E-FIX

Energy Policy Baseline

Country Report: CZECH REPUBLIC

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1. INTRODUCTION

This report is part of the baseline analysis of the E-FIX project. The E-FIX project aims at triggering private finance for sustainable energy projects using innovative financing mechanisms. In the target countries of Central and South Eastern Europe as well as the countries of the Caucasus region there is considerable idle potential for sustainable energy products and services. Both potential energy project developers and financers face diverse financing barriers. An innovative energy financing mix is needed in order to activate new source of finance and facilitate an increased implementation of sustainable energy projects. Accordingly, the objective of the E-FIX project is to facilitate the take up and intensified usage of innovative energy financing mechanisms in the energy sector.

This report provides the first analysis of the regulatory environment in which energy projects are implemented in each of the focus countries. With this part of the baseline study the E-FIX experts conduct an assessment of the energy-related policy framework in order to identify opportunities and challenges for introducing innovative financing instruments for sustainable energy projects. The material will be part of the subsequent Gap Analysis combining financing and energy baseline data.

The present report describes the energy policy framework for Czech Republic.

2. POLICY FRAMEWORK

2.1. OVERVIEW OF LEGAL FRAMEWORK AND POLICY DEVELOPMENT OF THE ENERGY SECTOR IN THE CZECH REPUBLIC

Energy legislation of the CR consists of 3 main Acts:

- Act No. 458/2000 Coll., on the Conditions for operating business and on performance of state administration in energy sectors (the Energy Act). Legislative 2000.
- Act No. 406/2000 Coll. on Energy Management
- Act No. 406/2000 Coll. on promoted energy sources and amendment to some Acts

Each of the stated Acts has a number of implementing directives and associated government regulations.

Act No. 458/2000 Coll, on the Conditions for operating business and on performance of state administration in energy sectors (the Energy Act) is the basic legal regulation regulating the energy branches in the Czech Republic. The individual legal regulations of the European Union concerning the energy branches are implemented into this Act. In the past these were e.g. the energy liberalization packages. This is a general Act regulating the legal conditions and execution of the state administration in energy branches which are, under the law, the electrical engineering, gas engineering. The Act may be split into two parts, the general and specific parts.

The main issue of the general part of the regulation is the regulation of entrepreneurship in energy branches. The Act defines and enumerates what is business in the energy branches, and that a licence is necessary under the Energy Act. It also defines the renewable energy sources, combined production of energy and heat and the obligatory purchaser of these energies. The Ministry of Industry and Commerce authorizes the Energy Regulatory Office and as supervising body State Energy Inspectorate by the state administration in the energy branches.

A specific part is focused on the individual power engineering branches. The basic purpose of each of the parts is to determine the participants of the market in the given branch and to allocate them individual rights and duties. Moreover the individual specifics of branches are regulated as the electricity connection, gas and heat supply. Separately, also the contracts on the given branches and the possible zones for individual energy facilities are regulated – electrical engineering, gas and heat engineering. (https://cs.wikipedia.org/wiki/Energetický_zákon)

Act No. 406/2000 Coll. on Energy Management implements European Directive No. 2006/32/ES **on energy end-use efficiency and energy services, No.** .2009/28/EC on the promotion of the use of energy from renewable sources, No. 2009/125/ES **establishing a framework for the setting of eco-design requirements for energy-related products,** No. 2010/30/EU **on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products** 2010/31/EU on energy demands of buildings. The Act defines and fixes the basic pre-conditions for creating strategic documents in the area of energy management – State Energy Concept, Territorial Energy Concept and State program for the energy support and use of renewable resources (hereinafter referred to as "RENEWABLE ENERGY").

Moreover, the Act fixes some measures and requirements on increasing the economic use of energy:

- Assuring at least minimum efficiency of use of energy sources and energy distribution
- Inspection of operated boilers and distribution of thermal energy and air-conditioning systems
- Decreasing energy demands of buildings (certificate of building energy demand)
- Energy labels for products associated with energy consumption (eco-design)
- Energy audit (energy opinion, economic use of energy by central institutions)
- Person of energy specialist (person authorized for elaborating the certificate of building *energy demand*, energy audit and opinion, performing inspections)
- Administrative Authority State Energy Inspection

The purpose of the Act No. 165/2012 Coll. of subsidized energy sources; it is in the interest of the climate and environment protection to support the use of RENEWABLE ENERGY (hereinafter referred to as "green energy sources"), secondary sources and high-effective combined production of electricity and heat, to assure the increase of RENEWABLE ENERGY share and to create the conditions for achieving the obligatory target of share of green energy in the rough final energy consumption in the Czech Republic.

