





# Ministry of the Environment of the Czech Republic

# INVESTMENT PRIORITIES AND OPTIONS FOR THEIR FINANCING IN THE CZECH REPUBLIC

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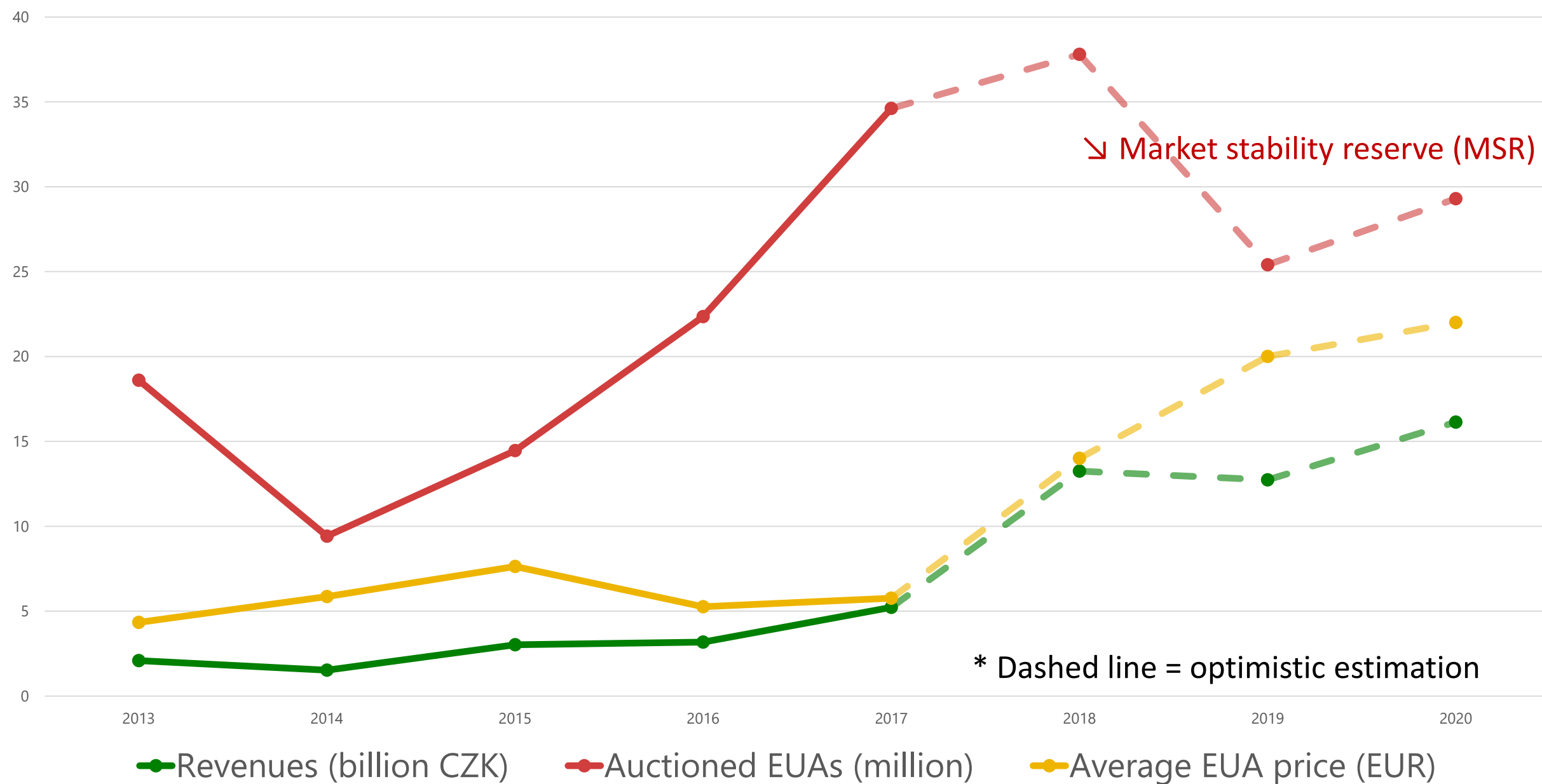
## Use of revenues

- National emission trading law 383/2012 col.  
→ 100 % of revenues divided **50:50** between Ministry of the Environment and Ministry of Industry and Trade (up to 12 bln CZK)
- Ministry of the Environment: **Program Nová Zelená úsporám** – energy performance and savings of households (thermal insulation) + RE utilization
- Ministry of Industry and Trade: Support of renewables



