

**The Energy Regulatory Office's Price Decision No. 7/2011
of 23 November 2011**

**Laying down support for electricity generation from renewable energy
sources, combined heat & power, and secondary energy sources**

Under Section 2c of Act No. 265/1991 on the Competences of the Czech Republic's Authorities in the Area of Prices, as amended, and under Section 17(6)(d) of Act No. 458/2000 on the Conditions for Business and State Administration in the Energy Industries and on Amendments to Certain Laws (hereinafter "the Energy Act"), as amended, and under Section 6 of Act No. 180/2005 on Support for Electricity Generation from Renewable Energy Resources and on Changes to Certain Laws ("Renewable Resources Use Act"), as amended, the Energy Regulatory Office ["ERO"] hereby issues its Price Decision on the prices of electricity generated from renewable energy sources, combined heat & power generation, and secondary energy sources.

General provisions:

The prices specified under points (1) to (3) do not include value added tax. Value added tax shall be added to the prices specified herein pursuant to a separate legal regulation¹⁾.

¹⁾ Act No 235/2004 on Value Added Tax, as amended

(1) The following purchase prices [= feed-in tariffs], green premiums and technical conditions shall apply to electricity generated from renewable energy sources:

(1.1.) The purchase prices have been set as the minimum prices under a separate legal regulation ²⁾. Green premiums have been set as fixed prices under a separate legal regulation²⁾. Within one electricity generating plant, the method of purchase prices under (1.2) and the method of green premiums under (1.3) may not be combined.

(1.2.) Purchase prices shall apply to electricity metered and supplied at the delivery point between the electricity generating plant and the distribution system operator's network, or the transmission system operator's network, which [i.e., the delivery point] appears in the clearing of imbalances of the entity subject to clearing ['cleared entity'] responsible for losses in the regional distribution system, or the cleared entity responsible for losses in the transmission system.

(1.3.) Green premiums shall apply to electricity metered and supplied at the delivery point between the electricity generating plant and the regional distribution system operator's network, or the transmission system operator's network, and supplied by the generator to an electricity trader or customer, and also to the 'other house load' under a separate legal regulation ³⁾. Green premiums shall not apply to 'process house load' under a separate legal regulation ³⁾.

(1.4.) Purchase prices and green premiums for small hydroelectric power stations:

Date of commissioning	Purchase prices of electricity supplied to the network, in CZK/MWh	Green premiums, in CZK/MWh
Small hydroelectric power stations commissioned on new sites between 1 January 2012 and 31 December 2012	3,190	2,140
Small hydroelectric power stations commissioned on new sites between 1 January 2011 and 31 December 2011	3,060	2,010
Small hydroelectric power stations commissioned on new sites between 1 January 2010 and 31 December 2010	3,130	2,080
Small hydroelectric power stations commissioned on new sites between 1 January 2008 and 31 December 2009	2,880	1,830
Small hydroelectric power stations commissioned on new sites between 1 January 2006 and 31 December 2007	2,720	1,670
Small hydroelectric power stations commissioned after 1 January 2005, inclusive, and refurbished small hydroelectric power stations	2,450	1,400
Small hydroelectric power stations commissioned before 1 January 2005	1,910	860

(1.4.1.) A small hydroelectric power station is understood to be a hydroelectric power station with an installed capacity of up to 10 MW_e, inclusive.

²⁾ Act No. 526/1990 on Prices, as amended

³⁾ Public Notice No. 475/2005, which implements certain provisions of the law on support for renewable energy sources, as amended

(1.4.2.) For metering and billing electricity supplies from a peak-shaving or partly peak-shaving small storage hydroelectric power station⁴⁾, whose peak-shaving or partly peak-shaving operation is set out in its water disposal authorisation or in another permission or decision, the electricity generator may apply purchase prices or green premiums in double-rate bands under the following conditions:

