

**The Energy Regulatory Office's Price Decision No. 8/2008
of 18 November 2008**

**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, subsection 6(e) and Section 32, subsection 4 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, 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 regulation ¹⁾.

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

(1) The following purchase prices, green premiums and specified conditions shall apply to electricity generated from renewable energy sources:

(1.1.) The purchase prices [feed-in tariffs] 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 regulation ²⁾. 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 supplied and metered at the delivery point between the electricity generating plant and the respective distribution system operator's network, or the transmission system operator's network, which [the delivery point] appears in the clearing of imbalances to the entity subject to clearing ['cleared entity'] responsible for losses in the regional distribution system, or to the cleared entity responsible for losses in the transmission system.

(1.3.) Green premiums shall apply to electricity supplied and metered 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 eligible 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 after 1 January 2008, inclusive | 2,700 | 1,260 |
| Small hydroelectric power stations commissioned on new sites between 1 January 2006 and 31 December 2007 | 2,540 | 1,100 |
| Small hydroelectric power stations commissioned after 1 January 2005, inclusive, and refurbished small hydroelectric power stations | 2,300 | 860 |
| Small hydroelectric power stations commissioned before 1 January 2005 | 1,790 | 350 |

(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 Renewable Resources Use Act, as amended

(1.4.2.) For metering and billing electricity supplies from a peak-shaving or partly peak-shaving small storage hydroelectric power station ⁴⁾, whose peak-shaving or partly peak-shaving operation is set out in its water disposal authorisation, for electricity purchase prices or green premiums under point (1.4) double-rate bands may be set on the following conditions, unless the generator agrees otherwise with the regional distribution system operator/transmission system operator:

| Date of commissioning | Purchase prices of electricity in the VT band, in CZK/MWh | Purchase prices of electricity in the NT rate band, in CZK/MWh |
|--|---|--|
| Small hydroelectric power stations commissioned on new sites after 1 January 2008, inclusive | 3,800 | 2,150 |
| Small hydroelectric power stations commissioned on new sites between 1 January 2006 and 31 December 2007 | 3,800 | 1,910 |
| Small hydroelectric power stations commissioned after 1 January 2005, and refurbished small hydroelectric power stations | 3,470 | 1,715 |
| Small hydroelectric power stations commissioned before 1 January 2005 | 2,700 | 1,335 |

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 after 1 January 2008, inclusive | 1,700 | 890 |
| Small hydroelectric power stations commissioned on new sites between 1 January 2006 and 31 December 2007 | 1,700 | 650 |
| Small hydroelectric power stations commissioned after 1 January 2005, and refurbished small hydroelectric power stations | 1,370 | 455 |
| Small hydroelectric power stations commissioned before 1 January 2005 | 600 | 75 |

⁴⁾ ČSN 75 0128

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 O1 category biomass only in new electricity generating plants or generating units after 1 January 2008, inclusive | 4,490 | 2,950 |
| Electricity generation by firing O2 category biomass only in new electricity generating plants or generating units after 1 January 2008, inclusive | 3,460 | 1,920 |
| Electricity generation by firing O3 category biomass only in new electricity generating plants or generating units after 1 January 2008, inclusive | 2,570 | 1,030 |
| Electricity generation by firing O1 category biomass only before 1 January 2008 | 3,820 | 2,280 |
| Electricity generation by firing O2 category biomass only before 1 January 2008 | 3,130 | 1,590 |

| Date of commissioning | Purchase prices of electricity supplied to the network, in CZK/MWh | Green premiums, in CZK/MWh |
|--|--|----------------------------|
| Electricity generation by firing O3 category biomass only before 1 January 2008 | 2,480 | 940 |
| Electricity generation by co-firing category S1 biomass fuel mixtures and fossil fuels | - | 1,350 |
| Electricity generation by co-firing category S2 biomass fuel mixtures and fossil fuels | - | 690 |
| Electricity generation by co-firing category S3 biomass fuel mixtures and fossil fuels | - | 40 |
| Electricity generation by parallel firing of P1 category biomass and fossil fuels | - | 1,620 |
| Electricity generation by parallel firing of P2 category biomass and fossil fuels | - | 960 |
| Electricity generation by parallel firing of P3 category biomass and fossil fuels | - | 310 |

(1.5.1.) The inclusion of the various types of biomass in the O1 to O3 categories for the purpose of dedicated biomass firing, in the S1 to S3 categories for the purpose of co-firing biomass fuel mixtures and fossil fuels, and in the P1 to P3 categories for the purpose of biomass and fossil fuel parallel firing is set out in a separate legal regulation ⁵⁾.