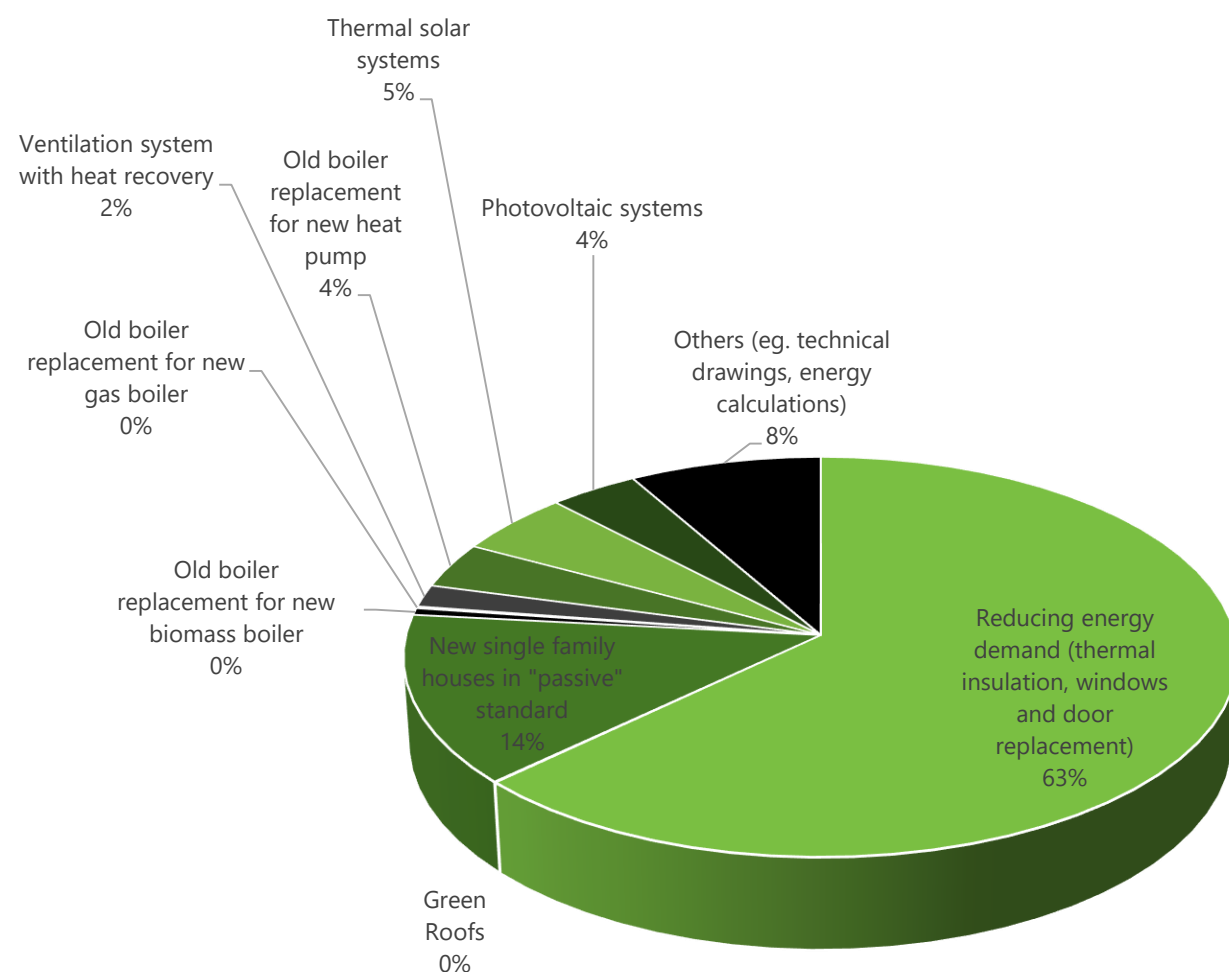
# Revenues

## CZ Revenues 2013-2020

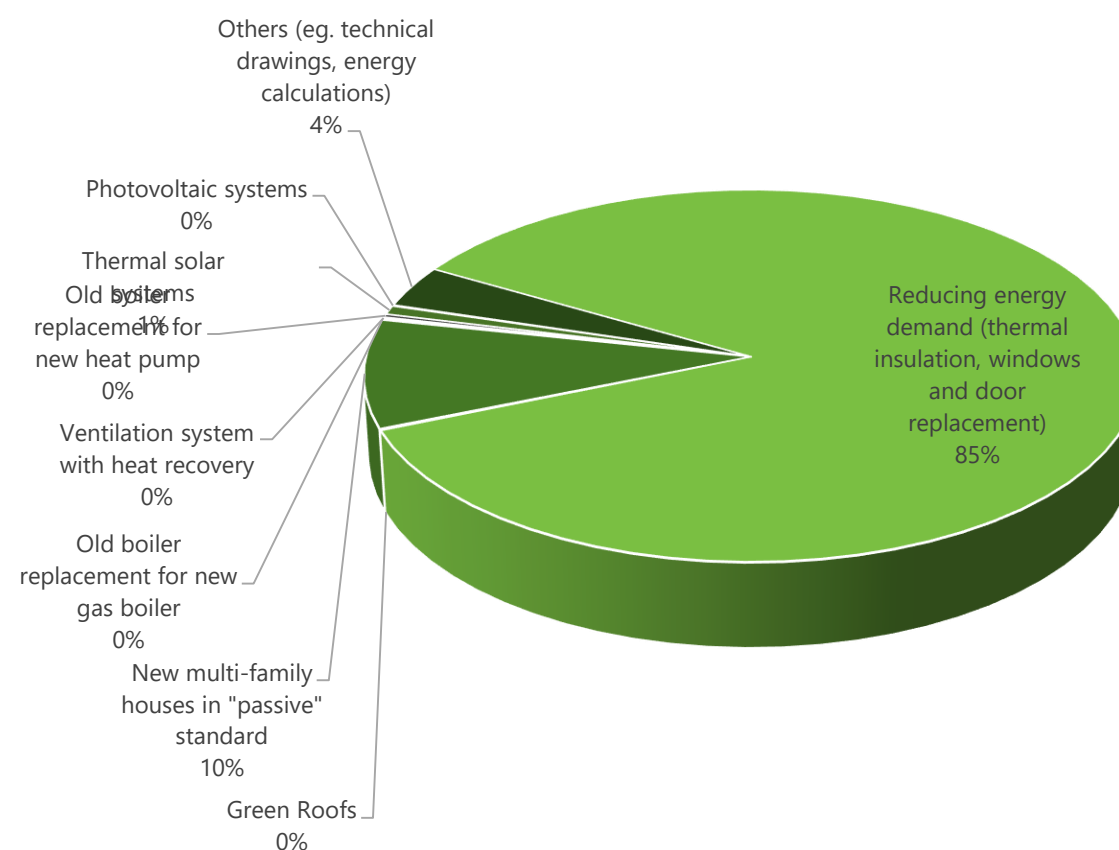


# New Green Savings Programme

## Single-family houses: Measure structure (subsidy demand)



## Multi-family houses: Measure structure (subsidy demand)



# Article 10c Derogations

- Why?
  - Simple support for **modernization** and enhancing **carbon effectivity** in the energy sector:  
Auction Revenues → Redistribution → Investment → Carbon savings  
x 10c: Investment → Carbon savings
  - **Free allowances for electricity producers** in exchange of low-carbon investment, used in 9 MS including CZ
  - Allowances deducted from the auction share
  - **Possible synergies** of GHG emissions reduction performed by investment in electricity generation sector with another targets: renewables, energy efficiency, non-ETS
- **3rd trading period**
  - Greening of 10c projects: 12 000 CZK/t (= **480 €/t**)
  - **37 % of the CZ auction share** of allowances used for 10c derogations
  - Upgrades of existing fossil fuel burning technologies, reconstruction of heating networks, decommission of old boilers and replacement of coal by gas or biomass



# 10c derogation in the 4th trading period

- Use **experience** from the period up to 2020
- Based on **competitive bidding** instead of the National Investment Plan and grandfathering (historical emissions of installations)
- Projects offering the best **emission savings to costs ratio**
- Max. **27 % of the CZ auction share** of allowances can be used for 10c derogations
- Emphasis on **renewable energy sources** and **efficient central heat supply**; projects not extending the life span or improving the financial viability of existing carbon-intensive electricity generation
- Up to **70% of eligible costs**





# 10c derogation schedule

- 31<sup>st</sup> January 2019: Government decision on the use of the derogation under Article 10c
- 30<sup>th</sup> June, 2019: Deadline for a national consultation process for CZ derogation mechanism
- 19<sup>th</sup> September 2019: Deadline for transposition of the Directive into the Czech national legislation
- 30<sup>th</sup> June, 2019: Application deadline for a derogation to the European Commission
- 1<sup>st</sup> January 2021: Beginning of the 4th trading period



# New opportunities

- **Modernization fund**
  - 1-1.5 bill. EUR
  - Preferred utilization in the framework of **Energy Efficiency + RE in Houses**
    - Already established programme, no need to create a completely new mechanism (national level, communication with European Commission...)
    - Assured design, proven mechanism



# Questions and answers...