The Act regulates:

- Support of energy and heat from RENEWABLE ENERGY, secondary energy sources and high-effective combined production of energy and heat
- Contents and elaboration of National action plan of the Czech Republic for the energy from renewable sources
- Conditions for issue, registration, acknowledging the guarantees and certificate of origin of green energy from RENEWABLE ENERGY
- Financing the green energy support
- Payment from electricity from the sun

The purpose of this Act is, in the interest of the protection of climate and environment protection, to support renewable energy use, secondary sources, high-effective KVET, bio-methane and decentralized production of electricity, to assure the share of RENEWABLE ENERGY in the consumption of primary energy sources, to contribute to the thrifty use of nature reserves and sustainable development of the company and to create the conditions for achieving the obligatory target of the share of green energy in the rough final energy consumption in the CR with the contemporary taking into consideration interests of customers in minimizing the impacts on the support of energy prices for the customers in the CR. The price support is fixed differently as per the type and size of the source, in case of biomass also depending on the quality of fuel. Minimum purchase prices are declared every year by the Energy Regulatory Office following, when determining the price, the rules fixed by this Act. (https://www.mpo-efekt.cz/cz/legislativa)

First of all the following documents are important from the viewpoint of policy and strategic documents fixed in the above mentioned Acts:

- State and territorial energy concept
- State program for the energy support and use of renewable resources

State energy concept is an obligatory strategic document, dealing with the state targets in the area of energy treatment which is elaborated for the period of 25 years. Its draft is elaborated by the Ministry of Industry and Trade and is approved by the government submitting it for information to the Parliament of the

Czech Republic. At least one in 5 years, the Ministry evaluates the fulfilment of the state energy conception, about which it informs the government, and possibly it performs updating. The state energy conception serves as base for the policy of territorial development.

The Territorial Energy Concept deals with the targets and principles of energy treatment on the level of the region, Prague the City, its city or municipal districts. It is elaborated for the period of 25 years and it is based on the targets of the state energy concept specifying and determining the strategy for their fulfilment.

The Territorial Energy Concept is obligatory for regions and the capital of Prague and it is base for elaborating the principles of the territorial development or territorial plan. Before issuing the concept, its draft is evaluated by the ministry, which evaluates if the draft meets the requirements of the Act and is in accordance with the state energy concept.

The State Program for the Support of Energy Savings (2017 – 2022) is focused on the implementation of energy saving measures in the area of energy consumption, increasing the efficiency of energy use and decreasing the energy demands. The subsidy title is EFEKT Program. Supported are investment events of a lower extent and non-investment events in the form of energy consulting, introducing energy management, preparation of energy saving projects, events and documents for energy support. (https://www.mpo.cz/assets/cz/energetika/dotace-na-uspory-energie/program-efekt/2016/12/program_efekt_2017-2021_16_12_2016.pdf)

2.2. EXISTING NATIONAL AND REGIONAL LAWS AND STANDARDS

2.2.1. Standards for Buildings

In the CR, the buildings participate in the total final energy consumption in the CR by more than 30%. The construction of present buildings is being influenced, for several years, by the requirements on meeting criteria of energy demands directed on 2020, when all the new buildings will have to fulfil the requirements on buildings with almost zero energy consumption.

In the area of energy standards of buildings, first of all the Act No. 406/2000 Coll. on Energy Management is important fixing the duties for decreasing energy demands of the new and reconstructed buildings.

The basic requirement is the evaluation of energy efficiency of buildings concerning the building owners, owners and operators of buildings. The requirements are postulated on the energy efficiency of buildings during its construction, change of completed building, energy classification during the sale or lease, or duty to elaborate the Certificate of Energy Demands of Building (PENB) for organizational components of the state.

PENB – Energy Performance of Residential Building Certificate is based on the European Directive 2002/91/EC. Since January 1, 2009, each new building or reconstructed building the total floor area of which is larger than 1000 m2 shall have the certificate. This is each larger residential house, school or authority. We mean under the reconstruction not the small repairs, but also the reconstruction having the impact on the energy demands. Under the law, these are interventions into the more than 25% building facing or change of building heating.

The operator of buildings, larger than 1000 m2 with a free access of the public, are authorities, cinemas, purchase centres, sport halls etc. and are obliged to hang up the certificate visibly, if it was elaborated within the project of construction or reconstruction. Further duty is submitting the certificate when selling or leasing the building or its part (flats, business, office etc.). The target of these duties is to create the public pressure on decreasing the energy efficiency.

(http://ekowatt.cz/cz/informace/uspory-energie/prukaz-energeticke-narocnosti-budovy)

Energy demands of the building quantifies all the energies consumed during the standardized building operation – it is energy for heating, hot water preparation, cooling, modification of air by air –ventilation and conditioning and energy for lighting. Requirements on energy demands are fixed in the Directive No. 78/2013 Coll. on Energy Demands of Building.

The fact if the new building meets the requirements on the energy demands of buildings is visible from the Energy Performance of Residential Building Certificate.