Date of commissioning	Purchase prices of electricity in the VT band, in CZK/MWh	Purchase prices of electricity in the NT band, in CZK/MWh
Small hydroelectric power stations commissioned on new sites between 1 January 2012 and 31 December 2012	3,800	2,885
Small hydroelectric power stations commissioned on new sites between 1 January 2011 and 31 December 2011	3,800	2,690
Small hydroelectric power stations commissioned on new sites between 1 January 2010 and 31 December 2010	3,800	2,795
Small hydroelectric power stations commissioned on new sites between 1 January 2008 and 31 December 2009	3,800	2,420
Small hydroelectric power stations commissioned on new sites between 1 January 2006 and 31 December 2007	3,800	2,180
Small hydroelectric power stations commissioned after 1 January 2005, inclusive, and refurbished small hydroelectric power stations	3,470	1,940
Small hydroelectric power stations commissioned before 1 January 2005	2,700	1,515

OR

Date of commissioning	Green premiums in the VT band, in CZK/MWh	Green premiums in the NT band, in CZK/MWh
Small hydroelectric power stations commissioned on new sites between 1 January 2012 and 31 December 2012	2,240	2,090
Small hydroelectric power stations commissioned on new sites between 1 January 2011 and 31 December 2011	2,240	1,895
Small hydroelectric power stations commissioned on new sites between 1 January 2010 and 31 December 2010	2,240	2,000
Small hydroelectric power stations commissioned on new sites between 1 January 2008 and 31 December 2009	2,240	1,625
Small hydroelectric power stations commissioned on new sites between 1 January 2006 and 31 December 2007	2,240	1,385
Small hydroelectric power stations commissioned after 1 January 2005, inclusive, and refurbished small hydroelectric power stations	1,910	1,145
Small hydroelectric power stations commissioned before 1 January 2005	1,140	720

⁴⁾ ČSN 75 0120

where

- VT - the band of high rate applicability, set by the distribution system operator with a duration of 8 hours a day;
- NT - the band of low rate applicability, outside the VT applicability band.

(1.4.3.) Under point (1.4), a refurbished small hydroelectric power station shall be understood to be an existing electricity generating plant in which, after 13 August 2002, refurbishment or modernisation of the plant's electricity generating equipment was carried out and completed, upgrading the technical, operating, safety and environmental standard of the equipment to a level comparable with newly erected electricity generating plants. Such refurbishment or modernisation of equipment shall be deemed to include the following:

- a) Replacement or overhaul of the turbine;
- b) Replacement or new winding of the generator;
- c) Repair of the electrical installations, consisting in measures preventing the impact of reverse effects on the network and complying with ČSN EN 50160;
- d) Replacement of regulating apparatus; and
- e) Replacement or installation of a new automated control system.

The refurbishment / modernisation of the plant's electricity generating equipment shall be completed by the carrying out of all the work specified under points a) to e), provided that the various generating process equipment units that have replaced the existing equipment may not be older than five years on the day of the completion of the refurbishment / modernisation.

(1.4.4.) Small hydroelectric power stations commissioned after 1 January 2005, inclusive, are understood to be small hydroelectric power stations that were first commissioned in 2005 and at the moment of their commissioning no generating process equipment units of the small hydroelectric power station were older than five years. Small hydroelectric power stations commissioned on new sites are understood to be small hydroelectric power stations whose individual generating process equipment units were aged less than five years at the moment of their commissioning on the new site. In the event of using generating process equipment units older than five years in small hydroelectric power stations commissioned after 1 January 2005, inclusive, these plants will fall within the category of small hydroelectric power stations commissioned before 1 January 2005.

