

Act No. 165

of 31 January 2012

on promoted energy sources and on amendment to some laws

The Parliament has passed the following act as a law of the Czech Republic:

PART ONE PROMOTED ENERGY SOURCES

CHAPTER I GENERAL PROVISIONS

Article 1

Subject, purpose of regulation and common promotion rules

(1) This Act incorporates the relevant regulations of the European Union¹ and regulates:

- a) Promotion of electricity, heat and bio-methane from renewable energy sources (hereinafter referred to as the “renewable source”), secondary energy sources (hereinafter referred to as the “secondary source”), high-efficient combined power and heat generation and de-centralized power generation, performance of the state administration and the rights and duties of natural and legal persons related thereto,
- b) Content and development of the National Action Plan of the Czech Republic for energy from renewable sources (hereinafter referred to as the “National Action Plan”),
- c) Requirements for granting, registering and recognising guarantees of origin for energy from renewable sources,
- d) Requirements for issuing a certificate of origin for power produced from high-efficient

¹ Directive 2009/28/EC of the European Parliament and the Council of 23 April 2009 on the promotion of use of energy from renewable sources and on amendment and subsequent repeal of Directives 2001/77/EC and 2003/30/EC.

Directive 2004/8/EC of the European Parliament and the Council of 11 February 2004 on the promotion of combined generation of heat and power according to demand of useful heat on the internal energy market and on amendment of Directive 92/42/EEC.

Commission Regulation (EC) No. 800/2008 of 6 August 2008, declaring categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption regulation).

combined generation of power and heat or from secondary sources,

e) Financing of support for reimbursement of costs related to promotion of electricity from promoted sources, heat from renewable sources, decentralised generation of electricity, bio-methane and granting a subsidy to the market operator for settlement of these costs,

f) Levy on electricity from solar radiation.

(2) For the climate and environmental protection the purpose hereof is to:

- a) Promote the use of renewable sources, secondary sources, high-efficient combined generation of power and heat, bio-methane and de-centralized power generation,
- b) Ensure an increase in the share of renewable sources in the consumption of primary energy sources to achieve the defined targets¹,
- c) Contribute to the ecological-friendly use of natural resources and to permanently sustainable development of society,
- d) Create conditions for achieving the binding target of the share of energy from renewable sources in the gross final energy consumption in the Czech Republic, while taking into consideration customer interests in minimising the impacts of the promotion on energy prices for customers in the Czech Republic.

(3) The provisions hereof governing the process of setting the amount and the scope of support shall not apply if the support set on their grounds was in contradiction to the requirements for granting a public support as prescribed by the law of the European Union or by the decisions issued by the Commission in compliance with that law.

Article 2

Key terms

For the purposes hereof it shall be understood that:

- a) “Renewable sources” shall mean non-fossil natural sources of energy, i.e. wind energy, solar energy, geothermal energy, water energy, soil energy, air energy, biomass energy, landfill gas

energy, sludge gas energy from wastewater treatment plants and biogas energy,

b) "Biomass" shall mean a biologically degradable part of products, waste and residues of biological origin from agriculture and forestry and related industries, agricultural produce grown for energy purposes and biologically degradable part of industrial and municipal waste,

c) "Biogas" shall mean a gaseous fuel produced from biomass used for generating power, heat, or for bio-methane production,

d) "Bioliquid" shall mean a liquid fuel produced from biomass used for power and heat generation,

e) "Bio-methane" shall mean an adapted biogas the quality and purity of which is comparable with that of natural gas and which is regarded as natural gas after it enters the transport or distribution system,

f) "Secondary sources" shall mean usable energy sources the energy potential of which arises as a by-product of energy conversion and final consumption, upon release from bituminous rock, including degassing and mining gas, or upon the use or disposal of waste and alternative fuels produced from waste, or as a result of another economic activity.

g) "Combined generation of power and heat" shall mean a conversion of primary energy into electric energy and useful heat in a common, simultaneous process in a single generating facility,

h) "Useful heat" shall mean heat produced in the process of combined power and heat generation serving for supplies to the heat energy supply system² or for another utilisation for technological purposes except for the own consumption of the source and heat energy used at further conversion to electric or mechanical energy,

i) "Gross final energy consumption" shall mean the energy supplied for further use in industry, transport, agriculture and forestry, households and services, including power and heat consumed by the power industry for power and heat generation and power and heat losses in networks,

j) "Green bonus for electricity" shall mean a financial amount to support power generation in compliance with this law for producers of electricity from renewable sources, secondary sources or high-efficient combined generation of power and heat,

k) "Green bonus for bio-methane" shall mean a financial amount to support bio-methane production in compliance with this law, intended for bio-methane producers,

l) "Green bonus for heat" shall mean a financial amount to support heat production in compliance with this law, intended for heat producers,

m) "Bonus for decentralised electricity production" shall mean a financial amount to support power generation in power-generating plants that are connected to the distribution system directly or via a distribution point or via another power-generating plant connected to the distribution system,

n) "Plant generating power from promoted sources" shall mean a power-generating plant using renewable sources, secondary sources or high-efficient combined power and heat generation,

o) "Heat-generating plant" shall mean a source of heat energy² from renewable sources,

p) "Bio-methane production plant" shall mean a facility producing biogas and converting it to bio-methane,

q) "Producer" shall mean a producer of electricity from a renewable source, a producer of electricity from a secondary source and a producer of electricity from a high-efficient combined power and heat production,

r) "Bio-methane producer" shall mean a producer of bio-methane from biogas,

² Article 2 (2) (c) of Act No. 458/2000, on business conditions and on the exercise of state administration in the energy sectors and on amendment to some laws (Energy Act), as amended by Act No. 670/2004 and Act No. 158/2009

s) “Heat producer” shall mean a producer of heat from a renewable source,

t) “Purchaser” shall mean an energy trader who purchases generated electricity from a producer,

u) “Mandatory purchaser” shall mean an energy trader specified by this law or selected by the Ministry of Industry and Trade (hereinafter referred to as the „Ministry“) who purchases from a producer electricity from a renewable source generated in the power-generating plant in the defined district,

v) “Bio-methane purchaser” shall mean a gas trader who purchases bio-methane produced by a bio-methane producer,

w) “Hourly rate” is a rate (price) for electricity on the daily electricity market organized by the market operator³; in case that the daily electricity market is not organised, the hourly price shall mean the fixed unit price of electricity for a special settlement regime for emergency situations, set in the price decision by the Energy Regulatory Office (in Czech: Energetický regulační úřad) (hereinafter referred to as the “Office”),

x) “Operator of the regional distribution system” shall mean a licence holder for electricity distribution whose distribution system is directly connected to the transmission system.

CHAPTER II

NATIONAL ACTION PLAN

Article 3

(1) The National Action Plan developed pursuant to the Commission Decision⁴ comprises measures and methods for achieving binding targets for the share of energy from renewable sources, continuous sub-targets for the share of energy from renewable sources and estimated

³ Art. 20(a) of Act no. 458/2000, as amended by Act No. 158/2009

⁴ Commission Decision 2009/548/EC of 30 June 2009 defining a template for the National Action Plan for energy from renewable sources in compliance with the Directive of the European Parliament and of the Council 2009/28/EC.

figures on energy produced and additional information for each type of renewable sources.

(2) The National Action Plan contributes to meeting the binding targets for the share of energy from renewable sources in the gross final energy consumption and the gross final energy consumption in transport in the Czech Republic in 2020 and sets continuous sub-targets for the share of energy from renewable sources.

(3) The draft National Action Plan shall be worked out and the plan is updated by the Ministry. The National Action Plan shall be approved by the government.

(4) When developing the National Action Plan, the Ministry shall base it on the State Energy Policy (Státní energetická koncepce), the estimated increase in energy efficiency and energy savings and the review of necessity to build new energy infrastructure and systems supplying heat energy using energy from renewable sources.

(5) The Ministry shall be review the implementation of the National Action Plan at least once in 2 years and inform the government on the outcomes of the review.

CHAPTER III

PROMOTION OF ENERGY FROM RENEWABLE SOURCES AND SECONDARY SOURCES AND HIGH-EFFICIENT COMBINED GENERATION OF POWER AND HEAT

Article 4

Promotion of electricity from renewable sources

(1) For the purpose of defining the promotion of electricity from renewable sources hereunder, electricity from renewable sources shall be understood to be electricity generated while using renewable sources metered in the transfer point of the power-generating plant⁵ and the distribution system or the transmission system, or metered on the terminals of the generator, and lowered by technological own power consumption, share of electricity coming from renewable source in case of a common combustion of renewable source and secondary source or non-renewable source.

⁵ Art. 2(2)(a) of Act No. 458/2000, as amended by Act No. 158/2009

(2) The promotion of electricity from renewable sources applies to the generation of electricity from renewable sources in the power-generating plants located in the Czech Republic connected the electrification system of the Czech Republic.

(3) The promotion of electricity from renewable sources is defined with regard to the predicted figures on energy for each type of renewable sources for each single year until 2020, as specified in the National Action Plan.

(4) The promotion of electricity from renewable sources applies to electricity generated in the power-generating plants using renewable sources that comply with the minimum energy performance prescribed by the implementing regulation, and to electricity specified in paragraph 5. The requirements on minimum energy performance are not defined for the power-generating plants using geothermal energy, solar energy, wind and water energies.

(5) If electricity is generated

a) From combustion of renewable source, the promotion of electricity from renewable sources is set differently depending on the type and the parameters of the renewable source and the methods of its use specified by the implementing regulation,

b) From the biomass or bioliquids, the promotion of electricity from renewable sources applies only to the electricity generated in the plant fit for power generation in the combined electricity and heat production for which the Ministry has issued the certificate as per Article 47,

c) From biogas, the promotion of electricity from renewable sources applies only to the electricity generated in the combined electricity and heat production which uses biogas at least 30% of which comes from biomass other than the biomass purposely grown on arable land⁶ and on the grassland⁷ and which ensures efficient utilisation of at least 50% of primary energy of the biomass from which biogas is generated; while the own power and heat consumption of the plant is not figured in; the method of reporting the volume of biomass purposely grown on the arable land and on the grassland

⁶ Article 3 (i) of Act No. 252/1997, on agriculture.

⁷ Act No. 344/1992, on the real estate cadastre of the Czech Republic (Cadastral law), as amended.

at the biogas generation is stipulated by the implementing regulation,

d) From the use of solar energy, the promotion of electricity from renewable sources applies only to the electricity generated in the power-generating plant with the installed plant capacity of less than 30 kWp that is located on the roof or perimeter wall of one building attached to the ground via firm foundations registered in the real estate registry⁸; support is given only to the electricity generated in one power-generating plant of less than 30 kWp that is located on the roof or the perimeter wall of a single building attached to the ground via firm foundations, registered in the real estate registry⁷,

e) from the energy use of municipal waste, the promotion of electricity from renewable sources applies only to electricity generated from biologically degradable part of municipal waste; for unsorted municipal waste the ratio of biologically degradable and non-degradable part in the energy capacity of municipal waste is stipulated by the implementing regulation,

f) From bioliquids, the promotion of electricity from renewable sources applies only to electricity generated from the bioliquids that comply with sustainability criteria stipulated by the implementing regulation.

(6) The promotion of electricity from renewable sources shall not apply to electricity from renewable sources

a) In the event of unauthorized power supply to the electrification network as per another legal regulation⁸,
or

b) Generated in the power-generating plants put into operation at the times for which the Office as per paragraph 8 does not prescribe the promotion of electricity from renewable sources.

(7) The scope and amount of the promotion of electricity from renewable sources shall be defined by the Office hereunder in the price decision.

(8) If in two years before the year in which the promotion on electricity from renewable sources is decided the real figures on generation of electricity from renewable sources reach or exceed the estimated figures on

⁸ Article 52 of the Act No. 458/200, as amended by the Act No. 670/2004 and the Act No. 158/2009.

generation of electricity from renewable sources specified in the National Action Plan⁴ for the year in which the promotion on electricity from renewable sources is decided, the Office shall not prescribe the promotion of electricity from renewable sources for that year for those power-generating plants put into operation from 1 January of the following year. For water and wind power-generating plants, the converted values stipulated by the Commission Decision⁴ are used for comparison.

(9) Information on achieved volume of electricity from renewable sources as per paragraph 8 shall be published by the Office in the Energy Regulation Journal (Energetický regulační věstník) by 30 May.

Article 5

Promotion of electricity from secondary sources

(1) For the purposes of defining the promotion of electricity from secondary sources hereunder, electricity from secondary sources shall mean electricity generated from the use of secondary sources metered in the transfer point of the power-generating plant⁹ and the distribution system or the transmission system, or metered on the terminals of the generator and lowered by technological own power consumption, a proportion of electricity coming from secondary source in the event of a common combustion of renewable source and secondary source or non-renewable source and if the Ministry has issued “a certificate of origin of electricity from secondary sources” for electricity generated from secondary sources.

(2) The promotion of electricity from secondary sources applies to the generation of electricity from secondary sources in the power-generating plants located in the Czech Republic and connected the electrification system of the Czech Republic either directly or via a distribution point or via another power-generating plant connected to the electrification system of the Czech Republic.

(3) The promotion of electricity from secondary sources applies to the combined power and heat production using such secondary sources that that comply with the minimum energy performance prescribed by the implementing regulation. If electricity is generated from degassing gas or mining gas, the promotion of electricity does not require the combined power and heat production.

(4) If electricity is generated from the energy utilisation of municipal waste, the promotion of electricity from secondary sources applies only to electricity produced from its biologically non-degradable part while complying with the requirements under paragraph 3.

(5) The promotion of electricity from secondary sources shall be granted for the quantity of electricity reported by the producer at the times, in the scope and in the way specified in the implementing regulation.

