On 30 September 2019, the Ministry of Industry and Trade of the Czech Republic (“MIT”) posted on its website a preliminary report on the sector investigation into the operational aid for RES plants put in operation in 2006 – 2008 (the “Affected resources”).

The sector investigation is a reaction to the European Commission decision SA.40171 dated 28 November 2016, wherein the European Commission approved the Czech support scheme for energy produced using renewable energy sources (“RES”) put in operation in 2006 – 2012 (“State Support Scheme”) as state aid compatible with the European internal market. At the same time the notification decision imposed on the Czech Republic the obligation to introduce a control procedure (“Review of support”), which guarantees that receiving state aid under the State Support Scheme will not lead to overcompensation, i.e. disproportionate profitability.

The Ministry also stated in the notification that the preliminary assessment in the sector investigation did not find that the Affected resources were at risk of disproportionate operational aid for energy produced using renewable resources (i.e. FIT or green bonus). Affected resources that received investment subsidies as well as operational support should continue to be subject to the same procedure as under the amendment to Act No. 165/2012 currently being prepared (the “Amendment”), i.e. either individual inspection of verifying the proportionality of total support or the measure to ensure the proportionality of the support as set forth in the Amendment itself. The proposal in the Amendment has already been published and is scheduled for discussion by the government in the near future.

We will be happy to answer any questions you may have regarding the Amendment, reviews of support and upcoming measures directed towards RES operators if overcompensation is found.
PRELIMINARY RESULTS OF THE SECTOR INVESTIGATION
VERIFYING THE PROPORTIONALITY OF STATE AID FOR
POWER PLANTS PUT IN OPERATION IN 2006 - 2008

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