(1.5.) Purchase prices and green premiums for electricity generation from biomass:

Date of commissioning	Purchase prices of electricity supplied to the network, in CZK/MWh	Green premiums, in CZK/MWh
Electricity generation by firing category O1 biomass only in new electricity generating plants or generating units commissioned between 1 January 2008 and 31 December 2012	4,580	3,530
Electricity generation by firing category O2 biomass only in new electricity generating plants or generating units commissioned between 1 January 2008 and 31 December 2012	3,530	2,480
Electricity generation by firing category O3 biomass only in new electricity generating plants or generating units commissioned between 1 January 2008 and 31 December 2012	2,630	1,580
Electricity generation by firing category O1 biomass only for generating units commissioned before 1 January 2008	3,900	2,850
Electricity generation by firing category O2 biomass only for generating units commissioned before 1 January 2008	3,200	2,150
Electricity generation by firing category O3 biomass only for generating units commissioned before 1 January 2008	2,530	1,480
Electricity generation by firing category O1 biomass only in existing generating plants	2,830	1,780

Date of commissioning	Purchase prices of electricity supplied to the network, in CZK/MWh	Green premiums, in CZK/MWh
Electricity generation by firing category O2 biomass only in existing generating plants	2,130	1,080
Electricity generation by firing category O3 biomass only in existing generating plants	1,460	410
Electricity generation by co-firing category S1 biomass and fossil fuel mixtures	-	1,370
Electricity generation by co-firing category S2 biomass and fossil fuel mixtures	-	700
Electricity generation by co-firing category S3 biomass and fossil fuel mixtures	-	10
Electricity generation by parallel firing of category P1 biomass and fossil fuels	-	1,640
Electricity generation by parallel firing of category P2 biomass and fossil fuels	-	970
Electricity generation by parallel firing of category P3 biomass and fossil fuels	-	280

(1.5.1.) The inclusion of the various types of biomass in categories O1, O2 and O3 for the purpose of dedicated biomass firing, in categories S1, S2 and S3 for the purpose of biomass and fossil fuel mixture co-firing, and in categories P1, P2 and P3 for the purpose of biomass and fossil fuel parallel firing, is set out in a separate legal regulation⁵⁾.

(1.5.2.) For the purpose of this point (1.5), an existing electricity generating plant is understood to be an electricity generating plant commissioned prior to the promulgation of this price decision, in which the use of a primary energy source has been changed from the firing of a non-renewable source or the co-firing of biomass and a non-renewable source to dedicated biomass firing after the promulgation of this price decision, without any investment in the procurement of the main parts of the power station unit, which are understood to be, in particular, but without limitation, the boiler, steam distributions, turbine, and generator.

(1.6.) Purchase prices and green premiums for firing biogas, landfill gas, sludge gas, and mine gas from closed mines:

Type of renewable source	Purchase prices of electricity supplied to the network, in CZK/MWh	Green premiums, in CZK/MWh
Biogas firing in category AF1 biogas stations for plants commissioned between 1 January 2012 and 31 December 2012, meeting the requirement of thermal energy production and efficient use thereof under point 1.6.2	4,120	3,070
Biogas firing in category AF1 biogas stations for plants commissioned between 1 January 2012 and 31 December 2012 that do not meet the requirement of thermal energy production and efficient use thereof under point 1.6.2.	3,550	2,500
Biogas firing in category AF1 biogas stations for plants commissioned before 1 January 2012	4,120	3,070
Biogas firing in category AF2 biogas stations	3,550	2,500
Firing of landfill gas and sludge gas from wastewater treatment plants after 1 January 2006, inclusive	2,580	1,530
Firing of landfill gas and sludge gas from wastewater treatment plants between 1 January 2004 and 31 December 2005	2,910	1,860
Firing of landfill gas and sludge gas from wastewater treatment plants before 1 January 2004	3,020	1,970
Firing of mine gas from closed mines	2,580	1,530

⁵⁾ Public Notice No. 482/2005 laying down the types, methods of use, and parameters of biomass in respect of support for electricity generation from biomass, as amended

(1.6.1.) The inclusion of biogas stations in category AF1 or AF2 is set out in a separate legal regulation ⁵).

(1.6.2.) In respect of biogas stations in the AF 1 category, commissioned after 1 January 2012, inclusive, the precondition for the granting of support is the production of thermal energy and efficient use thereof at least at a level of 10% compared with electricity produced in the respective year, with the exception of electricity for process house load of electricity and heat.