(6) The promotion of electricity from secondary sources shall not apply to electricity from secondary sources in the event of unauthorized power supply to the electrification network as per another legal regulation⁸.

(7) The scope and amount of the promotion of electricity from secondary sources shall be defined by the Office hereunder in the price decision.

Article 6

Promotion of electricity from high-efficient combined power and heat production

(1) For the purposes of defining the promotion of electricity from high-efficient combined power and heat production hereunder, electricity from high-efficient combined power and heat production shall mean electricity generated in the common process connected with the supply of useful heat in the plant for which the Ministry has issued a certificate of origin for electricity from high-efficient combined power and heat production at the production of which proportional saving is achieved of input primary fuel needed for generation of this power and heat in the volume of at least 10% compared to the separated generation of power and heat, while the requirement for achieving the proportional saving of input primary fuel applies only to the electricity generated in the power-generating plant with the installed electric capacity higher than 1 MW.

(2) The promotion of electricity from high-efficient combined power and heat production applies only to the electricity from high-efficient combined power and heat production produced in the power-generating plants located in the Czech Republic and connected to the electrification system of the Czech Republic either directly or via a distribution point or via another power-generating plant connected to the electrification system of the Czech Republic.

⁹ Art. 2(2)(a) of Act No. 458/2000, as amended by Act No. 158/2009

(3) The promotion of electricity from high-efficient combined power and heat production shall be granted for the quantity of electricity reported by the producer at the times, in the scope and in the way specified in the implementing regulation.

(4) The promotion of electricity from high-efficient combined power and heat production shall not apply to electricity from high-efficient combined power and heat production in the event of unauthorized power supply to the electrification network as per another legal regulation⁸.

(5) The scope and amount of the promotion of electricity from high-efficient combined power and heat production shall be defined by the Office hereunder in the price decision.

Article 7

The rights and obligations on the market of electricity from renewable sources, secondary sources and from high-efficiency combined electricity and heat generation

(1) Operator of the transmission system or operator of the distribution system is obliged, on his by licence limited territory, to connected preferably to the transmission system or distribution system a plant generating electricity from a supported source for the purpose of electricity transmission or distribution of electricity, if the producer requests so and fulfils the conditions for connection specified in other legal regulation⁹), except in the event of provable lack of capacity of the facility for the transmission or distribution or in case of jeopardising the safe and reliable operation of the power system

(2) The transmission system operator or the distribution system operator is obliged, upon request of the producer the plant generating electricity from a promoted source of which is to be connected to the distribution system or to the transmission system, to provide the information necessary for the connection, estimation of costs associated with the connection, date for the receipt and processing of the application for connection, and an estimate of the time needed for connection.

(3) The right for promotion of electricity from renewable sources, secondary sources or high-efficiency combined heat and power generation (hereinafter referred to as "promotion of electricity ") under this Act applies only to a holder of license for electricity production, who

produces electricity from the promoted sources. In electricity production plants using renewable sources the right for promotion endures through the lifetime period of the electricity production plant set down by the implementation legal regulation in the wording effective to the date of the electricity generating plant commissioning. The method and procedure of commissioning of the electricity generating plant determines the implementation legal regulation.

(4) The producer that uses for production of electricity fuel from biomass, from a bioliquid or from biogas is obliged to keep documents and records on the used fuel for a period of 5 years to the extent determined by the implementing legal regulation.

(5) The producer or importer of fuels from biomass, from bioliquids or from biogas is obliged to keep documents and records about the types of the used biomass, bioliquids and biogas and about the way of their use for production of fuels to the extent determined by the implementing legal regulation, at least 5 years from the date on which the documents and records were created, and on request made them available for the Office, the Ministry, the market operator and the State Energy Inspection.

(6) The transmission system operator or the distribution system operator is required to register the transfer point of the electricity production plant producing electricity from renewable sources, secondary sources, or high efficiency combined production of electricity and heat, to which is arises claim for promotion of electricity under this law, connected to by him operated transmission system or distribution system, either directly or through a supply point or through another electricity production plant connected to the transmission or distribution system as a production transfer point within the system of the market operator, and further to register any changes in such data according to another legal regulation¹⁰.

Article 8

Forms of electricity promotion

(1) Promotion of electricity is carried out by means of green bonuses for electricity or by purchase prices.

¹⁰ Decree No. 541/2005 Coll., On the rules of the electricity market pricing principles for the activities of the electricity market operator and implementation of certain other provisions of the Energy Act, as amended.

(2) The right to choose the electricity promotion in the form of purchase prices has only the producer of electricity from renewable sources using energy of water, and it is in the electricity production plant with the installed capacity up to 10 MW inclusive, and other producers of electricity from renewable energy sources in electricity production plants with an installed capacity of up to 100 kW inclusive. In other cases, including electricity produced in the electricity production plants with the installed capacity up to 100 kW together from renewable and non-renewable sources, the producer of electricity from renewable sources has the right only for electricity promotion in the form of green bonuses for electricity. Producer of electricity from renewable sources has the right, if it is in compliance with the above stated, to change the form of electricity promotion under the paragraph 1 only on 1st January of the given calendar year.

(3) Producer is obliged to register, through the purchaser or the compulsorily purchaser or directly in the market operator's system, the chosen form of electricity promotion and its change.

(4) Electricity promotion in the form of purchase prices cannot be combined within a single electricity production plant with the electricity promotion in the form of green bonuses for electricity.

(5) The terms and procedure for selection of form of electricity promotion and its changes and the procedure during registration in the system of the market operator is stipulated by the implementing legal regulation.

(6) In the case of electricity produced from renewable sources, from secondary sources or from high-efficiency combined heat and power production, concurrence of electricity promotion in the form of green bonuses is possible.

Article 9

Green bonus for electricity

(1) The Green bonus for electricity is set in CZK/MWh and is provided in an annual or hourly mode.

(2) If a producer is not a subject of accounting⁵⁾ or he has not transferred responsibility for a deviation to

another entity of accounting, the purchaser is obliged to take over the responsibility for the deviation.¹¹

(3) If the producer so requests, the market operator shall, based on the accounting according to the paragraph 6, reimburse the producer for the green bonus for electricity from renewable sources, secondary sources and high-efficiency combined production of electricity and heat.

(4) Electricity promotion in the form of green bonus for electricity

a) produced in an electricity production plant using renewable sources with an installed capacity up to 100 kW inclusive or the biodegradable fraction of municipal waste or produced by co-combustion of renewable and non-renewable sources is provided only in the mode of annual green bonus for electricity

b) produced in the electricity production plant using renewable sources with installed capacity over 100 kW, with the exception of biodegradable fraction of municipal waste or produced by co-combustion of renewable source and non-renewable source, is provided only in the mode of hourly green bonus for electricity,

c) from high-efficiency combined production of electricity and heat, and secondary sources, is provided only in the mode of annual green bonus for electricity.

(5) Producer has the right, if it is in compliance with the paragraph 4, to change the mode of green bonus for electricity only on 1st January for the given calendar year at the terms and by the procedure for selection of green electricity bonus mode according to the implementing legal regulation.

(6) Accounting of the green bonus for electricity is made on the basis of the measured values¹² of the produced electricity or in cases under Article 11 paragraph 6 based on calculated values of produced electricity registered by the market operator according to the implementing legal

¹¹ Article 22 of Act No. 458/2000 Coll., as amended by Act No. 670/2004 Coll. and Act No. 158/2009 Coll.

¹² Decree No. 82/2011 Coll., about the measurement of electricity and the determination of damages for unauthorized consumption, unauthorized delivery, unauthorized transfer or unauthorized distribution of electricity Act No. 505/1990 Coll., on metrology, as amended.

regulation. If the producer fails to pass to the market operator the measured or calculated values of the produced electricity or does not allow the market operator or by him in writing authorized person, neither on the basis of repeatedly demonstrably delivered notification access to the metering equipment serving for the measurement of electricity produced from promoted sources of energy or fails to ensure, based on a request of the market operator, validation of the calculated values in the way and by the procedure set down in the implementing legal regulation, the claim for covering of green bonuses for electricity does not arise.

Article 10

Purchase prices

(1) Until the decision about selection of compulsorily purchaser, the supplier of the last instance¹³ for the relevant defined territory is the compulsorily purchaser. The Ministry informs about the choice of the mandatory purchaser by a way allowing remote access.

(2) The mandatory purchaser is obliged to buy electricity from renewable sources, to which applies promotion of electricity, produced in an electricity production plant located within his defined territory, under the conditions according to Article 11 and 12. The mandatory purchaser bears the responsibility for deviation at the transfer point of the electricity production plant according to another legal regulation¹¹).

(3) Accounting of the compulsorily purchased electricity is made on the basis of measured values¹²) at the transfer point of the electricity production plant and distribution system or transmission system and registered by the market operator under the implementing legal regulation.

Article 11

Conditions for promotion of electricity purchase and records of production of electricity from renewable sources, secondary sources and high-efficiency combined production of electricity and heat

(1) The basic time period for the purchase of electricity from renewable sources, secondary sources and high-

efficiency combined production of electricity and heat is 1 hour.

(2) The basic time period for evaluation and accounting of purchase of electricity from renewable sources, secondary sources and high-efficiency combined production of electricity and heat is one month or its whole multiples. In the case of electricity production plants with the installed power up to 10 kW is the basic time period a trimester.

(3) If a producer intends to offer electricity to the compulsorily purchaser, he must notify this fact in the deadline stipulated by implementing legal regulation.

(4) In the case of electricity promotion in the form of green bonuses for electricity the producer is obliged

a) to transmit in electronic form to the market operator the measured or calculated values in the segmentation by the individual types of supported sources and transfer points of electricity production plants and their records according to the implementing legal regulation and possibly other additional information on the transmitted measured or calculated values; the way of transfer and registration of the measured or calculated values of electricity from the supported sources using the form of promotion with green bonus for electricity is specified in the implementation legal regulation, and

b) to allow the market operator or by him in writing authorized person access to the measuring device, which is used for measurement of electricity produced from supported energy sources.

(5) In the case of promotion in the form of purchase prices the transmission system operator or the distribution system operator is obliged to deliver in the electronic form to the market operator the measured values at the transfer point of connection of the electricity production plant to him operand transmission or distribution system, broken by type of individual renewable sources and transfer points of electricity production plants and to keep their records. The method of transfer and recording of measured values of the electricity from renewable sources using the purchase price form of promotion is stipulated by an implementation legal regulation.

(6) The producer, who produces electricity from renewable sources or secondary sources along with

¹³ Article 12a of the Act No. 458/2000 Coll., as amended by Act No. 158/2009 Coll.

electricity from non-renewable sources, is obliged to ensure measurement or calculation of the amount of the electricity produced from renewable sources or secondary sources by the manner which is stipulated by the implementing legal regulation.

(7) The producer who produces electricity by common combustion of renewable resource and non-renewable resource, is obliged in a way that is specified in the implementation legal regulation, to demonstrate for the market operator and upon request also for the Office and the Ministry

a) separately the amount of electricity from renewable source and non-renewable resource,

b) the real acquisition of the amount of renewable resource and its quality and

c) the real use of all acquired amounts of renewable source for the purpose of electricity production.

(8) A producer who exerts promotion of electricity in the mode the hourly green bonus for electricity and also for the produced electricity that was not delivered to the distribution system or transmission system, is obliged to ensure measurement with hourly course of production of electricity from renewable sources in a way that is specified in another legal regulation ¹²).

(9) In the case that a negative hourly price is reached the producer that uses for electricity promotion the form of purchase price, is obliged to reimburse the negative hourly price to the mandatory purchaser, and it shall be for the amount of electricity supplied within the given hour. The mandatory purchaser is required to inform about such cases the producer in advance in the terms and by the manner according to the implementing legal regulation.

(10) In the cases when on daily electricity market organized by the market operator does not take place matching of the supply and demand, there is no claim for subsidy for the producer that uses electricity promotion in the form of purchase prices or in the form of green bonus for electricity produced within these hours. The mandatory purchaser or a purchaser is required to inform on such cases in advance the producer in the terms and in the manner according to the implementing legal regulation.

(11) In the case of promotion in the form of purchase prices, when is reached higher hourly price than is the purchase price fixed by the Office, the compulsorily purchaser is obliged to reimburse the market operator the difference between the hourly price and the purchase price determined by the Office. The method and procedure for determining the difference between the hourly price and the purchase price and its remuneration to the market operator is stipulated by the implementing legal regulation.

(12) In the case of promotion in the form of green bonuses for electricity from renewable sources, if the producer offers electricity generated from renewable sources to the compulsorily purchaser for purchase, compulsorily purchaser is obliged to reimburse the producers the difference between the purchase price and the green bonus for electricity. The Office shall take into account possible extra costs of the compulsorily purchaser resulting from the difference between the purchase price and the green bonus for electricity according to the first sentence of this Article in the price for activities of the compulsorily purchaser pursuant to Article 13 Article 3.

Article 12

Amount of the purchase prices and green bonuses for electricity

(1) The Office shall determine in accordance with Article 1, Article 3 and Article 4 Article 3, 7 and 8 in the given calendar year for the following calendar year the purchase price separately for each type of renewable resource, or possibly for groups according to the size of the installed capacity of electricity production plant, or with regard to their location, so that for support of electricity produced in the electricity production plants commissioned after the effective date of this Law

a) is achieved fifteen-year simple payback time of investments, subject to fulfilment of technical and economic parameters, which are particularly the cost per unit of installed capacity, efficiency of use of the primary energy content in the renewable source, in the case of electricity production plants using biomass, biogas and bioliquids the costs for acquisition of the fuel and time of the equipment utilization specified in the implementing legal regulation,

b) remained preserved the level of revenues per unit of electricity from renewable sources in the case of promotion since the year of the electricity production plant commissioning for the period of duration of the right for the promotion as a minimum with regular annual increase of 2%, it does not apply to electricity production plant using biomass or biogas or bioliquids; as commissioning of an electricity production plant is deemed also completion of reconstruction of the technological part of the existing electricity production plant, or completion of a modernization, increasing technical and environmental level of the existing electricity production plant to the level comparable with the newly established electricity production plants

c) the cases of reaching negative hourly prices according to the Article 11, Article 9, and cases when on the daily market organized by market operator does not occur matching of supply and demand according to the Article 11, Article 10, are included under the letter a).

