



Country profile –Czech Republic

Country: Czech Republic												
Support schemes	Electricity and heat production			Consumption				Transport		Supply and others		
	RES	Fossil	Nuclear	RES	Fossil	Electricity	Heat	Biofuels	Fossil	RES	Fossil	El./heat
1. Direct subsidies												
Direct on-budget subsidies				3								
Feed-in tariffs	1											
Feed-in premiums	2											
Adjustment Aids		11										
Inherited liabilities		17, 16,										
Induced transfers												
Others												
2. Fiscal measures												
Energy Tax Allowance												
Energy Tax Exemptions	7				19, 18, 18, 8, 8	20			18, 8			
Other Tax Deductions	4											
Earmarked refunds of taxes					15, 14							
3. Transfer of risk to government												
Adjustment Aids												
Inherited liabilities												
Others												
4. Other financial measures												
Adjustment Aids												
Other Tax Deductions												
Others			21									
5. Non-fiscal measures												
Quota obligations	6											
Priority Grid Access	5											
Others												

No.	Datasource	Description
1	RES-LEGAL	<p>Act on Promoted Energy Sources: feed in tariff. In the Czech Republic, renewable electricity generation in plants up to 100 kW (30 kW in case of PV or 10 MW in case of hydro power) is supported through a feed-in tariff. Plant operators may choose between a guaranteed feed-in tariff and a green bonus paid on top of the regular electricity price achieved in the market (see also "Premium Tariff"). Every electricity producer may make this choice once a year (§ 8 par. 2 Act No. 165/2012).</p> <p>Responsible for the payment of the feed-in tariffs are the "mandatory purchasers" selected by the Ministry of Industry and Trade. At least for the years 2013 and 2014, these mandatory purchasers will be the distribution grid operators. To be able to enforce their claim for the feed-in tariff, plant operators are obliged to conclude an agreement with the grid operator. In principle, the grid operators are obliged to bear the costs of the feed-in tariff scheme. In practice however, they pass on the costs arising from the support of renewable electricity generation to the end users.</p>
2	RES-LEGAL	<p>Premium tariff: Green Bonus. Plant operators may decide that the electricity they generate should be supported through bonus payments of a statutorily set amount per MWh (number 1.2 Price Decision of the Energy Regulatory Office No. 4/2012). Operators of renewable energy plants receive this bonus on top of the regular</p>

		market price of electricity. The green bonus is provided in an annual or hourly mode (§ 9 par. 1 Act No. 165/2012). In principle, the premium tariff scheme applies to all renewable electricity generation technologies (§ 4 par. 4 Act No. 165/2012). Electricity produced in RES plants over 100 kW (30 kWp for PV and 10 MW for hydro) is only eligible for the hourly support scheme (§ 9 par. 4 b Act No. 165/2012).
3	Other	The Green Savings Program has been a major energy savings and RES promotion program for residential building sector in the Czech Republic. The Program has been subsidizing energy savings in heating through thermal insulation, construction of new houses to the passive energy standard, and switch to renewable energy sources for space and water heating, including combinations of these measures.
4	RES-LEGAL	Tax regulation mechanism (Exemption from Real Estate Tax): RES-H. Properties used solely for the purpose of improving the environment are exempt from real estate tax (§ 9 par. 1 letter M Act No. 338/1992). According to a regulation issued by the Ministry of Finance, this includes constructions used exclusively for solar thermal collectors, biogas, biomass and geothermal energy sources (including heat pumps) (§ 1 par. 2 letters I, J, K, L Regulation No. 12/1993).
5	RES-LEGAL	Priority grid access: connection to the grid / grid devokonebt. Plant operators are entitled against the grid operator to priority connection of a renewable energy plant to the grid. The grid operator is obliged to enter into connection agreements (§ 4 par. 1 RES Act). Plant operators are entitled against the grid operator to the expansion of the grid, if the expansion is necessary to satisfy the terms of a connection agreement (§ 45 par. 1 Energy Act). The grid operator is obliged to expand the grid without discriminating against certain plant operators.
6	RES-LEGAL	Biofuel quota. A person introducing petrol or diesel fuel on to the Czech market for the purposes of transport is required to ensure that these fuels include the following minimum quantity of biofuel: 4.1 % by volume for petrol (§ 19 par. 1 a Act No. 201/2012); 6.0 % by volume for diesel (§ 19 par. 1 b Act No. 201/2012).
7	RES-LEGAL	Exemption from consumption tax. In the Czech Republic, pure biofuels as well as the biofuel content of mixed fuels are exempt from consumption tax.
8	OECDTADFFSS	Energy-Tax Exemption for Certain Uses of Solid Fuels. It applies among others to CHP if heat is supplied to households. Energy tax on solid fuels applies to hard coal, brown coal, coke and semi-coke obtained from either hard coal or brown coal.
9	OECDTADFFSS	Restructuring of the Coal-Mining Industry. The government committed to state-budget financing of the technical work related to closing mines and rectifying the consequences of past mining activity.
10	OECDTADFFSS	Elimination of past environmental damages. In 2006, the Ministry of Finance of the Czech Republic decided to use revenues from privatisation for financing the elimination of past environmental damages that had arisen due to mining activity that had taken place before privatisation of the Czech mines. As of the end of 2009, four coal-mining entities had drawn financial resources from the National Property Fund of the Czech Republic in order to deal with past environmental damages.
11	OECDTADFFSS	Compensation of Municipalities Affected by Mining Funded from