(1.6.3.) The application of support for electricity generation in plants for highly efficient combined heat and power generation, for the production of which the generator takes gas from a gas distribution or transmission system in an amount equalling the annual quantity of biogas supplied by a biogas producer into the gas distribution or transmission system, is subject to the following particular conditions:

a) The efficiency of the highly efficient combined heat and power generation plant is at least 75%;

b) When claiming the support, the electricity generator shall furnish the electricity distribution system operator with proof of procuring the biogas supplied into the gas distribution or transmission system;

c) The reporting period is one month, provided that the gas taken from the gas distribution or transmission system shall be deemed to be biogas until the moment when, within one calendar year, the quantity of the heat equivalent of the gas taken equals the quantity of the heat equivalent of the biogas that was injected into the gas distribution or transmission system at another place;

d) The quality of the biogas supplied into the gas distribution or transmission system must not pose risk to the safe and reliable operation of the gas distribution or transmission system; if the quality of the biogas supplied into the gas distribution or transmission system complies with a technical standard or a technical rule, the biogas supplied into the gas distribution or transmission system shall be deemed to pose no risk to the safe and reliable operation of the gas distribution or transmission system;

e) The supply of biogas into the gas distribution or transmission system and biogas offtake from the gas distribution or transmission system must be measured using type A continuous metering.

Subject to the above conditions, electricity production in plants for highly efficient combined heat and power generation, for the production of which the generator takes gas from a gas distribution or transmission system in an amount equalling the annual quantity of biogas supplied by a biogas producer into the gas distribution or transmission system, shall be deemed to be electricity production in a category AF2 biogas station.

(1.7.) Purchase prices and green premiums for wind power plants:

Date of commissioning	Purchase prices of electricity supplied to the network, in CZK/MWh	Green premiums, in CZK/MWh
Wind power plants commissioned between 1 January 2012 and 31 December 2012	2,230	1,790
Wind power plants commissioned between 1 January 2011 and 31 December 2011	2,280	1,840

Wind power plants commissioned between 1 January 2010 and 31 December 2010	2,330	1,890
Wind power plants commissioned between 1 January 2009 and 31 December 2009	2,490	2,050
Wind power plants commissioned between 1 January 2008 and 31 December 2008	2,730	2,290
Wind power plants commissioned between 1 January 2007 and 31 December 2007	2,800	2,360
Wind power plants commissioned between 1 January 2006 and 31 December 2006	2,850	2,410
Wind power plants commissioned between 1 January 2005 and 31 December 2005	3,120	2,680
Wind power plants commissioned between 1 January 2004 and 31 December 2004	3,280	2,840
Wind power plants commissioned before 1 January 2004	3,630	3,190

(1.7.1.) In respect of wind power plants commissioned after 1 January 2005, inclusive, the purchase prices and green premiums under (1.7) shall only apply to newly erected electricity generating plants whose generating process equipment units, in particular, but without limitation, the rotor and generator, are not older than two years.

(1.8.) Purchase prices and green premiums for electricity generation using geothermal energy:

Type of renewable source	Purchase prices of electricity supplied to the network, in CZK/MWh	Green premiums, in CZK/MWh
Electricity generation using geothermal energy	4,500	3,450

(1.9.) Purchase prices and green premiums for electricity generation using solar radiation:

