

**The Energy Regulatory Office's Price Decision No. 4/2009
of 3 November 2009**

**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 Competencies of the Czech Republic's Authorities in the Area of Prices, as amended, and under Section 17(4)(d) and Section 17(9) 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 (6) 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 [\approx feed-in tariffs], green premiums and specified 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 regulation²⁾. 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 regulation³⁾. Green premiums shall not apply to 'process house load' under a separate legal regulation³⁾.

(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 2010 and 31 December 2010	3,000	2,030
Small hydroelectric power stations commissioned on new sites between 1 January 2008 and 31 December 2009	2,760	1,790
Small hydroelectric power stations commissioned on new sites between 1 January 2006 and 31 December 2007	2,600	1,630
Small hydroelectric power stations commissioned after 1 January 2005, inclusive, and refurbished small hydroelectric power stations	2,350	1,380
Small hydroelectric power stations commissioned before 1 January 2005	1,830	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.

(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

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

³⁾ Public Notice No. 475/2005, which implements certain provisions of the Renewable Resources Use Act, as amended

⁴⁾ ČSN 75 0128

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 2010 and 31 December 2010	3,800	2,600
Small hydroelectric power stations commissioned on new sites between 1 January 2008 and 31 December 2009	3,800	2,240
Small hydroelectric power stations commissioned on new sites between 1 January 2006 and 31 December 2007	3,800	2,000
Small hydroelectric power stations commissioned after 1 January 2005, and refurbished small hydroelectric power stations	3,470	1,790
Small hydroelectric power stations commissioned before 1 January 2005	2,700	1,400

or

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 2010 and 31 December 2010	2,450	1,805
Small hydroelectric power stations commissioned on new sites between 1 January 2008 and 31 December 2009	2,450	1,445
Small hydroelectric power stations commissioned on new sites between 1 January 2006 and 31 December 2007	2,450	1,205
Small hydroelectric power stations commissioned after 1 January 2005, and refurbished small hydroelectric power stations	2,120	995
Small hydroelectric power stations commissioned before 1 January 2005	1,350	605

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 and small hydroelectric power stations commissioned on new sites after 1 January 2008, inclusive, are understood to be small hydroelectric power stations whose individual generating process equipment units are aged less than five years on the day of commissioning. In the event of using process equipment units older than five years in small hydroelectric power stations commissioned after 1 January 2005, 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 2010	4,580	3,610
Electricity generation by firing category O2 biomass only in new electricity generating plants or generating units commissioned between 1 January 2008 and 31 December 2010	3,530	2,560
Electricity generation by firing category O3 biomass only in new electricity generating plants or generating units commissioned between 1 January 2008 and 31 December 2010	2,630	1,660
Electricity generation by firing category O1 biomass only for generating units commissioned before 1 January 2008	3,900	2,930
Electricity generation by firing category O2 biomass only for generating units commissioned before 1 January 2008	3,200	2,230
Electricity generation by firing category O3 biomass only for generating units commissioned before 1 January 2008	2,530	1,560
Electricity generation by firing category O1 biomass only in existing generating plants	2,830	1,860
Electricity generation by firing category O2 biomass only in existing generating plants	2,130	1,160
Electricity generation by firing category O3 biomass only in existing generating plants	1,460	490

Date of commissioning	Purchase prices of electricity supplied to the network, in CZK/MWh	Green premiums, in CZK/MWh
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	-	50
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	-	320

(1.5.1.) The inclusion of the various types of biomass in categories O1 to O3 for the purpose of dedicated biomass firing, in categories S1 to S3 for the purpose of co-firing biomass and fossil fuel mixtures, and in categories P1 to 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 a power station unit.

(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	4,120	3,150
Biogas firing in category AF2 biogas stations	3,550	2,580
Firing of landfill gas and sludge gas from wastewater treatment plants after 1 January 2006	2,470	1,500
Firing of landfill gas and sludge gas from wastewater treatment plants between 1 January 2004 and 31 December 2005	2,790	1,820
Firing of landfill gas and sludge gas from wastewater treatment plants before 1 January 2004	2,900	1,930
Firing of mine gas from closed mines	2,470	1,500

(1.6.1.) The inclusion of biogas stations in categories AF1 and AF2 is set out in a separate legal regulation⁵⁾.