(2) For promotion of electricity from renewable sources, the Office sets in accordance with Article 1 Article 3 and 4, Article 3, 7 and 8 in the given calendar year for the following calendar year, the amount of the annual green bonus for electricity and the procedure for determination of the hourly green bonus for electricity, so that the amount of the annual green bonus for electricity shall cover, for the given type of renewable source, at least the difference between the purchase price and the expected average annual hourly price, and the amount of green bonus for electricity shall cover, for the given type of renewable sources, at least the difference between the purchase price and the achieved hourly price. The method of determination of the hourly green bonus for electricity and hourly prices shall be stipulated by the implementing legal regulation.

(3) In cases of achieving negative hourly rates the Office while establishing the procedure for hourly green bonus for electricity under the paragraph 2 shall proceed so that the value of the hourly green bonus for electricity is equal at most to the value of the hourly green bonus for electricity while reaching zero hourly price.

(4) The Office shall determine, in accordance with Article 1, Article 3, Article 5 Article 7 and Article 6, Article 5, in a given calendar year for the next calendar year, the amount of the annual green bonus for electricity for the promotion of electricity from secondary sources with

regard to the type of the secondary source, location and the size of the installed capacity of electricity production plant, and for the support of electricity from high-efficiency combined production of electricity and heat with respect to the location and size of the installed electric power of the electricity production plant, used primary fuel and the operating mode of the electricity production plant. The Office may set a different level of the green bonus for electricity also for reconstructed plants for production electricity from high-efficiency combined production of electricity and heat. When determining the green bonus for electricity for promotion of electricity from secondary sources, and promotion of electricity from high-efficiency combined production of electricity and heat shall not be applied and shall not be valid the rules set down in provisions of the Articles 1 and 2.

(5) The Office adjusts annually the amount of green bonuses for electricity to the electricity from high-efficiency combined electricity and heat production and secondary sources depending on changes in electricity prices on the market, prices of thermal energy, prices of primary energy sources, efficiency of production and the time of electricity production plant usage.

(6) The purchase price determined by the Office for the following calendar year shall not be less than 95% of the purchase prices applicable in the year in which is made decision about the new setting of the purchase price. This does not apply to determination of purchase price for the following calendar year for the kinds of renewable sources, for which is, in the year in which is determined the new setting of the purchase price, achieved simple return on investment of less than 12 years; in these cases the Office shall proceed in determining the purchase price pursuant to the Article 1. At the same time the purchase price set by the Office for the following calendar year shall not be higher than 115% of the purchase price applicable in the year in which is decided the new setting of the purchase price. The Office informs about achieved return on investment times for the individual types of renewable sources in the way allowing remote access.

(7) The Office shall determine the total amount of electricity promotion so that for the year in which the electricity production plant is commissioned, the purchase price or green bonus for electricity amounted not more than 4 500 CZK/MWh.

(8) In the case of electricity production by combined combustion of renewable and non-renewable sources, unless it is a highly efficient combined production of electricity and heat, the Office is entitled to cut the promotion of electricity in the form of green bonuses for electricity compared to the promotion of electricity in the previous year.

(9) In determining the purchase prices, annual green bonuses for electricity and the procedure for setting the hourly green bonus for electricity and prices for activities of the compulsorily purchaser the Office proceeds pursuant to the Act on Prices.

Article 13

Accounting the promotion for electricity

(1) The market operator charges to the regional distribution system operator and transmission system operator a component of the price for electricity transmission and prices for electricity distribution for covering the costs associated with promotion of electricity, and the regional distribution system operator and the transmission system operator are obliged to pay it to the market operator. The method and timing of accounting and disbursing the price component for transmission of electricity and price for distribution of electricity to cover the costs associated with promotion of electricity shall be set by implementing legal regulation.

(2) The mandatory purchaser charges to the market operator the difference between the purchase price and the hourly price and the price for his activities according to the quantity of mandatory purchased electricity from the individual kinds of renewable sources registered by the market operator pursuant to the Article 10 paragraph 3, and the market operator is required to pay the difference between the purchase price and the hourly price and the price for activities of the mandatory purchaser.

(3) The Office in the given calendar year establishes the amount of the price for the activities of the compulsorily purchaser for the next calendar year. The method of the price calculation is set down by the implementing legal regulation.

(4) The right to charge under paragraph 2 arises by payment of purchase price to the producer of electricity from renewable sources, and it is in the extent of

measured or calculated values of the produced electricity registered by the market operator.

CHAPTER IV

LEVY OF ELECTRICITY FROM THE SOLAR RADIATION

Article 14

Subject of levy for electricity from solar radiation

The subject of payment for electricity from solar radiation (hereinafter referred to as "the levy") is the electricity produced from solar radiation in the period from 1st January 2013 to 31st December 2013 in a plant commissioned in the period from 1st January 2009 to 31st December 2010.

Article 15

Subjects of the levy

(1) The ratepayer of the levy is the producer, if he produces electricity from the solar radiation.

(2) The payer of the levy is, in the case of payment by means of green bonus for electricity, the market operator and in the case of payment in the form of purchase price the mandatory purchaser.

Article 16

The basis of the levy

The basis of the levy is the amount net of VAT reimbursed by the payer of the levy in the form of purchase price or green bonus for electricity to the ratepayer for the electricity from solar radiation produced within the levy period.

Article 17

Exemption from the levy

Exempt from the levy is the electricity produced from the solar radiation in the electricity generating plant with the installed power of the plant up to 30 kW.

Article 18

The rate of levy

The rate of the levy from the base of the levy amounts in the case of reimbursement in the form of

- a) purchase price 26%,
- b) green bonus for electricity 28%.

Article 19
Levy period

The levy period is a calendar month.

Article 20
Method of the levy collection

- (1) The levy payer is required to withhold or withdraw the levy from the levy base.
- (2) The levy payer is obliged to pay the levy from the levy base within 25 days after termination of the levy period; at the same time he is required to submit accounting for the levy.

Article 21
Administration of the levy

- (1) The levy administration is performed by regional financial authorities.
- (2) During administration of the levy shall be proceeded in accordance with the Tax Regulations.

Article 22
Budget allocation of the levy

The levy is the income of the state budget.

CHAPTER V

PROMOTION OF HEAT FROM RENEWABLE
ENERGY SOURCES

Article 23
Promotion of heat and the forms of promotion

- (1) For the purposes of determining the promotion of heat from renewable sources under this Act, as heat from renewable sources is considered the heat produced using renewable sources.
- (2) Promotion of heat from renewable sources (hereinafter referred to as "Promotion of heat") is realised in the form

- a) investment promotion of heat, or

b) operational promotion of heat.

(3) The operational promotion takes the form of a green bonus for heat.

(4) The investment promotion takes the form of promotion programs from the national or European funds or funds derived from the sale of greenhouse gases permits.

(5) The right to choose the heat promotion in the form of operational promotion of heat has only the producer producing heat from renewable sources according to Article 24 of this Act.

(6) Promotion of heat in the form of operational promotion of heat may be, within the same heat generating plant, combined with the promotion of heat in the form of investment promotion of heat.

(7) Manufacturer of heat, who exceeds the operational promotion of heat, is obliged to register directly in the market operator system the operational promotion of heat by means of the green bonus for heat. The registration procedure is set down by implementing legal regulation.

Article 24
Operational promotion of heat

- (1) Right for operational promotion of heat under this Act applies only to holders of a license for production of thermal energy, who produce heat energy from renewable sources.
- (2) Operational promotion of heat is determined with regard to the expected values of the energy produced for the individual types of renewable sources for individual years from the year 2020 specified in the National Action Plan.
- (3) Operational promotion of heat refers to the heat supplied to the heat distribution facilities²⁾ of the system of thermal energy supply from heat generating plants using renewable sources, which are located in the territory of the Czech Republic using renewable sources and which meet the minimum efficiency of energy utilisation set down by the implementing legal regulation.

(4) The right for the operational promotion of heat has the heat produced from supported biomass, for which it is determined promotion of electricity pursuant to Article 4 paragraph 5, letter a), or from bioliquids meeting the sustainability criteria stipulated by implementing legal regulation in the heat generating plants with rated thermal output greater than 200 kW or heat produced from geothermal energy in facilities with the rated thermal output of more than 200 kW.

(5) The scope and level of operational promotion sets down the Office according to this Act in the Price Decision.

(6) Operational promotion of heat does not apply to

a) heat produced in combined production of electricity and heat, with the exception of heat produced in the production plant with combined production of electricity and heat with the installed power up to 7.5 MW for which is determined promotion of electricity pursuant to the Article 4 paragraph 5 letter b),

b) The heat produced by co-combustion of renewable source with non-renewable resource, with the exception of the heat generated by co-combustion of renewable source with a secondary source,

c) unauthorised supply of heat to heat distribution facility of the thermal energy supply system when during unauthorized heat supply into a heat distribution facility of a thermal energy supply system is to be proceeded similarly as for the unauthorized consumption of thermal energy according to another legal regulation¹⁴

d) the heat produced in the heat generating plants commissioned in the period for which the Office under the paragraph 7 does not determine the operational promotion of heat from renewable sources.

(7) In the event that for the heat production from the biomass, two years before the year in which is decided about the operational promotion of heat, is reached orsurpassed by the actual values of heat production from biomass the presumptive values of heat production from biomass set down in the National Action Plan for the year in which is decided about the operational promotion of

¹⁴ Article 89 of Act No. 458/2000 Coll., as amended by Act No. 670/2004 Coll. and Act No. 158/2009 Coll.

heat from renewable sources, the Office does not determine promotion of heat from renewable sources, for the heat production plants commissioned from 1st January of the following year.

(8) The Office shall publish the information on the achieved value of heat from biomass under paragraph 7 by 30th May in the Energy Regulatory Bulletin.

Article 25

Investment promotion of heat

(1) Investment promotion of heat applies to construction of a plant producing heat from renewable sources and to distribution thermal facilities²⁾ from these heat generating plants on the territory of the Czech Republic with minimum efficiency of energy utilisation set down by the implementing legal regulation.

(2) If organizational units of the state, a district or a municipality announce programs of promotion from the national, European funds or funds derived from the sale of greenhouse gases emission permits, concerning entirely or partially renewable sources, they are obliged in the invitation for the tender according to the relevant programs, to include investment promotion of construction of plant producing heat from renewable sources and heat distribution facilities²⁾ from these heat generating plants.

(3) In the case of construction of a plant generating heat from the heat pumps, investment promotion of heat applies to the heat generating plant meeting the requirements set down by decision of the Committee¹⁵.

(4) In the case of construction of a plant producing heat from bioliquids the investment promotion of heat applies only to the heat generating plant using as fuel bioliquid meeting the criteria sustainability set down in the implementing legal regulation. The producer is obliged, within 30 days after the heat production plant is commissioned, to substantiate fulfilment of sustainability criteria of bioliquids to the grant provider.

(5) Investment promotion of heat under the paragraphs 3 and 4 does not apply to solar systems with heat pumps, which would by their operation deteriorate overall

¹⁵ Committee Decision 2007/742/EC of 9 November 2007 establishing the ecological criteria for the award Community heat pumps, electric or gas drive and gas absorption heat pumps.

average annual efficiency of existing heat supply systems using renewable sources, in which it was in the preceding calendar year produced more than half of the heat from renewable sources. The Office registers, and in the manner allowing remote access publishes these thermal energy supply systems, by 30th April of the following year.

Article 26

Green bonus for heat and its amount

- (1) Green bonus for heat is set in CZK/GJ and provided only in the annual mode.
- (2) The accounting period for payment of the green bonus for heat is one month or its whole multiples.
- (3) The Office shall determine, in accordance with the Article 1, paragraph 3, Article 24 paragraphs 2, 5 and 7 in a calendar year for the following calendar year, the amount of annual green bonus for heat.
- (4) The Office is obliged to set the green bonus for heat in the amount of 50 CZK/GJ.
- (5) In determining the annual green bonuses for heat, the Office shall proceed pursuant to the Act on Prices.
- (6) If a producer of heat requests so, the market operator shall, on the basis of accounting according to the paragraph 7, reimburse to the heat producer the green bonus for heat.
- (7) Accounting of the green bonus for heat takes place based on measured values of heat supplied to the heat distribution facility of thermal energy supply systems registered by the market operator according to the implementing legal regulation. If a heat producer fails to deliver the measured values of the supplied heat to the market operator, or will not allow the market operator or by him in writing authorized person neither on the basis of proven repeated notification access to the metering equipment serving for measuring the supplied heat to which applies the promotion of heat, the claim for reimbursement for the green bonus for heat does not arise.

Article 27

The rights and obligations on the market of heat and operating promotion of heat

- (1) A license holder for the distribution of heat energy¹⁶ is obliged to purchase the heat produced from renewable sources and for this purpose to connect the heat production plant to the heat distribution facility.
- (2) The obligation to purchase the heat does not arise,
 - a) if the heat producer is not licensed for production of heat under another legal regulation,
 - b) if the heat demand is already satisfied in accordance with paragraph 1,
 - c) if there would be an increase in the total cost for heat provision for the existing customers of the holder of the license for distribution of the thermal energy, or
 - d) if the parameters of the heat carrier do not correspond to the parameters in the distribution thermal system in the place of connection.
- (3) The heat manufacturer is obliged to provide measurements of the heat supplied to the heat distribution facility of the system for supply of thermal energy from the heat production plant according to the implementing legal regulation.
- (4) The heat manufacturer, who uses for heat production a fuel from biomass is required to keep documents and records on the fuel used for the period of 5 years in the scope stipulated in the implementing legal regulation.
- (5) The heat manufacturer or importer of fuel from biomass is obliged to keep documents and records about the used types of biomass and the way of their usage for production of fuels to the extent determined by the implementing legal regulation, for at least 5 years from the date when these documents and records were created, and upon request to make them available for the Office, the Ministry, the market operator and the State Energy Inspection.