Date of commissioning	Purchase prices of electricity supplied to the network, in CZK/MWh	Green premiums, in CZK/MWh
Electricity generation using solar radiation for plants with an installed capacity of up to 30 kW, inclusive, and commissioned between 1 January 2012 and 31 December 2012	6,160	5,080
Electricity generation using solar radiation for plants with an installed capacity of up to 30 kW, inclusive, and commissioned between 1 January 2011 and 31 December 2011	7,650	6,570
Electricity generation using solar radiation for plants with an installed capacity of over 30 kW up to 100 kW, inclusive, and commissioned between 1 January 2011 and 31 December 2011	6,020	4,940
Electricity generation using solar radiation for plants with an installed capacity of over 100 kW and commissioned between 1 January 2011 and 31 December 2011	5,610	4,530
Electricity generation using solar radiation for plants with an installed capacity of up to 30 kW, inclusive, and commissioned between 1 January 2010 and 31 December 2010	12,750	11,670
Electricity generation using solar radiation for plants with an installed capacity of over 30 kW and commissioned between 1 January 2010 and 31 December 2010	12,650	11,570
Electricity generation using solar radiation for plants with an installed capacity of up to 30 kW, inclusive, and commissioned between 1 January 2009 and 31 December 2009	13,690	12,610
Electricity generation using solar radiation for plants with an installed capacity of over 30 kW and commissioned between 1 January 2009 and 31 December 2009	13,590	12,510
Electricity generation using solar radiation for plants commissioned between 1 January 2008 and 31 December 2008	14,590	13,510
Electricity generation using solar radiation for plants commissioned between 1 January 2006 and 31 December 2007	14,960	13,880
Electricity generation using solar radiation for plants commissioned before 1 January 2006	7,130	6,050

(1.10.) In respect of newly erected generating plants connected to a distribution system or the transmission system, the day of commissioning is understood to be the day on which both of the following conditions were met:

- a) the electricity generation licence became final, and
- b) the distribution / transmission system operator installed a parallel connection of the generating plant to the distribution / transmission system.

(1.11.) A new site is understood to be a site on which an electricity generating plant has not been connected to the transmission or a distribution network since 1 January 1995.

(1.12.) If within an electricity generating plant one or more additional generating units are commissioned, or if one or more generating units within one electricity generating plant meet the conditions for applying different forms of support, the generator may apply a different form of support in respect of each of such generating units provided that it puts in place separate metering of electricity generation in accordance with a separate legal regulation ⁶⁾ at each of the leads from the generating units. If the generator does not put in place separate metering it can only apply the lowest level of support of the choice of multiple available forms of support for the whole electricity generating plant.

(1.13.) In the case of applying support in the form of obligatory purchase, the electricity metered by meters intended for billing shall be divided upon billing in proportion to the separately metered values of electricity generation in each of the generating units. In the case of applying support in the form of green premiums, green premiums shall be applied separately for each of the generating units in relation to the values read.

(1.14.) A precondition for applying purchase prices is the provision by the generator of the details on the expected quantity of electricity generated from renewable sources in each of the over 1 MW_e electricity generating plants to the respective regional distribution system operator or the transmission system operator, using the following procedure:

- a) The generator shall provide the monthly electricity quantity, specified more accurately, to the respective system operator by the fifteenth day of the calendar month preceding the calendar month in which the supply is to take place;
- b) The generator shall provide the weekly electricity quantity, specified more accurately, to the respective system operator in the form of hourly profiles for each of the days of the calendar week by 10 a.m. on the first working day of the calendar week preceding the calendar week in which the supply is to take place; and
- c) The generator shall provide the adjusted daily profile of supplies to the respective system operator by 8 a.m. on the calendar day preceding the calendar day on which the supply is to take place.

The above procedure shall not apply to wind power plants and to electricity generating plants that use solar radiation.

(1.15.) For electricity generating plants with an installed capacity of over 1 MW_e, with the exception of small hydroelectric power stations, wind power plants, and electricity generating plants that use solar radiation, the electricity purchase price determined hereunder shall be reduced, for the electricity quantity reported, by 20%

⁶⁾ Public Notice No. 82/2011, on electricity metering and the method of calculating damages in cases of unauthorised offtake, unauthorised supply, unauthorised transmission or unauthorised distribution of electricity

- a) for each day of a calendar month, on which the actually purchased electricity quantity was greater by more than 10% than the sum of the quantities specified in the respective daily profile under (1.14)(c); or
- b) for each day of a calendar month, on which the actually purchased electricity quantity was lower by more than 15% than the sum of the quantities specified in the respective daily profile under (1.14)(c).

