

Members of Parliament Approved Restrictions on the Support to Electricity Generation from Solar Energy

Draft Amendments to the Czech Act on the Support to Electricity Generation from Renewable Energy Sources were approved on **29 October 2010** in an accelerated procedure by the Chamber of Deputies of the Parliament of the Czech Republic. The Amendment has passed to the Senate, which also has to decide on the draft proposals.

We will provide more information as to the exact wording of the Act. However, the most important message of the draft proposals is that the future support to electricity generation from solar energy will only be provided to solar modules on roofs and buildings, thus meaning the elimination of support to solar power plants on agricultural land (known as free standing power plants). Power plants built and connected before this Amendment comes into force will not be affected.

In addition, if the Amendment comes into force, only those solar power plants which supply power to the grid will be entitled to the support. This would mean that power plants with only captive generation of electricity (known as insular systems) will lose that support. This should prevent producers not connected to the grid from

demanding support for electricity designed for their own consumption.

Solar power plants that are not yet connected to the grid but will be put into service **by the end of 2010** can be connected to the grid of the distribution system operator within 12 months of the Amendment coming into force, without losing the support. However, the support will be provided in an amount to be approved by the Energy Regulation Authority (ERÚ) for 2011. According to the draft pricing dated 26 October 2010, this would mean that power plants with installed power of more than 100 kWp will be entitled to the feed-in tariff of CZK 5,500 per MW, i.e. more than 50% lower than the feed-in tariff for power plants connected to the grid in 2010.

If the Amendment to the Act is also passed by the Senate and subsequently approved by President, the changes to the Act are planned to come into force as of 1 January 2011. The support for solar modules on roofs and buildings would be limited with effect from 1 March 2011, with this support applying only to electricity generated by solar power plants with installed power not exceeding 30 kWp.

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