¹⁶ Article 4 of Act No. 458/2000 Coll., as amended by Act No. 670/2004 Coll. and Act No. 158/2009 Coll.

(6) The producer of heat is required to register the place of transfer of the heat produced from the heat generating plant producing heat from renewable sources to distribution thermal facility of the thermal energy supply system, for which arises claim for operational promotion of heat under this Act, in the market operator system, and further to record any changes in such data according to the implementing legal regulation.

(7) A heat manufacturer is required to

a) transmit in electronic form to the market operator the measured values of the heat supplied to the distribution thermal facility and based upon a request of the market operator to pass him additional information on the transmitted measured values; the method of transmission and records of the measured values of heat are set down by the implementing legal regulation, and

b) allow the market operator or by him in writing authorized person access to the measuring equipment serving for measurement of the supplied heat, to which refers operational promotion of heat.

CHAPTER VI

FINANCING OF ELECTRICITY AND HEAT PROMOTION

Article 28

Financing of electricity promotion and operational promotion of heat

(1) The market operator is entitled for reimbursement of the costs associated with promotion of electricity and operational promotion of heat. Such costs are reimbursed to the market operator by the regional distribution system operator, and the transmission system operator from the funds forming component of the price for electricity transmission and the price for distribution of electricity to cover the costs associated with promotion of electricity, and further the subsidies from the state budget. Operational promotion of heat is reimbursed only from subsidies from the state budget.

(2) The Government shall set by its decree, at least in the amount of the costs associated with operational promotion of heat, the limit of the state budget funds for

subsidies for market operator to cover the costs associated with promotion of electricity and operational promotion of heat by 31st October of the calendar year preceding the calendar year for which the Office establishes prices for electricity transmission and prices for electricity distribution.

(3) If the state budget grants limit set under the paragraph 2, after deduction of the costs associated with operational promotion of heat is insufficient to cover the costs associated with the promotion of electricity, the Office includes remaining costs related to promoting of electricity into the component of the price for electricity transmission and price for electricity distribution to cover the costs associated with promotion of electricity. The Office may specify differently the component of the price for electricity transmission and the price for distribution of electricity to cover the costs associated with promotion of electricity, with regard to the amount of customers' electricity consumption.

(4) The market operator keeps independently on separate accounts the funds paid to producers of electricity from promoted sources and to producers of heat from promoted heat generating plants.

(5) When setting prices for the following calendar year under the legal regulation governing the way of regulation of prices in the energy generation sectors and the procedures for regulation of prices¹⁷, the Office takes into account the differences between actually incurred costs and revenues associated with promotion of electricity and the operational promotion of heat for the past calendar year.

(6) The actual total cost of the market operator is the sum of the total funds paid to the manufacturers under the Article 9, paragraph 3, and the heat producers under the Article 26 paragraph 6 and the total funds paid to the mandatory purchaser according to the Article 13 paragraph 2. The real yields of the market operator are the reimbursements from the regional distribution system operator and transmission system operator based on accounting of the promotion of electricity and heat according to the paragraph 1 and the subsidy according to the paragraph 2.

¹⁷ Decree No. 140/2009 Coll. Methods of price regulation in the energy sector, and price control procedures, as amended.

(7) The Office provides the operator with data on the holders of licenses and data from issued decisions on license granting, and the Ministry the data on the holders of certificates of origin of the electricity from high-efficiency combined electricity and heat generation to the extent necessary for his activities.

Article 29

Subsidy granting

(1) The subsidy to cover costs associated with promotion of electricity and operational promotion of heat under the Article 28 provides the Ministry for market operator quarterly based on an application submitted by the end of the month following termination of the quarter. The Ministry shall, by end of next month, remit to the market operator a quarter of the amount referred to in the Government decree under the Article 28 paragraph 2.

(2) The Ministry shall issue a decision about granting of the subsidy stating therein its name and address, the name and address of the market operator to whom the subsidy is intended, the provided amount and date of the decision issue.

CHAPTER VII

PROMOTION OF BIOMETHANE

Article 30

Promotion of biomethane

(1) For purposes of determining the biomethane promotion under this Act shall be deemed as biomethane the gas produced from biogas in the gas production plants in the Czech Republic connected to the distribution or transmission system¹⁸ of the Czech Republic directly or through a supply point¹⁸ or through another gas production plant connected to the distribution or transmission system of the Czech Republic or connected to an underground gas storage tank.

(2) Promotion of biomethane is determined with regard to the expected values of biomethane energy production for

the individual years up to year 2020 listed in the National Action Plan.

(3) Promotion of biomethane applies only to the biomethane made

a) from biogas, which is produced at least from 30% from the other biomass than is purposefully grown biomass on arable land⁶) and on grassland⁶); the method of reporting of the amount of purposefully grown biomass on arable land and grassland in the production of biogas is determined by the implementing legal regulation, and

b) in accordance with the requirements of its quality, odorization and pressure stipulated by the implementing legal regulation.

(4) The scope and amount of promotion of biomethane shall be determined by the Office according to this Act in the Price Decision.

(5) The promotion of biomethane does not apply to

a) unauthorized supply of biomethane into the distribution system, the transmission system or an underground gas storage tank under another legal regulation¹⁹; or

b) produced in the biomethane production plants commissioned in the period for which the Office under paragraph 6 does not specify promotion of biomethane.

(6) In the event that biomethane production were, two years before the year in which is decided about promotion of biomethane, reached or surpassed by the actual biomethane production values the expected biomethane production values set down in the National Action Plan for the year in which is about promotion of biomethane decided, the Office for the biomethane production plants commissioned by 1st January of the following year,

(7) Information on the achieved value of biomethane production under paragraph 6 shall be published by the Office, by 30 May in the Energy Regulatory Bulletin.

¹⁸ Article 2, paragraph 2. b) of Act No. 458/2000 Coll., as amended by Act No. 670/2004 Coll. and Act No. 158/2009 Coll.

¹⁹ Article 74 of Act No. 458/2000 Coll., as amended by Act No. 670/2004 Coll. and Act No. 158/2009 Coll. promotion of biomethane for this year shall not specify.

Article 31

Rights and obligations of the subjects on the biomethane market

(1) The transmission system operator, distribution system operator or an underground gas storage facility operator is obliged to connect preferentially a biomethane production plant for the purpose of access to the distribution or transmission system or underground gas storage facility, if the biomethane manufacturer asks so and satisfies the connection requirements.

(2) The preceding paragraph shall not apply in the case of demonstrable lack of capacity.

(3) The transmission system operator, distribution system operator or an underground gas storage facility operator is obliged to provide upon request of the biomethane producer the information necessary for connection, estimated costs associated with the connection and the deadline for the connection.

(4) The right for biomethane promotion under this Act applies only to the holder of license for production of gas, producing biomethane from biogas.

(5) Biomethane manufacturer is obliged to keep documents and records about the used types of biomass and bioliquids and about the way of their usage for production of biomethane in the scope stipulated by the implementing legal regulation, at least 5 years from the date of their origination, and upon request made them available for the Office, the Ministry and the State Energy Inspection.

(6) The transmission system operator, distribution system operator or an underground gas storage tank operator is required to register the transfer point¹⁹⁾ of biomethane production plant, to which arises claim for biomethane promotion under this Act, connected as a production transfer point into the market operator system, and further to register any changes in such data according to another legal regulation.

Article 32

The form of biomethane promotion

(1) Biomethane promotion takes the form of green bonuses for biomethane.

(2) The biomethane manufacturer is obliged to register, directly in the market operator system the promotion by means of green bonus for biomethane. Procedure for registration sets down the implementing legal regulation.

Article 33

Green bonus for biomethane

(1) The green bonus for biomethane is set in CZK/MWh of combustion heat and is provided in the annual mode.

(2) If the manufacturer of biomethane is not a subject of accounting¹⁸⁾ or he did not transfer responsibility for deviation to another subject of accounting, the biomethane purchaser is obliged to takeover responsibility for the deviation²⁰⁾.

(3) If a biomethane manufacturer ask so the market operator is obliged, based on accounting according to the paragraph 4, to reimburse to the biomethane producers the green bonus for biomethane.

(4) The accounting of the green bonus for biomethane is made on the basis of measured values of biomethane, in accordance with the implementing legal regulation, in the supply point¹⁸⁾, and registered by the market operator according to the implementing legal regulation. If the biomethane manufacturer fails to pass to the market operator the measured values of biomethane at the supply point, the claim for reimbursement of green bonus for biomethane shall not arise.

Article 34

Terms of biomethane promotion

(1) The accounting period for reimbursement of the green bonus for biomethane is one month or its whole multiples.

(2) Producer of biomethane transmits the measured values from supply points of biomethane production plants to the market operator. The biomethane producer is obliged to pass to the market operator upon his request additional complementary information regarding the transmitted and measured values. The way of transmission and recording of the measured values of biomethane is set by the implementing legal regulation.

²⁰⁾ Article 56 of Act No. 458/2000 Coll., as amended by Act No. 670/2004 Coll. and Act No. 158/2009 Coll.

(3) Biomethane manufacturer is obliged to ensure measurement of quantity and quality of the biomethane production at the supply point of biomethane production plant and the distribution or transmission system or an underground gas storage tank in a way that isn stipulated by the implementing legal regulation.

Article 35

The amount of green bonuses for biomethane

(1) The Office shall determine, in accordance with the Article 1, paragraph 3, Article 30 paragraph 2, 4 and 6, in the given calendar year for following calendar year, the amount of the annual green bonus for biomethane.

(2) In determining the annual green bonuses for biomethane the Office proceeds under the Act about Prices.

(3) The Office shall establish the green bonus for biomethane in such a way so that, for the year in which the biomethane production plant is commissioned, it amounted to more than CZK 1 700/MWh of combustion heat.

Article 36

Financing of biomethane promotion

(1) The Office includes the costs associated with the biomethane promotion into the component of the price for gas transportation and price for gas the distribution, to cover the costs associated with biomethane promotion.

(2) The market operator is entitled for reimbursement of the costs associated with promotion for biomethane. These costs are to the market operator reimbursed by operators of distribution systems and by the transmission system operator from funds forming a component of the price for transport of gas and the price for gas distribution, to cover the costs associated with promotion of biomethane.

(3) The market operator charges the distribution systems operators and the transmission system operator the component of the price for gas transmission and price for gas, to cover the costs associated with promotion for biomethane in the manner and terms set down by implementing legal regulation, and the distribution

system operator and the transmission system operator is obliged to pay it.

(4) The market operator keeps the funding for ensuring the biomethane promotion on a special account.

(5) The Office provides the market operator with data on holders of licenses for gas production and data from the issued decisions about granting of such licenses to the extent necessary for his activities.

CHAPTER VIII

PROMOTION OF DECENTRALIZED ELECTRICITY GENERATION

Article 37

Promotion for decentralized electricity generation

(1) Promotion for decentralized generation of electricity applies to the electricity produced in the electricity generating plants on the territory of the Czech Republic connected to the distribution system directly or through a supply point or through another electricity generating plant connected to the distribution system (hereinafter referred to as "connected to the distribution system ") and delivered to the distribution system.

(2) Promotion of decentralized generation of electricity is provided for the amount of electricity measured ¹²⁾ at the supply point of decentralized electricity generating plant and distribution system under another legal regulation ⁵⁾.

(3) Promotion of decentralized generation of electricity is not provided in the case of unauthorized electricity supply to the distribution system under another legal regulation ⁸⁾.

Section 38

Rights and obligations of entities in the decentralized electricity generation market

(1) The right to support of electricity from decentralized generation as provided in this Act shall only apply to holders of the licence for electricity production.

(2) The operator of the distribution system shall register a transfer point of the decentralized power generating plant, which becomes entitled to support of decentralized electricity generation as provided in this

Act, connected to the distribution system as a production transfer point in the market operator's system, and further register any changes to such data in accordance with another legal regulation¹⁰).

Section 39

Support of decentralized electricity generation

(1) Decentralized generation of electricity is supported by payment of bonus for decentralized generation of electricity.

(2) The electricity producer from a decentralized generating plant, which becomes entitled to support of decentralized electricity generation as provided in this Act, shall register directly in the market operator's system bonus payment for decentralized electricity generation. The process of registration of bonus payment for decentralized electricity generation is provided in the implementing regulation.

(3) In case of electricity generated from renewable sources, secondary sources, high-efficiency combined heat and power production and a decentralized power generating plant, there is a possibility of concurrent electricity support by means of green bonuses for electricity and bonuses for decentralized electricity generation.

(4) The scope and amount of support for decentralized electricity generation shall be determined by the Office as provided in this Act in the price decision.

Section 40

Bonus for decentralized electricity generation

(1) The bonus payment for decentralized electricity generation is set in CZK/MWh and granted on a yearly basis.

(2) If requested by the electrical power producer generating electricity in a power generating plant connected to the distribution system, the market operator shall pay a bonus to the electrical power producer for decentralized electricity generation based on the account as provided in Para. 3 below.

(3) The bonus accounting for decentralized electricity generation is based on measured data of electricity at the transfer point of the decentralized power generating plant and the distribution system and recorded by the market operator. If the electricity producer does not provide electricity data measured at the transfer point of the decentralized power generating plant and the

distribution system to the market operator, no entitlement to bonus payment for decentralized electricity generation shall arise.