		Royalties on Mining Leases. Mining companies have an obligation to pay annual royalties on mining leases, as stipulated in the Mining Act. The amount of royalties on mining leases is paid to the relevant Regional Mining Authority per hectare of land leased — the amount paid per hectare depends on the environmental protection level of the leased area, the type of activity conducted by the mining company and the environmental impact of this activity.
12	OECDTADFFSS	Programmes Financing Remediation of Ecological Damage Caused Prior to 1994. As mining companies in the Czech Republic have been obliged to generate financial reserves for remediation and reclamation of areas affected by mining only since 1994, the state took up the responsibility to finance remediation of those ecological damages that had arisen before that date.
13	OECDTADFFSS	Remediation of Environmental Damages Caused by Mining Funded from Royalties on Coal Extraction. Mining companies have an obligation to pay royalties on minerals they extract. These royalties are collected by the Regional Mining Authority and they cannot exceed 10% of the market price of extracted minerals. Before 1999, the Regional Mining Authority transferred 50% of the collected revenue to the state budget and 50% to the budget of those municipalities on the territory of which mining leases are located. 50% of the royalties transferred to the state budget (i.e. 25% of the total revenue collected from royalties on extracted minerals) had to be earmarked for the purpose of remediation of environmental damages caused by the mining of reserved deposits. Since 2000, the state receives 25% of the revenues from royalties (the remaining 75% is given to the municipalities on the territory of which there is mining activity), all of which must be spent on remediation of environmental damages caused by mining activity.
14	OECDTADFFSS	Energy-Tax Refund for Oil Used for Heating. Consumers of mineral oil used for heat production can obtain partial refunds of their energy-tax payments.
15	OECDTADFFSS	Excise-Tax Refund for Diesel Used in Agriculture. Diesel used in agriculture is subject to a partial refund of the excise tax, as stipulated by the Directive 2003/96/EC. A draft suggesting a decrease of tax refund for diesel used for agricultural purposes in 2013 and complete abolition of the tax refund from 2014 have been discussed.
16	OECDTADFFSS	Programmes Financing Remediation of Ecological Damage Caused Prior to 1994. As mining companies in the Czech Republic have been obliged to generate financial reserves for remediation and reclamation of areas affected by mining only since 1994, the state took up the responsibility to finance remediation of those ecological damages that had arisen before that date (petroleum).
17	OECDTADFFSS	Programmes Financing Remediation of Ecological Damage Caused Prior to 1994. As mining companies in the Czech Republic have been obliged to generate financial reserves for remediation and reclamation of areas affected by mining only since 1994, the state took up the responsibility to finance remediation of those ecological damages that had arisen before that date (gas).
18	OECDTADFFSS	Energy-Tax Exemption for Certain Uses of Natural Gas. It applies among others to gas used for heating purposes by households. Energy-tax exemption for natural gas used by households for heating purposes is planned to be abolished in 2014.

19	OECDTADFFSS	Some specific uses and users of fuel are fully or partially exempt from the excise or energy tax (notably fuels used in shipping, electricity production, combined heat and power generation, aviation and agriculture). Electricity is also subject to the energy tax, although some specific uses of electricity (e.g. electricity used for cargo and transport of passengers by rail, metro, trams and trolley buses) and electricity produced from renewable energy are exempt from the tax.
20	OECDTADFFSS	CEZ retained earnings diverted from pension reform to support the construction of nuclear reactors at Temelin.
21	Heinrich Boll Stiftung	