(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 at AF1 category biogas stations | 4,120 | 2,580 |
| Biogas firing at AF2 category biogas stations | 3,550 | 2,010 |
| Firing of landfill gas and sludge gas from wastewater treatment plants after 1 January 2006 | 2,420 | 880 |
| Firing of landfill gas and sludge gas from wastewater treatment plants between 1 January 2004 and 31 December 2005 | 2,730 | 1,190 |
| Firing of landfill gas and sludge gas from wastewater treatment plants before 1 January 2004 | 2,840 | 1,300 |
| Firing of mine gas from closed mines | 2,420 | 880 |

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

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

| Date of commissioning | Purchase prices of electricity supplied to the network, in CZK/MWh | Green premiums, in CZK/MWh |
|--|--|----------------------------|
| Wind power plants commissioned after 1 January 2009, inclusive | 2,340 | 1,630 |

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

| | | |
|--|-------|-------|
| Wind power plants commissioned between 1 January 2008 and 31 December 2008 | 2,550 | 1,840 |
| Wind power plants commissioned between 1 January 2007 and 31 December 2007 | 2,620 | 1,910 |
| Wind power plants commissioned between 1 January 2006 and 31 December 2006 | 2,670 | 1,960 |
| Wind power plants commissioned between 1 January 2005 and 31 December 2005 | 2,930 | 2,220 |
| Wind power plants commissioned between 1 January 2004 and 31 December 2004 | 3,070 | 2,360 |
| Wind power plants commissioned before 1 January 2004 | 3,410 | 2,700 |

(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 | 3,140 |

(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 after 1 January 2009, with an installed capacity of up to 30 kW, inclusive | 12,890 | 11,910 |
| Electricity generation using solar radiation after 1 January 2009, with an installed capacity of over 30 kW | 12,790 | 11,810 |
| Electricity generation using solar radiation, for generating units commissioned between 1 January 2008 and 31 December 2008 | 13,730 | 12,750 |
| Electricity generation using solar radiation, for generating units commissioned between 1 January 2006 and 31 December 2007 | 14,080 | 13,100 |
| Electricity generation using solar radiation, for generating units commissioned before 1 January 2006 | 6,710 | 5,730 |

(1.10.) 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 grid while applying support in the form of purchase prices, or started to generate electricity while applying support in the form of green premiums.

(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 support of the choice of multiple 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 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 / 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. of the calendar day preceding the calendar day on which the supply is to take place.

The above procedure shall not apply to wind farms 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 farms, and electricity generating plants that use solar radiation, the electricity purchase price set hereunder shall be reduced, for the electricity quantity reported, by 20%

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

- 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 specified conditions shall apply to electricity from combined heat & 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 ⁷⁾.

(2.2.) An electricity generator from combined heat & 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 to electricity price of **CZK 240/MWh** 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 eligible 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 to electricity price of **CZK 1,310/MWh** for each reported MWh of electricity generated at the time of high rate applicability under a separate legal regulation ⁷⁾. This electricity trader or eligible 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 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 eligible 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 electricity price of **CZK 840/MWh** for each reported MWh of electricity generated at the time of high rate applicability under a separate legal regulation ⁷⁾. This electricity trader or eligible 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 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 high rate applicability under (2.3) or (2.4) may only be changed as of the first day of a calendar month.

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

(3) The following prices and specified conditions shall apply to electricity from combined heat & 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 & 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 to electricity price of **CZK 150/MWh** 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 eligible 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 to electricity price of **CZK 910/MWh** for each reported MWh of electricity generated at the time of high rate applicability under a separate legal regulation ⁷⁾. This electricity trader or eligible 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 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 eligible 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 electricity price of **CZK 530/MWh** for each reported MWh of electricity generated at the time of high rate applicability under a separate legal regulation ⁷⁾. This electricity trader or eligible 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 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 high rate applicability 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 & power plants 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.) Contributions to electricity prices have been set as fixed prices under a separate legal regulation ²⁾.

(4.2.) An electricity generator from combined heat & 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 to electricity price of **CZK 45/MWh** 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 & power plants using renewable energy sources or firing drained gas:

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

(5.2.) An electricity generator from combined heat & 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 to electricity price of **CZK 45/MWh** 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 by firing 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 fires secondary energy sources, with the exception of 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 to electricity price of **CZK 45/MWh** 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 to electricity price of **CZK 600/MWh** for each reported MWh of electricity generated 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. 7/2007 of 20 November 2007, laying down support for electricity generation from renewable energy sources, combined heat & power, and secondary sources, is hereby repealed.

(8) Effect

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 Sources and on Changes to Certain Laws (Renewable Resources Use Act) as amended

This Price Decision shall come into effect on 1 January 2009.

Energy Regulatory Office Chairman

Josef Fiřt *m.p.*