Section 41

Support conditions of decentralized electricity generation

(1) The basic time period for evaluation and accounting of bonus for decentralized electricity generation shall be 1 month, or its full multiples. In case of decentralized power generating plants with installed capacity less than 10 kW, a quarter shall be the basic time period.

(2) For support of decentralized electricity generation, the operator of the distribution system shall submit in electronic form to the market operator the measured data at the transfer point of the decentralized power generating plant, which becomes entitled to support of decentralized electricity generation as provided in this Act, and the distribution system operated by it, broken down into transfer points of decentralized power generating plants and maintain the records. The method of submission and accounting of measured electricity data as provided in the first sentence of this clause shall be defined in the implementing regulation.

Section 42

Bonus amounts for decentralized electricity generation

(1) The Office shall determine the amount of annual bonus payment for decentralized electricity generation in the given calendar year for the next calendar year in accordance with Section 1 Para. 3 and Section 39 Para. 4

(2) The Office shall determine the amount of annual bonus payment for decentralized electricity generation in view of voltage level to which electricity is supplied from the power generating plant, which becomes entitled to support of decentralized electricity generation as provided in this Act.

- a) in view of estimated cost savings for loss of the distribution system operator in comparison with the state given that electricity would not be supplied to the distribution system from all power generating plants currently connected to the distribution grid, and
- b) to include in the price for electricity distribution at most a half the estimated cost savings for loss of the distribution system operator as provided in b) above.

(3) The Office shall comply with the Price Act to determine the amount of annual bonus payment for decentralized electricity generation.

Section 43

Financing of support for decentralized electricity generation

(1) The costs associated with support of decentralized electricity generation as provided in Section 42 Para. 2 Item c) of this Act shall be included by the Office in the price component for electricity distribution.

(2) The market operator shall be entitled to reimbursement of costs associated with support of decentralized electricity generation as provided in Para. 1 above. These costs are paid to the market operator by operators of the distribution systems using funds comprised in the price component for electricity distribution associated with support of decentralized electricity generation.

(3) The market operator shall charge the operators of the distribution systems the price component for electricity distribution associated with support of decentralized electricity generation in a manner and on dates as specified in the implementing regulation, and the distribution system operator shall pay the price.

(4) The market operator shall maintain funds on a special account to provide support for decentralized electricity generation.

CHAPTER IX

REQUIREMENTS FOR ISSUE, REGISTRATION AND

RECOGNITION OF GUARANTEES OF ORIGIN OF ELECTRICITY PRODUCED FROM RENEWABLE ENERGY SOURCES AND CERTIFICATES OF ORIGIN OF ELECTRICITY FROM HIGH-EFFICIENCY COMBINED HEAT AND POWER PRODUCTION OR SECONDARY SOURCES

Section 44

Guarantee of origin of electricity from renewable sources

Guarantee of origin of electricity produced from renewable energy sources (hereinafter referred to as “Guarantee of Origin”) proves that given percentage of electricity or given amount of electricity were produced from renewable energy source and it is used to prove the

origin of electricity produced from renewable energy sources for a closed period.

Section 45

Issue, registration and recognition of guarantee of origin

(1) Guarantee of Origin shall be issued in electronic form by the market operator in response to a request from a producer of electricity from renewable sources.

The producer of electricity from renewable sources may request a Guarantee no later than 12 months from realized production of electricity.

(3) Issued Guarantees of Origin shall be registered by the market operator.

(4) The producer of electricity from renewable sources who has submitted a request for a Guarantee of Origin shall

- a) submit to the market operator in electronic form true and complete data as necessary to issue a Guarantee of Origin and data used for verification,
- b) verify the values and data necessary to issue a Guarantee of Origin in response to a request of the market operator, and
- c) pay the market operator the price for issue of a Guarantee of Origin published in a manner to allow remote access.

(5) Guarantee of Origin issued in another member state of the European Union shall be valid as a Guarantee of Origin as provided in this Act. In case of doubt whether Guarantees of Origin issued in another member state of the European Union are true and correct, the market operator shall be authorized to verify, or not recognize such Guarantees as Guarantees of Origin as provided in this Act, and notify the Ministry thereof. The Ministry shall advise the Commission of the European Unit of non-recognition of a Guarantee of Origin, incl. justification.

(6) A sample request for a Guarantee of Origin and the requirements to issue and recognize GO shall be specified in the implementing regulation.

Section 46

Certificate of origin of electricity from high-efficiency combined heat and power production or secondary sources of energy

Certificate of origin of electricity from high-efficiency combined heat and power production or secondary sources of energy (hereinafter referred to as “Certificate of Origin”) shall prove the capability of installation to generate electricity from combined heat and power production or secondary sources.

Section 47

Issue and registration of certificates of origin

(1) Certificate of Origin shall be issued by the Ministry in response to a request from a producer of electricity from secondary sources or a producer of electricity from high-efficiency combined heat and power production.

(2) Issued Certificates of Origin shall be registered by the Ministry.

(3) The producer of electricity from secondary sources of energy or the producer of electricity from high-efficiency combined heat and power production who has submitted a request for a Certificate of Origin shall provide to the Ministry true and complete data necessary to issue a Certificate of Origin.

(4) A sample request for Certificate of Origin shall be provided in the implementing regulation.

CHAPTER X

JOINT PROVISIONS

Section 48

Enforcement

The compliance with this Act, except of payment administration, shall be enforced by the State Energy Inspection.

Section 49

Administrative offence of legal entities and natural persons in business

(1) A legal entity or a natural person in business shall commit an administrative offence provided that

- a) as a transmission grid operator or a distribution system operator, it fails to meet the obligation as provided in Section 7 Para. 1 or 2,
- b) as a producer, it fails to meet the obligation as provided in Section 7 Para. 4,
- c) as a producer or importer of biomass, bioliquid or

biogas fuel, it fails to meet the obligation as provided in Section 7 Para. 5,

- d) as a transmission grid operator or a distribution system operator, it fails to meet the obligation as provided in Section 7 Para. 6,
- e) as a purchaser, it fails to meet the obligation as provided in Section 9 Para. 2,
- f) as an obliged purchaser, it fails to meet the obligation as provided in Section 10 Para. 2,
- g) as a producer, it fails to meet some obligation as provided in Section 11 Para. 3 or 4,
- h) as a transmission grid operator or a distribution system operator, it fails to meet the obligation as provided in Section 11 Para. 5,
- i) as a producer, it fails to meet some obligation as provided in Section 11 Para. 6,
- j) as a producer, it fails to meet some obligation as provided in Section 11 Para. 7,
- k) as a producer, it fails to meet the obligation as provided in Section 11 Para.8,
- l) as a producer, it fails to meet the obligation as provided in Section 11 Para. 9,
- m) as an obliged purchaser, it fails to meet the obligations as provided in Section 11 Para. 9, 10, 11 or 12,
- n) as a purchaser, it fails to meet the obligation as provided in Section 11 Para. 10,
- o) as a regional distribution system operator or a transmission grid operator, it fails to meet the obligation as provided in Section 13 Para. 1,
- p) as a transfer payer, it fails to meet the obligation as provided in Section 20 Para. 1 or 2,
- q) as a heat producer, it fails to meet the obligation as provided in Section 23 Para. 7,
- r) as a heat producer, it fails to meet the obligation as provided in Section 25 Para. 4,
- s) as a heat distribution licence holder, it fails to meet the obligation as provided in Section 27 Para. 1,
- t) as a heat producer, it fails to meet the obligation as provided in Section 27 Para. 3, 4, 6 or 7,

- u) as a heat producer or biomass fuel importer, it fails to meet the obligation as provided in Section 27 Para. 5,
- v) as a transmission grid operator or a distribution system operator or an underground gas storage operator, it fails to meet some obligation as provided in Section 31 Para. 1, 3 or 6,
- w) as a biomethane producer, it fails to meet the obligation as provided in Section 31 Para. 5,
- x) as a biomethane producer, it fails to meet the obligation as provided in Section 32 Para. 2,
- y) as a biomethane purchaser, it fails to meet the obligation as provided in Section 33 Para. 2,
- z) as a biomethane producer, it fails to meet the obligation as provided in Section 34 Para. 2 and 3,
- aa) as a distribution system operator, it fails to meet the obligation as provided in Section 38 Para. 2,
- bb) as an electricity producer connected to the distribution system, it fails to meet the obligation as provided in Section 39 Para. 2,
- cc) as a distribution system operator, it fails to meet the obligation as provided in Section 41 Para. 2,
- dd) as a producer of electricity from renewable energy sources requesting for issue of a Guarantee of Origin, it fails to meet the obligation as provided in Section 45 Para. 4, or
- ee) as a producer of electricity from secondary energy sources or a producer of electricity from high-efficiency combined heat and power production requesting for issue of a Certificate of Origin, it fails to meet the obligation as provided in Section 47 Para. 3.

(2) A penalty of up to 5,000,000 CZK can be imposed for an administrative offence as provided in Para. 1 above. The amount of penalty for an administrative offence as provided in Para. 1 Item b), c), g), i), j), k), l), q), t), u), v), w), x), y), z), bb) and dd) shall be twice as much if the same administrative offence has been committed repeatedly. An administrative offence has been committed repeatedly if the same administrative offence is committed before the expiry of 5 years from the date on which the decision imposing a penalty for an administrative offence becomes final. In parallel with penalty, the State Energy Inspection

may decide to impose a corrective action aimed at correcting the mischief and set a reasonable time to correct it.

Section 50

Joint provisions to administrative offences

(1) A legal entity shall not be liable for an administrative offence if proved that it has used all the best efforts as practicably possible to prevent a breach of legal obligation.

(2) When assessing the amount of penalty to the legal entity, the gravity of an administrative offence shall be taken into account, in particular the way of commission and its consequences and circumstances under which it was committed.

(3) The liability of a legal entity for an administrative offence is extinguished if the administrative authority did not start the offence procedure within 2 years from the date it became known to it, but no later than 3 years from the date it was committed.

(4) An administrative offence as provided in this Act shall be dealt with in the first instance by the Regional Inspectorate of the State Energy Inspection. An appeal against the penalty imposed shall be resolved by the Central Inspectorate of the State Energy Inspection.

(5) The liability for any acts resulting from business of a natural person²¹, or in direct connection therewith, shall be subject to the provisions of the Act on liability of and recourse against legal entities.

Section 51

Unauthorized use of support

In case of unauthorized use of electricity support, support of decentralized electricity generation, operating support of heat or biomethane support in connection with commitment of an administrative offence as provided in this Act, the electricity support, support of decentralized electricity generation, operating support of heat or biomethane support used without authorization shall be returned by the producer, or producer connected to the distribution system, or heat producer, or biomethane producer. The State Energy Inspection shall notify the market operator thereof without any unnecessary delay. At the same time, the producer, or producer connected to

²¹ Section 2 Para. 2 of the Commercial Code

the distribution system, or heat producer, or biomethane producer shall pay a penalty of 0.1 % per day of the unauthorized use of electricity support, support of decentralized electricity generation, operating support of heat or biomethane support for a period that the producer, or producer connected to the distribution system, or heat producer, or biomethane producer used electricity support, support of decentralized electricity generation, operating support of heat or biomethane support without authorization until it was paid to the market operator. The penalty shall be the income of the market operator. The electricity support, support of decentralized electricity generation, operating support of heat or biomethane support used without authorization shall be paid by the producer, or producer connected to the distribution system, or heat producer, or biomethane producer to the market operator within 30 days after the decision that an administrative offence was committed became final.

Section 52

Dispute resolution

- (1) The Office shall resolve any disputes related to support of electricity produced from renewable sources, electricity from secondary sources of energy, or electricity from high-efficiency combined heat and power production, support of decentralized electricity generation, support of heat and biomethane.
- (2) The Office shall resolve any other disputes regarding the compliance with the monetary obligation set forth in this Act or agreed thereupon, or the obligation to return any authorized used support as provided in Section 51.

Section 53

Authority to issue implementing regulations

(1) The Ministry laid down in a Decree

- a) types and parameters of supported renewable energy sources and methods of their use for electricity generation from renewable sources, or heat from renewable sources, or production of biomethane, including the method and reporting the amount of purposely grown biomass on arable land and grassland during biogas production,
- b) minimum efficiency of energy utilization in power generating plants eligible for support of electricity from renewable sources or secondary sources, and the minimum efficiency of energy utilization in heat

generating plants eligible for support of heat from renewable sources

- c) method of measurement and calculation of the electricity amount produced from renewable or secondary energy sources in generation of electricity from renewable sources or secondary sources together with non-renewable energy sources,
- d) method of reporting the amount of electricity produced from renewable sources and non-renewable sources, and the amount of heat produced from renewable sources and secondary sources, and the actual acquisition of a renewable source amount and its quality, or the actual utilization of all acquired amounts of renewable sources,
- e) method of keeping and retaining documents and records of fuel used to generate electricity and heat from renewable sources and the production of biomethane, and of the production method for this fuel,
- f) sample request for a Guarantee of Origin with respect to electricity produced from renewable energy sources, and the requirements to issue and recognize GO,
- g) sample request for a Certificate of Origin with respect to electricity from high-efficiency combined heat and power production or secondary energy sources, and the requirements to issue and recognize CO,
- h) method to determine the amount of electricity from high-efficiency combined heat and power production and electricity from secondary energy sources and dates and the scope of data provided to determine electricity from high-efficiency combined heat and power production and electricity from secondary energy sources,
- i) biologically decomposable and indecomposable portion of non-sorted municipal waste in energy content of municipal waste,
- j) requirements for quality, odorization and pressure of produced biomethane,
- k) method of measurement of biomethane and biomethane quality at the transfer point of a biomethane production plant and the distribution or transmission grid or underground gas storage,
- l) method of keeping and retaining documents and records of used types of biomass, biogas and bioliquids and of the method of their use for fuel production,
- m) sustainability criteria for bioliquids,

- n) method of delivery and accounting of measured or calculated data of electricity from supported energy sources and verification of calculated values for support by means of green bonus to electricity,
 - o) method of delivery and accounting of measured data of electricity from supported energy sources for support by means of purchase prices,
 - p) method and process of measurement, delivery and accounting of measured data of heat produced and supplied from renewable energy sources to the heat distribution system by a heat generating plant,
 - q) method of registration of the transfer point of heat generated by a heat generating plant to the distribution heat system and its changes for support by means of green bonus to heat,
 - r) method and process of delivery and accounting of measured biomethane data,
 - s) method and process of delivery and accounting of electricity data measured in an electricity generating plant, which becomes entitled to support of decentralized electricity generation, and
 - t) method and process of commissioning of an electricity generating plant.
- j) method and billing and payment dates of gas transportation price and gas distribution price to cover the costs associated with biomethane support,
 - k) method and billing and payment dates of electricity distribution price associated with support for decentralized electricity generation,
 - l) method to determine the hourly green bonus to electricity, and hourly price, and price for activity of the obliged purchaser,
 - m) date on which electricity is offered by the producer of electricity from renewable energy sources to the obliged purchaser, and
 - n) dates and method of notification from the obliged purchaser or purchaser to the producer that negative price on the daily electricity market was achieved and in case of circumstances where supply and demand for electricity on the daily market are not reconciled.