(1.6.2.) 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

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

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 plant commissioned between 1 January 2010 and 31 December 2010	2,230	1,830
Wind power plants commissioned between 1 January 2009 and 31 December 2009	2,390	1,990
Wind power plants commissioned between 1 January 2008 and 31 December 2008	2,610	2,210
Wind power plants commissioned between 1 January 2007 and 31 December 2007	2,680	2,280
Wind power plants commissioned between 1 January 2006 and 31 December 2006	2,730	2,330
Wind power plants commissioned between 1 January 2005 and 31 December 2005	2,990	2,590
Wind power plants commissioned between 1 January 2004 and 31 December 2004	3,140	2,740
Wind power plants commissioned before 1 January 2004	3,480	3,080

(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, 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	3,530

(1.9.) In respect of newly erected electricity generating plants or generating units, commissioning shall be understood to be the day on which the generator started, under a decision awarding it a licence and subject to its authorisation to carry on the licensed business, to generate and supply electricity to the electricity grid while applying support in the form of purchase prices, or first started to generate electricity while applying support in the form of green premiums.

(1.10.) 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.

(1.11.) 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 support of the choice of multiple available forms of support for the whole electricity generating plant.

(1.12.) 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.

(1.13.) 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

⁶⁾ Public Notice No. 218/2001, which lays down the details of electricity metering and technical data transmission, as amended

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.

(1.14.) 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%

- 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 (1.13)(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 (1.13)(c).

(2) The following prices and specified conditions shall apply to electricity from combined heat and power plants having a total installed electricity generating capacity of up to 1 MW_e, inclusive, with the exception of plants using renewable energy sources or firing drained gas:

(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 with a total installed capacity of up to 1 MW_e per generating plant, inclusive, 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 470/MWh** 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 of **CZK 1,800/MWh** 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

⁷⁾ Public notice no. 439/2005, which lays down the details of the method for calculating the quantity of electricity from combined heat & power generation and from secondary energy sources, as amended

for a total of twelve hours a day, the electricity generator will charge the respective system operator a contribution of **CZK 1,320/MWh** 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 (2.3).

(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.

(3) The following prices and specified conditions shall apply to electricity from combined heat and power plants having a total installed generating capacity of 1 MW_e to 5 MW_e, inclusive, with the exception of plants using renewable energy sources or firing drained gas:

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

(3.2.) An electricity generator from combined heat and power with a total installed capacity of 1 MW_e to 5 MW_e per generating plant, inclusive, 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 390/MWh** to the electricity price for each reported MWh of electricity generated under a separate legal regulation ⁷⁾.

(3.3.) 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 applicability for a total of eight hours a day, the electricity generator will charge the respective system operator a contribution of **CZK 1,320/MWh** 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 (3.2) and (3.4).

(3.4.) 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 of **CZK 1,010/MWh** 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 (3.2) and (3.3).

(3.5.) The duration of applicability and the time of the high rate under (3.3) or (3.4) may only be changed as of the first day of a calendar month.

(4) The following prices and specified conditions shall apply to electricity from combined heat and power having a total installed electricity generating capacity of more than 5 MW_e, with the exception of electricity generating plants that use renewable energy sources or that fire drained gas:

(4.1.) The contribution to electricity prices has been set as a fixed price under a separate legal regulation ²⁾.

(4.2.) An electricity generator from combined heat and power with a total installed capacity of over 5 MW_e 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⁾.

(5) The following prices and specified conditions shall apply to electricity generated in combined heat and power using renewable energy sources or firing drained gas:

(5.1.) The contribution to electricity prices has been set as a fixed price under a separate legal regulation ²⁾.

(5.2.) An electricity generator from combined heat and power will, regardless of the generating plant's installed capacity, 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 when using renewable energy sources or firing drained gas, to which support under a separate legal regulation applies ^{7), 8), 9)}. In this case, support under points (2) to (4) shall not be applicable to the generator.

(6) The following prices and specified conditions shall apply to electricity generated using secondary energy sources:

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

(6.2.) 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 points (2), (3) or (4).

(6.3.) 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 1,210/MWh** to the electricity price for each reported MWh of electricity generated

⁸⁾ Act No. 458/2000 on the Conditions for Business and State Administration in the Energy Industries and on Amendments to Certain Laws (the Energy Act) as amended

⁹⁾ 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

under a separate legal regulation ⁷⁾. In this case support under points (2) to (4) shall not be applicable to the generator.

(7) Repealing provisions

The Energy Regulatory Office's Price Decision No. 8/2008 of 18 November 2008, laying down support for electricity generation from renewable energy resources, combined heat & power, and secondary sources, is repealed.

(8) Effect

This Price Decision shall come into effect on 1 January 2010.

Energy Regulatory Office Chairman

Josef Firt *m.p.*