliers are obligated to keep separate records of the amount of fuel (petrol, diesel or biofuel) received and produced, and of the amount of fuel removed from storage by stating the particular fuel type and biofuel share. These records shall be completed by 31 December of each year (§ 19 par. 5 Act No. 201/2012).</li> <li>Annual reports to the customs office. Every year on 31 January, the supplier of fuel is obligated to submit a report to the competent customs office proving that he meets the obligation of introducing a minimum quantity of biofuels into free circulation (§ 19 par. 9 Act No. 201/2012).</li> </ul> |  |
| Flexibility Mechanism |  |  |  |
|                       | State  |  |  |
| Distribution of costs | Consumers  | The costs are borne by the consumers.  |  |
|                       | European Union   |  |  |











| Others                 | The obliged companies pass on the costs arising from the quota obligation to the consumers by adding a surcharge to their fuel. |
|------------------------|---|
| Distribution mechanism |   |











## **Policies**

#### Summary of policies

| Overview             | Currently, the Czech Republic has introduced a certification programme for installers, a building obligation for the use of renewable heating and the exemplary role of public authorities.   |
|----------------------|---|
| Summary of policies  | <ul> <li>Since 2012, all public buildings, each new building and any building over 1,000 m<sup>2</sup> undergoing a major refurbishment have to undergo a renewable energy use assessment.</li> <li>The certification programme for installers is based on the Energy Management Act, which was amended in October 2013.</li> </ul> |
| Statutory provisions | <ul> <li>Act No. 406/2000 (Zákon č. 406/2000 Sb. o hospodaření energií - Act No. 406/2000 Coll. on Energy Management)</li> <li>Regulation No. 78/2013 (Vyhláška č. 78/2013 Sb. o energetické náročnosti budov - Regulation No. 148/2007 Coll., on Energy Performance of Buildings)</li> </ul>                                       |











#### **Basic information on legal sources**

| Name of legal source<br>(original language) | Zákon č. 406/2000 Sb. o hospodaření<br>energií   | Vyhláška č. 78/2013 Sb. o energetické<br>náročnosti budov   |  |
|---|--|---|--|
| Full name                                   |  |   |  |
| Name (English)                              | Act No. 406/2000 Coll. on Energy<br>Management   | Regulation No. 78/2013 Coll., on Energy<br>Performance of Buildings                                 |  |
| Abbreviated form                            | Act No. 406/2000   | Regulation No. 78/2013  |  |
| Entry into force                            | 01.01.2001   | 01.04.2013  |  |
| Last amended on                             | Last amended on 01.07.2015   |   |  |
| Future amendments                           |  |   |  |
| Purpose                                     | This act stipulates the rights and<br>obligations of natural and legal persons in<br>the management of energy, in particular<br>electricity and heat, as well as gas and<br>other fuels. |   |  |
| Relevance for renewable energy              | The act shall contribute to the efficient use of energy including renewable energy sources.  | This regulation shall contribute to the efficient use of energy including renewable energy sources. |  |











| Link to full text of legal source (original<br>language) | <u>http://www.zakonyprolidi.cz/cs/2000-</u><br><u>406</u> | Plant operators bear the costs of the consumed electricity, including the amount of electricity consumed by market participants, who do not use the transmission or distribution system (§ 28 par. 4 b Act No. 165/2012). |  |
|--|---|---|--|
| Link to full text of legal source (English)              |   |   |  |









# **S**RES LEGAL

## RES-LEGAL EUROPE – National Profile Czech Republic

#### **Further information**

| Institution (name)   | Website                      | Name of contact person<br>(optional) | Telephone number (head office)       | E-mail (optional) |
|--|------------------------------|--------------------------------------|--------------------------------------|-------------------|
| Ministerstvo životního<br>prostředí (MŽP) – Ministry<br>of the Environment   | <u>http://www.mzp.cz/</u>    |                                      | +420 267 121 111                     | info@mzp.cz       |
| Ministerstvo průmyslu a<br>obchodu (MPO) – Ministry<br>of Industry and Trade | <u>http://www.mpo.cz/</u>    |                                      | +420 224 851 111                     | posta@mpo.cz      |
| Czech RE Agency –<br>Renewable Energy Agency                                 | <u>http://www.czrea.org/</u> |                                      | +420 575 750 090<br>+420 222 512 764 | info@czrea.org    |