ARTICLE 54

Transitional provisions

- (2) The Ministry laid down in a Decree
- a) technical and economic parameters to set purchase prices of the individual renewable sources of energy for electricity generation,
 - b) lifetime of electricity generating plants using supported energy sources,
 - c) dates and procedures of selection of electricity support from the market operator,
 - d) process of registration of electricity support with the market operator,
 - e) dates and procedures of selection and changes of modes for green bonus to electricity,
 - f) process of registration of heat operating support and biomethane support with the market operator,
 - g) process of support registration based on bonus to decentralized electricity generation with the market operator,
 - h) method and process to determine the difference between hourly price and purchase price and its payment to the market operator,
 - i) method and billing and payment dates of electricity transmission price and electricity distribution price to cover the costs associated with electricity support,
- (1) For electricity from electricity generation plants put into operation before the date this Act comes into force, for which an entitlement to the promotion of electricity by purchase prices under the existing law was established, there shall be an entitlement to the promotion of electricity by purchase price under this Act. The obligation of a mandatory purchaser to purchase according to Article 10 (2) shall apply to the purchase of electricity from these generation plants. The Office shall determine the level of promotion of electricity from these electricity generation plants in such way that its total amount complies with the procedures for determining the purchase price level under the existing laws and takes into consideration the cases of achieving a negative hourly rate according to Article 11 (9) and the cases where no equality between supply and demand on the daily electricity market organized by the market operator is reached according to Article 11(10). Provisions under Article 4 (4, 5 and 8) and Article 12 (7) hereof do not apply to the electricity generation plants under the first, the second and the third sentence above. Producer of electricity under the first sentence has once more the right to choose the promotion of electricity by purchase prices

on the dates and by the methods in stipulated hereby even in the case where, after this Act comes into force, the producer of electricity chooses the promotion of electricity by green bonuses for electricity.

(2) For electricity from electricity generation plants put into operation before the date this Act comes into force, for which an entitlement to the promotion of electricity by green bonuses under the existing law was established, there shall be an entitlement to the promotion of electricity in the form of annual green bonuses for electricity under this Act. The obligation of a mandatory purchaser to purchase according to Article 10 (2) shall apply to the purchase of electricity from these generation plants. For electricity from these electricity generation plants, the Office shall proceed with the determination of the green bonuses for electricity or with the method of their determination in such way that its amount complies with the procedures for the determination of the green bonuses level under the existing law. Provisions under Article 4 (4, 5 and 8) and Article 12 (7) hereof do not apply to the electricity generation plants under the first, the second and the third sentence above. Producer of electricity under the first sentence has the right to choose the promotion of electricity by purchase prices, except for production of electricity generated in combination from a renewable source and a non-renewable source of energy, on the dates and by methods in accordance with this Act.

(3) If a producer connects a electricity generation plant, yet not connected to the transmission or distribution system and put into operation before the date this Act comes into force, to the transmission or distribution system, the producer is entitled to the promotion of electricity under this Act. For the purpose of promotion of electricity determination such electricity generation plant shall be deemed as an electricity generation plant put into operation in 2011. The entitlement to the promotion is only established for electricity generation plants that claimed the promotion in accordance with Act No. 180/2005 Coll., on the promotion of electricity production from renewable energy sources and amending certain acts (Act on Promotion of Use of Renewable Sources) as effective before Act No. 330/2010 Coll. came into force.

(4) For electricity from electricity generation plants put into operation before the date this Act comes into force, for which an entitlement to the contribution to the price of electricity from the high-efficient combined generation of electricity and heat or the electricity from secondary sources was established in accordance with the existing law, there shall be an entitlement to promotion of electricity in the form of annual green bonuses for electricity in accordance with this Act. Provisions of Article 5 (3) hereof do not apply to electricity generation plants under the first sentence.

(5) For electricity from electricity generation plants put into operation before the date this Act comes into force, for which an entitlement to the promotion of electricity under the existing law was established, the entitlement to promotion of electricity in accordance to this Act remains over the life of the electricity generation plant under the existing law. Provisions of Article 3 shall not be affected.

(6) In case of electricity generated in combination from a renewable source and a non-renewable source, unless it concerns the high-efficient combined generation of electricity and heat, the promotion of electricity shall remain, under the existing law, until 31 December 2015.

(7) Guarantees of origin and certificates of origin issued before the date of publication of this Act in the Collection of Laws shall be deemed as guarantees of origin and certificates of origin under this Act.

(8) For the levy period of December 2012 the levy-payer appointed in accordance to the existing law is obliged to pay the levies and to present the levy statement within 25 days after the date this Act comes into force.

(9) Contracts on supply of electricity concluded under the existing laws between the transmission system operator or the operator of the regional distribution system and the producer, the subject matter of which is a supply of electricity purchased by the transmission system operator or the operator of the regional distribution system under the promotion by purchase prices, shall expire on 31

December 2012. The purchase price for the electricity generated during the time period of evaluation and settlement of the electricity purchase agreed in these contracts, which expired by the date this Act comes into force, shall be paid to the producer by the transmission system operator or the operator of the regional distribution system. The time period that was due to expire after this Act comes into force shall expire on 31 December 2012. Documents, on the basis of which the transmission system operator or the operator of the regional distribution system shall pay the producer the purchase price for electricity generated during the time period of evaluation and settlement of the electricity purchase agreed in these contracts, which expired by the date this Act comes into force, shall be handed over by the producer to the transmission system operator or the operator of the regional distribution system by 5 January 2013.

(10) Agreements between the transmission system operator or the operator of the regional distribution system and the producer regarding the payment of the green bonus shall expire on 31 December 2012. The green bonus for electricity generated during the time period of evaluation and settlement of the green bonus agreed between the transmission system operator or the operator of the regional distribution system and the producer, which expired by the date this Act comes into force, shall be paid to the producer by the transmission system operator or the operator of the regional distribution system. The time period that was due to expire after this Act comes into force shall expire on 31 December 2012. The measured or calculated data on the amount of electricity generated by the producer and other documents, on the basis of which the transmission system operator or the operator of the regional distribution system shall pay the producer the green bonus for electricity generated during the time period of evaluation and settlement of the green bonus agreed between the transmission system operator or the operator of the regional distribution system and the producer, which expired by the date this Act comes into force, shall be handed over by the producer to the transmission system operator or the operator of the regional distribution system by 5 January 2013.

(11) Agreements between the transmission system operator or the operator of the regional distribution system and the producer regarding the payment of the contribution to the price of electricity from combined generation of electricity and heat or generated from secondary sources shall expire on 31 December 2012. The contribution to the price of electricity from combined generation of electricity and heat and/or generated from secondary sources during the time period of evaluation and settlement of the contribution to the price of electricity from combined generation of electricity and heat or generated from secondary sources agreed between the transmission system operator or the operator of the regional distribution system and the producer, which expired by the date this Act comes into force, shall be paid to the producer by the transmission system operator or the operator of the regional distribution system. The time period that was due to expire after this Act comes into force shall expire on 31 December 2012. The measured or calculated data on the amount of electricity generated by the producer and other documents, on the basis of which the transmission system operator or the operator of the regional distribution system shall pay the producer the contribution to the price of electricity from combined generation of electricity and heat or generated from secondary sources during the time period of evaluation and settlement of the contribution to the price of electricity from combined generation of electricity and heat or generated from secondary sources as agreed between the transmission system operator or the operator of the regional distribution system and the producer, which expired by the date this Act comes into force, shall be handed over by the producer to the transmission system operator or the operator of the regional distribution system by 5 January 2013.

(12) The rights and obligations of the transmission system operator or the operator of the regional distribution system that arise from the payment of the purchase price in accordance with Article 9, the payment of the green bonus in accordance with Article (10) and the payment of contributions to the price of electricity from combined generation of electricity and heat or generated from secondary sources in accordance with Article 11, in cases where the producer does not hand over documents on the basis of which the transmission system operator or the operator of the regional distribution system shall pay the producer the purchase price, or where the producer does not hand over the

measured or calculated data on the amount of electricity generated by the producer and other documents, on the basis of which the transmission system operator or the operator of the regional distribution system shall pay the producer the green bonus, or where the producer does not hand over the measured or calculated data on the amount of electricity generated by the producer and other documents, on the basis of which the transmission system operator or the operator of the regional distribution system shall pay the producer the contribution to the price of electricity from combined generation of electricity and heat or generated from secondary sources by 28 February 2013, shall be passed to the market operator from 1 March 2013.

(13) The rights and obligations of the transmission system operator or the operator of the regional distribution system that arise before this Act comes into force on the ground that the transmission system operator or the operator of the regional distribution system refused to fully or partly recognize the producer's entitlement to the purchase price or the green bonus or the contribution to the price of electricity from combined generation of electricity and heat or generated from secondary sources, shall be passed to the market operator as from the date this Act comes into force.

(14) Producer from the electricity generation plant put into operation before the date this Act comes into force that, by the date this Act comes into force, exercised the promotion of electricity in the form of green bonuses according to the existing law, until the time of change of the form of promotion realized on the basis of an application for change of the form of promotion submitted by the producer in accordance with Article 8 (5) hereof, shall be, within 30 days from the date this Act comes into force, registered by the transmission system operator or the operator of the regional distribution system at the market operator as a producer with the promotion in the form of annual green bonuses for electricity. Producer of the electricity generation plant put into operation before the date this Act comes into force that, by the date this Act comes into force, exercised the promotion of electricity in the form of purchase prices according to the existing law, until the time of change of the form of promotion realized on the basis of an application for change of the form of promotion

submitted by the producer in accordance with Article 8 (5) hereof, shall be, within 30 days from the date this Act comes into force, registered by the transmission system operator or the operator of the regional distribution system at the market operator as a producer with the promotion in the form of purchase prices.

(15) Provisions of Article 4 (4 and 5 b) and c)) and Article 5 (3) hereof do not apply to plants generating electricity from renewable and secondary sources put into operation within 24 months after the date of publication of this Act in the Collection of Laws.

(16) To electricity produced in electricity generation plants using the solar radiation on the territory of the Czech Republic that are connected to the electrification system of the Czech Republic through an electrification system of a neighbour state and that were put into operation before the date of entry into force of Act No. 180/2005 Coll., on the promotion of electricity production from renewable energy sources and amending certain acts (Act on Promotion of Use of Renewable Sources), as amended by Act No. 330/ /2010 Coll., the provisions of Article 4 (2) hereof do not apply. For the purpose of the promotion of electricity determination such electricity generation plant is deemed as an electricity generation plant put into operation on the date it was connected to an electrification system of a neighbour state in compliance with a connection contract.

(17) To electricity produced from renewable sources in electricity generation plants on the territory of the Czech Republic that are not connected to the electrification system of the Czech Republic directly or through and offtake point or through other electricity generation plant connected to the electrification system of the Czech Republic and that were put into operation before the date this Act comes into force, the provisions of Article 4 (2) hereof do not apply. For the purpose of the promotion of electricity determination such electricity generation plant is deemed as an electricity generation plant put into operation on the date it started to generate electricity for which it gained promotion under Act No. 180/2005 Coll., on the promotion of electricity production from renewable energy sources and amending certain acts (Act on Promotion of Use of Renewable Sources), as amended

before the Act No. 330/ /2010 Coll. came into force. The right for promotion arises only for such producers of electricity that exercised the right for promotion according to Act No. 180/2005 Coll., on the promotion of electricity production from renewable energy sources and amending certain acts (Act on Promotion of Use of Renewable Sources), as amended before the Act No. 330/ /2010 Coll. came into force.

(18) Correction factors related to the promotion of electricity from renewable sources, combined generation of electricity and heat and secondary energy sources¹⁷⁾ that belongs to the transmission system operator and the operator of the regional distribution system for the last two calendar years immediately preceding the year in which this Act came into force, shall be determined by the Office in compliance with other legislation which governs the methods of prices regulation in the energy industries and the processes for prices regulation¹⁷⁾ as in force on 31 December 2012. The Office shall adjust the part of the price for electricity transmission and the price for electricity distribution by thus determined correction factors to cover costs associated with the promotion of electricity charged by the market operator to the operator of the regional distribution system and the transmission system operator according to Article 13 (1), no later than by the end of the second calendar year following the calendar year in which this Act came into force.