(2) The following prices and technical conditions shall apply to electricity from combined heat and power plants

Electricity generation from combined heat and power	Contributions to electricity prices, in CZK/MWh		
	Base band (24 hours)	VT 8 hours	VT 12 hours
Generating plants with an installed capacity of up to 1 MW, inclusive, with the exception of generating plants using renewable sources or firing drained gas	590	1,630	1,150
Generating plants with an installed capacity of 1 MW to 5 MW, inclusive, with the exception of generating plants using renewable sources or firing drained gas	500	1,250	870
Generating plants with an installed capacity of over 5 MW, with the exception of generating plants using renewable sources or firing drained gas	45	-	-
Combined heat and power generation using renewable energy sources or firing drained gas	45	-	-

(2.1.) Contributions to electricity prices have been set as fixed prices under a separate legal regulation ²⁾.

(2.2.) An electricity generator from combined heat and power will charge the regional distribution system operator serving the respective area, or the transmission system operator if it is connected to the transmission system, a contribution to the electricity price for each reported MWh of electricity generated under a separate legal regulation ⁷⁾.

(2.3.) If the electricity generator supplies electricity to an electricity trader or customer, or if the electricity generator itself consumes this electricity at the time of high rate [VT] applicability for a total of eight hours a day, the electricity generator will charge the respective system operator a contribution to the electricity price for each reported MWh of electricity generated at the time of high rate applicability under a separate legal regulation ⁷⁾. This electricity trader or customer, or directly the electricity generator, shall define the high rate band. The electricity generator shall determine the high rate band solely if it consumes all the electricity that it generates. In the case of applying the contribution in the high rate band, there is no entitlement to a contribution under (2.2) and (2.4).

(2.4.) If the electricity generator supplies electricity to an electricity trader or customer, or if the electricity generator itself consumes this electricity at the time of high rate applicability for a total of twelve hours a day, the electricity generator will charge the respective system operator a contribution to the electricity price for each reported MWh of electricity generated

⁷⁾ Public notice no. 344/2009, which lays down the details of the method for calculating electricity from highly efficient combined heat and power generation based on demand for useful heat, and the electricity from secondary energy sources

at the time of high rate applicability under a separate legal regulation ⁷⁾. This electricity trader or customer, or directly the electricity generator, shall define the high rate band. The electricity generator shall determine the high rate band solely if it consumes all the electricity that it generates. In the case of applying the contribution in the high rate band, there is no entitlement to a contribution under (2.2) and (2.3).

(2.5.) The duration of applicability and the time of the high rate under (2.3) or (2.4) may only be changed as of the first day of a calendar month.

(2.6.) The provisions of (2.3) and (2.4) may only be used for combined heat and power generation plants with a total installed capacity of the plant of up to 5 MW_e, inclusive.

(3) The following fixed prices and technical conditions shall apply to electricity generated using secondary energy sources:

(3.1.) Contributions to electricity prices have been set as fixed prices under a separate legal regulation ²⁾.

(3.2.) An electricity generator that uses secondary energy sources, with the exception of firing drained gas, will charge the regional distribution system operator serving the respective area, or the transmission system operator if it is connected to the transmission system, a contribution of **CZK 45/MWh** to the electricity price for each reported MWh of electricity generated under a separate legal regulation ⁷⁾. In this case the generator may at the same time apply support under point (2).

(3.3.) An electricity generator that fires drained gas (mine gas from open mines) will charge the regional distribution system operator serving the respective area, or the transmission system operator if it is connected to the transmission system, a contribution of **CZK 1,130/MWh** to the electricity price for each reported MWh of electricity generated under a separate legal regulation ⁷⁾. In this case the generator may at the same time apply support under point (2).

(4) Repealing provisions

The Energy Regulatory Office's Price Decision No. 2/2010 of 8 November 2010, laying down support for electricity generation from renewable energy resources, combined heat and power, and secondary sources, is repealed.

(5) Effect

This Price Decision shall come into effect on 1 January 2012.

Energy Regulatory Office Chairperson

Alena Vitásková