#### **Policy categories**

#### **Certification of installers**

| Abbreviated form of legal source(s) | • Act No. 406/2000   |
|-------------------------------------|--|
| Description                         | <ul> <li>The certification programme for installers is based on § 20 – 20d of Act No. 406/2000 on Energy Management, which were amended in July 2015.</li> <li>An "energy specialist" is an individual who holds a license granted by the Ministry of Industry of Trade (MPO) for performing an energy audit, an energy assessment as well as the control of operating boilers and heat distribution systems (§ 10 par. 1 Act No. 406/2000). In order to receive such a license, all applicants have to pass a professional examination before an examining committee appointed by the State Energy Inspectorate (§ 10a par. 1 Act No. 406/2000). Furthermore, the energy specialists are obliged to ensure their continuing education to consolidate, deepen and update their professional knowledge in the fields of energy management, energy performance of buildings, energy efficiency of energy production facilities, including renewable energy plants and CHP (§ 10a par. 7 Act No. 406/2000).</li> <li>A person authorised to perform the installation of renewable energy plants is an individual who holds</li> <li>a) a trade license for plumbing and heating, for the assembly, repair and refurbishment of refrigeration systems and heat pumps, for the installation, repair, inspection and testing of equipment generating electricity or heat</li> <li>b) a certificate of a professional qualification no older than 5 years (§ 10d par. 3 Act No. 406/2000).</li> </ul> |
| Addressees                          | All natural persons who have passed the professional exam (§ 10d par. 1 Act No. 406/2000).   |
| Competent authority                 | Ministry of Industry and Trade (MPO)   |





#ECN







| Further information   | The MPO maintains a register of all energy specialists, which is publicly accessible on the website of the Ministry: <u>http://www.mpo-enex.cz/experti/ExpertList.aspx</u> . |   |
|-----------------------|--|---|
| Distribution of costs | State  |   |
|                       | Private Financing  | The costs for the professional training and examination are borne by the installers themselves. |
|                       | European Union   |   |
|                       | Others   |   |











#### Exemplary role of public authorities in accordance with Art. 13 par., 5 RES Directive

| Abbreviated form of legal source(s) | <ul> <li>Act No. 406/2000</li> <li>Regulation No. 78/2013</li> </ul>  |
|-------------------------------------|---|
| Description                         | Act No. 406/2000 Coll., on energy management and Regulation No. 78/2013 Coll., on energy performance of buildings stipulate that all public buildings undergoing a major refurbishment have to undergo a renewable energy use assessment since 2012. The amendment of Act No. 406/2000 Coll. envisages that if renewable energy sources are technically, economically and environmentally feasible, they will have to be incorporated in all new or refurbished buildings |
| Addressees                          | Public authorities  |
| Competent authority                 | Ministry of Industry and Trade  |
| Further information                 |   |











#### **RES-H building obligations**

| Abbreviated form of legal source(s) | <ul> <li><u>Act No. 406/2000</u></li> <li><u>Regulation No. 78/2013</u></li> </ul>   |
|-------------------------------------|--|
|                                     | Act No. 406/2000 Coll. on energy management and Regulation No. 78/2013 Coll. on energy performance of buildings stipulate that each new building and any building over 1,000 m <sup>2</sup> undergoing a major refurbishment has to conduct a renewable energy use assessment.   |
| Description                         | The amendment of Act No. 406/2000 Coll. envisages that if renewable energy sources are technically, economically and environmentally feasible, they will have to be incorporated in all new or refurbished buildings - starting from 2015 this will apply to all other buildings.  |
|                                     | Starting from 1 January 2013, the requirements for Energy Performance Certificates (EPC) have been extended to owners of family houses and other buildings intending to sell or rent their properties. The only exception being buildings with a floor area of less than 50 m <sup>2</sup> , buildings used for recreational or religious purposes and industrial and agricultural buildings with very low energy consumption (§ 7 par. 5 Act No. 406/2000). |
| Obligated entities                  | <u>O</u> bligated to commission an EPC are owners of apartment buildings and housing associations (§ 7a par. 1 Act No. 406/2000).  |
| Competent authority                 | Ministry of Industry and Trade   |
| Further information                 |  |
| Obligation on regional level        | No   |





