

Organization of the electricity market and renewable energy sources in the Republic of Croatia“

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Workshop
“Perspectives on
Certification of Electricity Generation and Disclosure
in the light of the new EU Energy Policy”

1st October 2010, Dubrovnik



Contents

- Basic company data
- Electricity market model
- Incentives scheme for electricity production from renewable energy sources and CHP in Croatia
- Integration of RES in electricity market model

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HROTE - Scope of activities

- Electricity market organization
- Natural gas market organization
- Incentivizing electricity production from renewables and cogenerations
- Incentivizing production of biofuels

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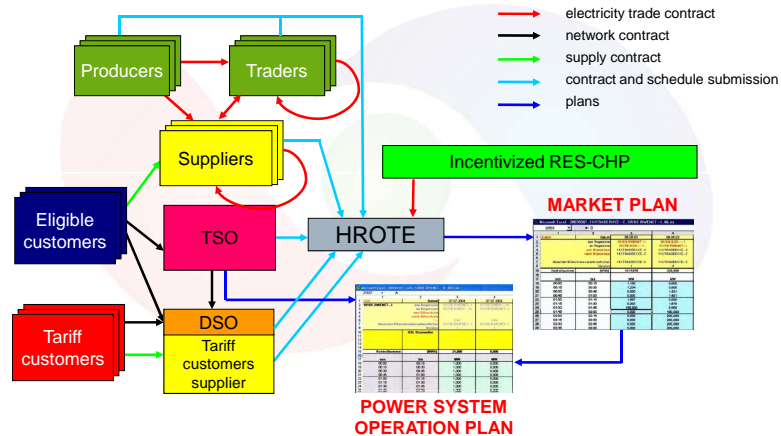
Market model

- Based on electricity trading via bilateral contracts
- Contractual parties in the bilateral contract for electricity supply are an eligible customer and a supplier
- Bilateral electricity trade contracts are concluded between a supplier, a trader or a producer
- Settlement and charging the difference between contracted and delivered energy according to *Rules on balancing the electric power system* and *Methodology on providing balancing energy services in the electric power system*

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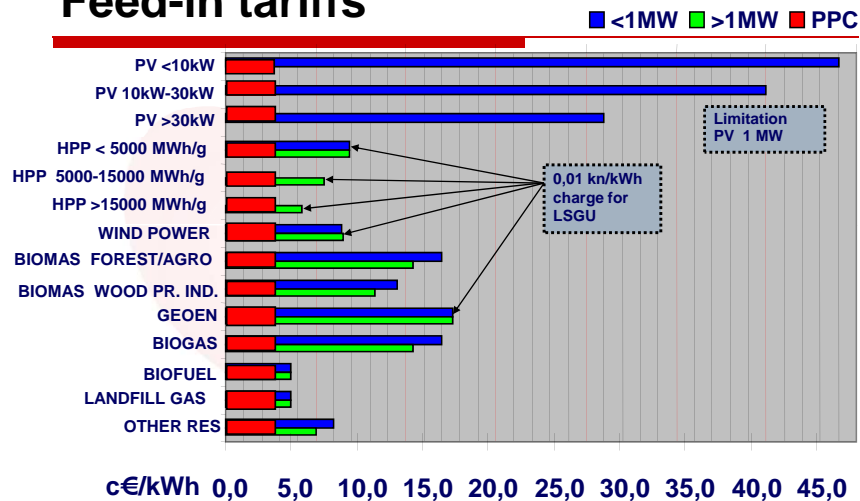
Croatian electricity market



Legal obligations – RES&CHP

- Entering into contracts with all suppliers to comply with the decree on the minimum share of electricity produced from renewable energy sources and cogeneration,
- Collecting funds from the charge for incentivizing renewable energy sources and cogeneration from the suppliers,
- Entering into contracts with eligible producers entitled to incentive price,
- Settlement, collection and allocation of funds from the charge for incentivizing renewable energy sources and cogeneration onto producers of electricity from renewable energy sources and cogeneration based on the contracts entered into

Feed-in tariffs



Conclusion

- Feed-in tariffs model is the best solution for early phase of development of RES market because it creates "safe" environment for investors
- Complex administrative procedures should be simplified especially for small and micro generation (330 projects – only 30 contracts)
- Regulated mechanism for RES is suitable for current status of electricity market development (lack of competition)
- Precise determination of costs caused by intermittent generation and covering expenses to balancing energy providers are necessary for integration of large scale WPP

Next steps

- Developing of electricity market and RES development – parallel processes (possible synergy?)
- RES & CHP = incentives ?
- Introduction of market based schemes in addition to feed-in tariffs
- GoO - new oportunities for RES producers, suppliers, consumers

Thank you for your attention





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