(19) If an applicant for a connection obtained a reservation of capacity for the purpose of connecting a electricity generation plant that uses solar energy to generate electricity to the transmission or distribution system before 1 April 2010 and such electricity generation plant does not meet the conditions stipulated in Article 3 (5) of Act No. 180/2005 Coll., on the promotion of electricity production from renewable energy sources and amending certain acts (Act on Promotion of Use of Renewable Sources), as amended by Act No. 330/ /2010 Coll., and by the date of publication of this Act the applicant for a connection has no licence for electricity production in such electricity generation plant, the reservation of capacity expires by the date of publication of this Act. On the date of the reservation of capacity expiration the right to connection of this electricity generation plant to the electrification system of the Czech Republic expires. The obligation of the

transmission system operator or the operator of the distribution system to return to the applicant for connection the paid share of the eligible costs of the connection, as well as the obligation of the applicant for connection to reimburse the transmission system operator or the operator of the distribution system costs incurred in connection remain unaffected.

(20) The Office shall determine the green bonus level for heat according to Article 26 and the bonus for decentralized electricity production according to Article 42 of this Act for the first time for 2013.

Section 55

Repealing Clause

The following is cancelled:

1. Act 180/2005 Coll., on the promotion of electricity production from renewable energy sources and amending certain acts (Act on Promotion of Use of Renewable Sources).
2. Act 137/2010 Coll., amending Act 180/2005 Coll., on the promotion of electricity production from renewable energy sources and amending certain acts (Act on Promotion of Use of Renewable Sources).
3. Act 330/2010 Coll., amending Act 180/2005 Coll., on the promotion of electricity production from renewable energy sources and amending certain acts (Act on Promotion of Use of Renewable Sources), as amended by subsequent regulations.

PART TWO

Amendments to Energy Management Act

Section 56

Act 406/2000 Coll., on Energy Management, as amended by Act 359/2003 Coll., Act 694/2004 Coll., Act 180/2005 Coll., Act 177/2006 Coll., Act 186/2006 Coll., Act 214/2006 Coll., Act 574/2006 Coll., Act 393/2007 Coll., Act 124/2008 Coll., Act 223/2009 Coll., Act 299/2011 Coll. and Act 53/2012 Coll., is hereby amended as follows:

1. In Section 1 (b), the words “and secondary” shall be inserted after the word “renewable”.
2. In Section 1 (c) the words “energy appliances” shall be replaced with the words “products related to energy consumption”.

3. In Section 1, the full stop at the end of the provision of letter d) shall be replaced by a comma and letter e) shall be added, with the following wording:

“e) Requirements for information and education in the field of energy saving and the use of renewable and secondary sources.”.

4. In Section 2 (1) (b), the words “from waste water treatment plants” shall be inserted after the words “energy of sludge gas”.

5. In Section 2 (1) (c), the words “including degasifying and mine gas” shall be inserted after the words “bituminous rocks”.

6. In Section 2 (1) (f), the word “construction” shall be cancelled.

7. Section 2 (1) (j) shall have the following wording:

“j) Central heating or cooling of heating or cooling, where the source of heating or cooling is located outside the heated or cooled premises and serves for the heating or cooling of multi residential or non-residential premises”.

8. In Section 2 (1) (q), the words “taking place” shall be followed by the word “on”.

9. In Section 2 (1), the full stop at the end of the provision of letter r) shall be replaced by a comma and letter r) shall be added, with the following wording:

“r) Fundamental change of a completed building shall mean such a change in a completed building that covers more than 75% of the total area of the building envelope, or such a change in the building’s technical installations with energy effects, where the initial total of the energy consumption in question is higher than 75% of the total energy consumption.”.

10. In Section 4 (5) the words “it is especially necessary to evaluate the suitability of heating and cooling using renewable energy sources in the local infrastructure” shall be added at the end of the provision of letter c).

11. In the heading of Title III, the words “and secondary” shall be inserted after the word “renewable”.

12. In Section 5 (1), the words “and secondary” shall be inserted after the word “use of renewable”.

13. In section 5 (4) (b), the words “and also secondary energy sources” shall be cancelled.

14. In Section 5 (4) the words “, the use and benefits of renewable and secondary sources of energy” shall be added at the end of the provision of letter g).

15. In Section 5 (4) (h), the words “and secondary” shall be inserted after the word “renewable”.

16. In Section 5 (4) (k) the words “energy appliances” shall be replaced with the words “products related to energy consumption”.

17. In Section 5, the full stop at the end of the provision of paragraph 4) shall be replaced by a comma and letter l) shall be added, with the following wording:

“l) Development of energy-efficient buildings.”.

18. In Section 6 (10) the words “energy appliances” shall be replaced with the words “products related to energy consumption”, and the word “appliance” shall be replaced with the word “product”.

19. In Section 6, paragraph 11 shall be added, with the following wording:

“(11) The supplier of equipment for the production of energy from renewable sources, especially boilers and stoves burning bio-mass, solar photovoltaic and solar thermal systems, shallow geothermal systems and heat pumps, must provide true and unbiased information about the expected benefits and annual operating costs of these systems, including their energy efficiency, in the accompanying technical documents or instructions for use.”.

20. In Section 6 (4), the introductory part of the provision shall read: “The license must include the results of the assessment of the technical, environmental and economic feasibility of the renewable sources of energy and alternative systems, which are:”.

21. In Section 6a, paragraph (4) (c) shall have the following wording:

“c) the supply of heat or cooling energy from the thermal energy supply system,”.

22. In Section 6a (4) the words “and solar collectors” shall be added at the end of the provision of letter d).

23. In Section 6 (5), the words “, including the use of energy audits already processed according to Section 9,” are cancelled.

24. In Section 6 (6), the words “if they become obliged to have a licence processed according to paragraph 2,” shall be added after the words “1 000 sq metres”.

25. In Section 6a, paragraph 12 shall be added, with the following wording:

“(12) In new public administration buildings and upon major renovations of existing public administration buildings in the event of technical, economic and environmental feasibility of the installation of renewable energy sources resulting from the licence, the developer or the building owner shall be obliged to install such sources. This obligation may also be fulfilled by the construction of buildings with zero energy consumption or using the supplies of thermal energy from a thermal energy supply system in which more than a half of the

thermal energy was produced from renewable sources during the previous calendar year.”.

26. In Section 6a, paragraph 13 shall be added, with the following wording:

“(13) In new buildings and upon major renovations of existing buildings in the event of technical, economic and environmental feasibility of the installation of renewable energy sources resulting from the licence, the developer, building owner or the association of flat owners shall be obliged to install such sources. This obligation may also be fulfilled by the construction of buildings with zero energy consumption or using the supplies of thermal energy from a thermal energy supply system in which more than a half of the thermal energy was produced from renewable sources during the previous calendar year.”.

27. In Section 7, paragraph 4 shall be cancelled.

28. In Section 8 (1), the words “European Union” shall be replaced by the words “European Union or the implementing legal regulation;”.

29. In Section 8 (2) (a) and Section 8 (4) (a), the words “in Czech” shall be inserted after the word “sheet”.

30. In Section 10 (2) the words “in the area of power engineering or building industry” shall be added at the end of the provision of letter c).

31. In Section 10, paragraph 5 shall have the following wording:

“(5) A person is competent to perform energy audits if they have a M.A. or Ph.D. degree in technical sciences and technologies and 3 years of experience in the power engineering and the construction industry, or if they have graduated from a secondary school with a school-leaving examination and have 5 years of experience in the field of power engineering and the construction industry, or if they have graduated from a secondary school and have the appropriate professional qualification pursuant to Act 179/2006 Coll. and 5 years of experience in the power engineering and the construction industry, or a B.A. degree in technical sciences and technologies and 5 years of experience in the power engineering and the construction industry.”.

32. In Section 10 (13), the words “this or” shall be inserted after the words “if so determined by”.

33. In Section 11 (1) the words “and the use of renewable and secondary sources of energy” shall be added at the end of the provision of letter d).

34. In Section 11, the full stop at the end of the provision of paragraph 1) shall be replaced by a comma and letter k) shall be added, with the following wording:

“k) Publishes and updates information on individual forms of support for energy savings and for installations

using energy from renewable and secondary energy sources.”.

35. In Section 12 (1) (f) and in Section 12a (1) (f), the words “12 or 13” shall be added after the words “Section 6a (1)”.

36. In Section 12a, the full stop at the end of the provision of paragraph 1) shall be replaced by a comma and letter n) shall be added, with the following wording:

“n) As a supplier of equipment for the production of energy from renewable sources specified in Section 6 (11) he does not provide true and unbiased information about the expected benefits and annual operating costs of these systems, including their energy efficiency, in the accompanying technical documents or instructions for use.”.

37. In Section 12a (2) (c) the words “energy appliance” shall be replaced with the words “product related to energy consumption”.

38. In Section 14, paragraph 4 shall be cancelled.

Former paragraphs 5 to 7 shall be renumbered as paragraphs 4 to 6.

39. In Section 14, paragraph 4 shall have the following wording:

“(4) The Ministry shall issue a decree for the implementation of Section 6, 6a, Sections 8 - 10 and Section 13.”.

PART THREE

Amendment to Energy Act

Section 57

Act 458/2000 Coll., on business conditions and public administration in the energy sectors and on amendment to other laws (the “Energy Act”), as amended by Act 151/2002 Coll., Act 262/2002 Coll., Act 309/2002 Coll., Act 278/2003 Coll., Act 356/2003 Coll., Act 670/2004 Coll., Act 186/ /2006 Coll., Act 342/2006 Coll., Act 296/2007 Coll., Act 124/2008 Coll., Act 158/2009 Coll., Act 223/2009 Coll., Act 227/2009 Coll., Act 281/2009 Coll., Act 155/2010 Coll., Act 211/2011 Coll., Act 299/2011 Coll., Act 420/2011 and Act 458/2011 Coll., shall be amended as follows:

1. In Section 2 (2) (a), clause 2 shall be cancelled. Existing clauses 3 - 20 shall be renumbered as 2 - 19.

2. In Section 2 (2) (a), clause 5 shall be cancelled. Existing clauses 6 - 19 shall be renumbered as 5 - 18.

3. In Section 2 (2) (c), new clause 10 shall be added after clause 9, with the following wording:

“10. Discharge station shall mean a station for the conversion of the thermal energy parameters for the

needs of one or more buildings; discharge stations are separate objects and are not parts of the buildings where they are located.”

Existing clauses 10 - 14 shall be renumbered as 11 - 15.

4. In Section 2 (2) (c), the comma after the word “networks” in clause 11 shall be replaced with conjunction “a” and the words “and house discharge stations” shall be cancelled.

5. In Section 2 (2) (c), clause 13 shall be cancelled. Existing clauses 14 and 15 shall be renumbered as 13 and 14.

6. In Section 11a, the following sentences shall be added at the end of paragraph 2: “Consumer^{1f)} or an individual undertaker to which the provisions of Section 57 of the Commercial Code apply according to the first sentence, may serve a written notice to withdraw from the agreement for the supply of electricity or gas, signed outside the licence holder’s common business premises, without giving a reason and without being imposed to any penalty, within 5 days prior to the commencement of the electricity or gas supplies. The deadline for exercising the right of withdrawal will be deemed fulfilled if the withdrawal notice is sent prior to the end of the period concerned.”.

Footnote 1f) shall have the following wording:

“1f) Section 52 (3) of Act 40/1964 Coll., Civil Code.”.

7. In Section 16, the full stop at the end of the provision of letter p) shall be replaced by a comma and letters q) to x) shall be added, with the following wording:

“q) Carries out and updates, according to the Commission’s decision, the National Renewable Energy Action Plan of the Czech Republic, including all related information, and submits it to the Commission by the given deadlines,

r) Carries out calculation of the share of energy from renewable sources in the gross final energy consumption, including the processing of all related information, and submits it to the Commission,

s) Is responsible for the negotiation of bilateral and multilateral international agreements on the statistical transmission of energy from renewable sources, or on the creation of a joint project dealing with the use of energy from renewable sources to achieve the binding targets and the set goals, including the processing of related information and its presentation to the Commission and cooperating state,

t) Publishes information regarding various forms of support for electricity from supported sources, promotion of heat from renewable sources, support for bio-methane and support for the distributed generation of electricity,

u) Issues progress reports regarding the promotion and use of energy from renewable sources and combined heat and electricity generation, and submits them to the Commission by the given deadlines,

v) Records the quantity of electricity from supported sources, bio-methane and distributed generation of electricity, and the quantity of heat from renewable sources,

w) Publishes information on the availability of all renewable energy sources for transport and their benefits in terms of environmental protection,

x) Issues certificates of the origin of electricity from high-efficiency cogeneration of electricity and heat, and the electricity from secondary sources.”.

8. In Section 17 (4), the words “support for the combined production of electricity and heating” are replaced by the words “support for bio-methane, support for the distributed generation of electricity.”

9. In Section 18 (4), the following sentences shall be added after the first sentence, including footnote No. 23: “The staff of the Energy Regulatory Office carrying out supervision in the energy industries will present a registration card of the employee of the Energy Regulatory Office, which also serves as proof of their authorization to carry out the inspection²³⁾. Upon the presentation of the registration card of the employee of the Energy Regulatory Office to the person subject to the inspection, the inspection shall be deemed started.

²³⁾ Section 12 (2) (b) of Act 552/1991 Coll., on state inspection, as amended by subsequent regulations.”.

10. In Section 19a (4), the words “of prices for the market operator’s activities and” shall be added after the word “regulation”.

