

EC APPROVED OPERATING AID SCHEME FOR ELECTRICITY PRODUCTION FROM CHP PUT INTO OPERATION ON 2013 – 2015 AND HEAT PRODUCTION FROM RES

On December 20, 2017 the Ministry of Industry and Trade of the Czech Republic (the “**Ministry**”) issued a statement, that on December 15, 2017 Czech Republic acquired another decision of European Committee (“**EC**”) declaring public aid compatible with internal market in relation to heat and power production plants put in operation in the years 2013 – 2015 and also promotion for heat production from renewable energy sources (hereby referred to as „**Decision**“).

The Decision is to be published in a few weeks on the website of [Directorate-General for Competition](#). In a short time-period, this is the second favourable decision of the European Committee on compatibility of public aid for electricity production from CHP with the EU market.

Although in compare with decision of European Committee SA.40171 (2015/NN) approving the Czech scheme of state aid for production of electricity using renewable sources of energy put in operation in the years 2006 – 2012 introduced by the Act No 180/2005, the Decision affects only a minor number of subjects, it represents an important milestone not only for the CHP producers, but also for the heat producers, to whom the Energy Regulatory Office (“**ERO**”) have been refusing to grant a public aid for the years 2017 and 2018.

On December 21, 2017, ERO as a reaction to the Decision promptly issued two new price decisions granting public aid for CHP and heat production from RES for 2018 ([Price Decision No 8/2017](#)) and additionally also for 2017 ([Price Decision No 9/2017](#)). Price Decision No 8/2017 came into effect on December 21, 2017 and Price Decision No 9/2017 on January 1, 2018.

Based on the price decision for 2017 in connection with Government Regulation No 266/2017 (hereby referred to as „**Regulation**“), the public aid shall be paid to entitled CHP and heat producers retroactively for 2017, no later than 120 days after the date of issue of the Decision, requiring the producers to submit production reports.

We will be happy to answer any questions you may have.

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