11. In Section 20a (4), the full stop at the end of the provision of letter u) shall be replaced by a comma and letters v) - bb) shall be added, with the following wording:

“v) To process and keep lists of power generation plants, pursuant to which the transmission grid operator or transmission system operator or distribution system operator shall set the term and conditions of connection, and to submit the information to the Ministry and the Office,

w) To pay electricity producers a green bonus for electricity from renewable sources, secondary sources and high-efficiency combined electricity and heat generation,

x) To pay obligatory purchasers the difference between the purchase price and the hourly price, and the price for the purchaser’s operations,

y) To pay the green bonus for heating to the producers of heating,

z) To pay the green bonus for bio-methane to the producers of bio-methane,

aa) To pay electricity producers connected to the distribution grid a bonus to promote distributed generation of electricity,

bb) To issue guarantees of the origin of electricity from renewable sources.”.

12. In Section 24 (7), second sentence, the words “conducted outside emergencies or preventing emergencies” shall be added after the words “according to Section 26 (5)”.

13. Section (24) (10) (a) shall have the following wording:

“a) To determine the conditions and dates of connection for anyone who requests the connection to the transmission grid, and provide transmission for anyone who applies for it, is connected and meets the connection conditions and the Terms and Conditions set out in the Transmission System Operation Rules, except for where there is a demonstrable lack of the capacity of the transmission facility or the safe and reliable operation of the transmission system is threatened.”.

14. In Section 24 (10), the comma at the end of letter w) shall be replaced by a full stop and letter x) shall be cancelled.

15. In Section 25 (4), figure “4” shall be replaced with figure “3”.

16. In Section 25 (5), figure “4” shall be replaced with figure “3”.

17. In Section 25 (6), the words “paragraph 4” shall be replaced with “paragraph 3”.

18. In Section 25 (7), figure “4” shall be replaced with figure “3” and the words “paragraph 6” shall be replaced with “paragraph 5”.

19. In Section 25 (7), second sentence, the words “conducted outside emergencies or preventing emergencies” shall be added after the words “according to Section 26 (5)”.

20. Section (25) (10) (a) shall have the following wording:

“a) To determine the conditions and dates of connection for anyone who requests the connection to the distribution grid, and enable the distribution of electricity for anyone who applies for it, is connected and meets the connection conditions and the Terms and Conditions set out in the Distribution System Operation Rules, except for where there is a demonstrable lack of the capacity of the transmission facility or the reliable and safe operation of the distribution or transmission system is threatened.”.

21. In Section 25, paragraph 12 shall be cancelled.

22. In Section 26 (5), the words “according to the specific act ^{5a)c}”, including the footnote, shall be replaced with the words “according to the act on the supported energy sources conducted outside emergencies or preventing emergencies”.

23. In Section 26 (6), the words “conducted outside emergencies or preventing emergencies” shall be added after the words “during the dispatching proceedings”.

24. In Section 30b (1) the words “including the date and conditions of connection” shall be added at the end of the provision of letter e).

25. Section 32 is cancelled.

26. In Section 50 (3), second sentence, the word “and” following the word “location” shall be replaced by the words “and the conditions regarding the termination of the contract and the liabilities arising from such relationship”.

27. In Section 67 (2), the full stop at the end of the provision of letter d) shall be replaced by a comma and letter e) shall be added, with the following wording:

“e) Gas production plant.”.

28. In Section 78 (1), the last sentence shall have the following wording: “If the discharge station serves for the supplies of heat energy only for one building or for the set of buildings of one consumer, the heat energy measurement¹²) can be installed at the input or output from the discharge station.”.

29. In Section 78 (7), the last sentence is cancelled.

30. Section 80 is cancelled.

31. In Section 87 (3), the word “exchanger” shall be replaced by the word “discharge” and the words “designated for a change in the heat-carrying agent” shall be cancelled.

32. In Section 90 (1) the words “or breaches the ban set out in Section 3 (5)” shall be added at the end of the provision of letter b).

33. In Section 91 (6), letter n) shall have the following wording:

“n) Fails to guarantee the gas delivery safety standard according to Section 73a (1) or fails to provide the market operator and the Energy Regulatory Office with data regarding the extent and method of securing the safety standard under Section 73a (2), or”.

34. In Section 91 (8) (g), the words “fails to meet the conditions according to Section 58d (1)” shall be replaced with the words “fails to meet the conditions according to Section 58d (1) - (3)”.

35. In Section 91 (8) (o), the words “Section 58 (8)” shall be replaced by “Section 58h (8)”.

36. Section 93 (1), including footnote 5a shall have the following wording:

“(1) Upon the proposal of the Ministry, the Energy Regulatory Office, or on its own initiative, the State Energy Inspection checks the compliance with the following

A) Energy Management Act^{5a)},

b) Act on supported energy sources and amending certain laws,

c) Price Act⁴⁾, to the extent according to the law regarding the competences of the Czech Republic bodies regarding pricing¹³⁾.

^{5a)} Act 406/2000 Coll., on energy management, as amended by subsequent regulations.”.

37. In Section 94 (4) the words “energy appliances” shall be replaced with the words “related to energy consumption”.

38. In Section 96, paragraph 8 shall be added, with the following wording:

“(8) Supervision of the compliance of this Act, the Energy Management Act and the Act on Supported Energy Sources and amendments to some acts, in buildings important for the state defence, is carried out by the Ministry of Defence, in buildings serving for the fulfilment of the tasks of the Ministry of the Interior, Czech Police, Police Academy of the Czech Republic, Fire Rescue Service of the Czech Republic, Office for Foreign Relations and Information, Security Intelligence Service and in buildings of the state organizational constituents and contributory organizations established by the Ministry of the Interior the supervision is carried out by the Ministry of the Interior, and in buildings of the Ministry of Justice by the Ministry of Justice. The Ministry of Defence, the Ministry of the Interior and the Ministry of Justice shall carry out the supervision according to Section 18 of this Act and where a penalty is imposed according to Title Three of this Act or Title Five of the Energy Management Act or Title Ten of the Act on Supported Energy Sources.”.

39. In Section 98, paragraph 11 shall be cancelled.

Existing paragraphs 12 - 14 shall be renumbered as paragraphs 11 - 13.

40. In Section 98a (1) (a), the words “and deadlines and the scope of the information submitted to the market operator necessary for the fulfilment of its duties” shall be cancelled and at the end of the text of letter a), the words “, deadlines and the scope of the information

submitted to the market operator necessary for the fulfilment of its duties” shall be added.

41. In Section 98a (1) (b), the words “, the manner and procedure for the determination of uncollected electricity and compensation for uncollected electricity during dispatching procedure according to Section 26 (5) shall be added after the words “supporting services”.

42. In Section 98a, paragraph (1) (d) shall be cancelled.

Former letters e) - i) are renumbered d) - h).

43. In Section 98a (1) the words “and the Ministry’s procedure upon the assessment thereof” shall be added at the end of the provision of letter h).

PART FOUR

Amendments to Waste Act

Section 58

Act 185/2001 Coll., on wastes and amending some other laws, as amended by Act 477/2001 Coll., Act 76/2002 Coll., Act 275/2002 Coll., Act 320/2002 Coll., Act 356/2003 Coll., Act 167/2004 Coll., Act 188/2004 Coll., Act 317/2004 Coll., Act 7/2005 Coll., Act 444/2005 Coll., Act 186/2006 Coll., Act 222/2006 Coll., Act 314/2006 Coll., Act 296/2007 Coll., Act 25/2008 Coll., Act 34/2008 Coll., Act 383/2008 Coll., Act 9/2009 Coll., Act 157/2009 Coll., Act 223/2009 Coll., Act 227/2009 Coll., Act 281/2009 Coll., Act 291/2009 Coll., Act 297/2009 Coll., Act 326/2009 Coll., Act 154/2010 Coll., Act 31/2011 Coll., Act 77/2011 Coll., Act 264/2011 Coll., Act 457/2011 Coll. and Act 18/2012 Coll., shall be amended as follows:

1. In Section 37g, the full stop at the end of the provision of letter h) shall be replaced by a comma and letters i) - l) shall be added, with the following wording:

“i) Photovoltaic cell - cell formed by semiconductor or organic elements that convert the sunlight energy into electric energy,

j) Solar panel - electric equipment formed by photovoltaic cells and intended for the direct production of electricity from sunlight,

k) Solar power plant - electricity generating plant using solar panels,

l) Solar power plant operator - holder of a license to produce electricity under a special legal regulation in an electricity production plant generating electricity from sunlight.”.

2. In Section 37h, paragraph 4 shall be added, with the following wording:

“(4) A legal entity arranging for the joint fulfilment of the manufacturers’ duties according to this part of the law,

according to paragraph 1 (c), must be established by at least four manufacturers of electrical equipment and/or another legal entity associating at least four manufacturers of electrical equipment.”.

3. In Section 37j (3) (a), the word “or” is cancelled.

4. In Section 37j, the full stop at the end of the provision of paragraph 3) shall be replaced by the word “, or” and letter c) shall be added, with the following wording:

“c) Solar panels.”.

5. In Section 37k, new paragraph 6 shall be added after paragraph 5, with the following wording:

“(6) The buy-back of electrical equipment and separate collection of electrical and electronic waste from solar panels that are part of an electricity generating plant with a total installed capacity up to 30 kW must be provided through a network of buy-back points and separate collection of sufficient frequency and availability.”.

Former paragraphs 6 to 8 shall be renumbered as paragraphs 7 to 9.

6. In Section 37o (1), introductory provisions, the words “with the exception of solar panels” shall be added after the word “electrical equipment”.

7. A new Section 37o shall be inserted after Section 37p, which shall have the following wording, including the heading:

“Section 37p

Financing of the Handling of Electro-Waste from Solar Panels

(1) For solar panels marketed after 1 January 2013, the manufacturer will arrange for the financing of separate collection, processing, use and disposal. Before marketing solar panels, the manufacturer shall provide a guarantee proving the availability of financial resources for the handling of electrical waste from solar panels. This guarantee must also be sufficient to cover the financing of separate collection, processing, use and disposal of electrical waste from solar panels, handed in within the system of separate collection developed and operated in accordance with Section 37k. The manufacturer that guarantees the fulfilment of the duties under Section 37h (1) (a) or (b) shall provide a guarantee in the form of an earmarked bank account under the conditions laid down in the implementing regulation. The data regarding the status and drawing funds from the earmarked account for the previous year are provided in the annual report. The funds deposited in the earmarked account may only be used with the consent of the Ministry for the financing of the separate collection, processing, use and disposal of electrical waste from solar

panels; these funds may neither be subject to any judicial enforcement or execution, nor included in the manufacturer’s bankruptcy assets. The manufacturer that guarantees the fulfilment of the duties under Section 37h (1) (c) will not provide such a guarantee.

(2) For solar panels marketed prior to 1 January 2013, the financing of the handover for the processing, use and disposal of electrical waste from solar panels, including the fulfilment of these duties, shall be secured by the operator of the solar power plant in which the solar panels are used, with the use of a partner according to Section 37h (1) (c). This duty must be fulfilled by means of equal partial contribution payments, made with at least an annual periodicity, starting on 1 January 2014, on the basis of a contract signed by 30 June 2013 at the latest with an entity according to Section 37h (1) (c), so that the financing until 1 January 2019 is fully secured. The legal entity under Section 37h (1) (c) shall determine the contributions for the handover for the processing, use and disposal of electrical waste from solar panels, especially to reflect the weight and material composition.

(3) The entity under Section 37h (1) (c) shall process a report regarding the fulfilment of the obligations under paragraph 2, and send it to the Ministry by 30 March 2019.

(4) Based on consultations with the Ministry of Finance, the Ministry shall adopt an implementing regulation setting out the detailed conditions of the financing of separate collection, processing, use and disposal of electrical waste from solar panels according to paragraph 1, especially the method of calculating the minimum amount of the finances to be kept at the earmarked bank account and the form of the drawing of such funds, together with the detailed conditions of financing according to paragraph 2 and the method of calculating the minimum amount of the contributions, together with the scope and content of the report according to paragraph 3.”.

8. In Annex 7, clause 4 shall have the following wording:

“4. Consumer devices and solar panels”.

Section 59

Temporary Provision

The manufacturers of solar panels shall fulfil their duties according to Section 37i (1) of the Act on Wastes within two months following the effective date of this Act.

PART FIVE

Amendment to Act 402/2010 Coll.

Section 60

Act 402/2010 Coll., amending Act 180/2005 Coll., on the promotion of electricity production from renewable energy sources and amending certain acts (Act on Promotion of Use of Renewable Sources), as amended by subsequent regulations, shall be amended as follows:

1. In the first part, Section 7d is cancelled.
2. The first part is cancelled.

PART SIX

Amendment to Act 281/2009 Coll.

Section 61

In Act 281/2009 Coll., amending certain laws in connection with the adoption of the Tax Code, part a hundred and fifty two shall be cancelled.

PART SEVEN

EFFECTIVENESS

Section 62

This Act shall come into force on 1 January 2013, with the exception of the following provisions

- a) Section 1 (3), Section 3, Section 4 (3), (7) - (9), Section 5 (7), Section 6 (5), Section 7 (1), (2) and 6, Section 8 (3) and 5, Section 10 (1), Section 11 (3), Section 12), (17), Section 23 (7), Section 24 (2), (5), (7) and (8), Section 26 (3) - (5) and (7), Section 27 (1), (2) and (6), Section 30 (2), (4), (6) and (7), Section 31 (1) - (3) and (6), Section 32 (2), Section 35, Section 38 (2), Section 39 (2) and (4), Section 42, Section (44) - (47), Section (53) and (54), Section (56) clauses (1) - (25) and (27) - (39), Section (57) clauses (1) - (13), (15) - (20), (22) - (24) and (26) - (43) and Section 60 clause (1), which will become effective on the date of the promulgation, and
- b) Section 56 (26), which shall become effective on 1 January 2015.

Němcová, in her own hand

Nečas, in his own hand