To show at the first sight that the building meets the requirements on the energy demands of buildings, it is classified A to G in the graphical representation and the G class is the worst one. The classification is shown by to arrows in each column. The black arrow shows the factual building status, white colour the possibilities of improving its energy demands. Important are, however, the black arrows in three designated columns, which shall be, in case of new buildings, located not lower than in the classification class C. If the red arrow is, even only in one of three columns, e.g. in the class D, the new building does not meet the requirements on energy demands any more and its construction shall be not permitted.

1/ In case of new buildings, three indicators shall be fulfilled:

- Indicators of non-renewable primary energy in a year
- Total delivered energy in the year
- Average coefficient of heat transmission

2/ A larger change of the finished building and another than a larger change of the completed building.

The legislation enables to meet the requirements on energy demands of the building in case of reconstruction in more ways:

- Through the indicators of non-renewable primary energy in the year and average coefficient of heat transmission
- Through the total delivered energy in a year and average coefficient of heat transmission
- Through the average coefficient of heat transmission of individual constructions on the system border for all the changed constructions elements and simultaneously the efficiency of technical systems for all the changed technical systems.

(https://www.cr-sei.cz/?portofolio=kontrolujeme-penb)

If the new or reconstructed building has a planned /real energy sources above 200 kW of the installed heat output, also the energy opinion is necessary. If such a construction is not connected to the heat supply system or source of renewable energy (e.g. heat pump), the building owner, owner, SVJ (association of owners) calls for energy opinion for the evaluation of the state, if another more ecological energy sources would be suitable for the construction; e.g. if a gas boiler room is planned in the building, if it would be

economical and ecological to replace it by the thermal pump. The energy opinion gives to the building owner, owner, SVJ the information of their further alternative from the viewpoint of energy demands.

If a part of the certificate is also the energy opinion – these are only larger buildings –, the building owner, owner, SVJ calls for and gets the so-called obligatory standpoint of the State Energy Inspectorate (SEI) issued , which is a part of the application for the building permit. The building owner, owner, SVJ delivers to SEI the current design documentation, certificate and opinion. SEI's employees evaluate the certificate with the opinion with comparison and with the design documentation and if the documents correspond to meeting requirements on energy demands of the building, they issue the obligatory standpoint, which the building owner, owner , SVJ shall enclose to the application for construction permission.

2.2.2. Energy Efficiency Laws and Standards

Requirements on energy efficiency of buildings are mentioned in preceding chapter.

Energy labelling

In the CR, the Act No. 406/2000 Coll. of Energy Management implemented the Directive of the European Parliament and Council 2010/30/EU on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products associated with the energy consumption and in the normalized product information. The main target of the energy labels is the possibility of a quick comparison of consumers (houses) and estimate of cost in x years of operation.

The associated implementing regulations for individual groups of appliances are currently issued and are obligatory for the given appliances.

(https://www.mpo.cz/dokument80915.html)

Ecological design of products associated with the energy consumption

Ecodesign is a complex of parameters (first of all energy efficiency), which the supplier (producer or importer) of the products associated with the energy consumption when launching it to the EU market, or putting into operation shall submit. The intention of legislation defining the requirements on ecodesign is to support spreading the most effective technologies and to decrease the energy consumption in the stage of product use. The first such requirements were fixed in the European guidelines focused on the warm water boilers for liquid and gaseous fuels, refrigerators and ballast to fluorescent lamps.

The Czech Republic implemented the requirements of this Directive into the amendment of the Act No. 406/2000 Coll. on Energy Management (§ 8a) and into the Directive No. 337/2011 Coll. on Energy Labelling and Ecodesign of Products Associated with the Energy Consumption.

Within the performance of the guideline of eco-design, the European Commission prepares in co-operation with the member states and concerned parties the directly applicable legal regulations (directives), in which the particular parameters are stated for the individual categories of products associated with the energy consumption.

2.2.3. Renewable Energy Laws

The basic general provisions concerning the power engineering including the renewable sources includes the Act No. 58/2000 Coll., Energy Act (power of ministry, conditions for the energy production and distribution etc.).

From the viewpoint of renewable sources, the main Act is the Act No. 165/2012 of subsidized energy sources and amendment to some Acts. We understand under the subsidized energy sources specifically renewable energy sources (i.e. energy of biomass and biogas, sun energy, wind, water energy etc.), secondary sources, highly-effective combined production of heat and electricity, bio-methane and decentralized energy production. The purpose of the Act is first of all supporting the use of stated sources for the reason of the climate and environment protection and assuring the increase of the share of renewables in the consumption of primary energy sources to achieve the fixed targets.

The Act defines at the beginning the basic concepts from RENEWABLE ENERGY area. The second part of the Act fixes the conditions for elaborating the National Action Plan for renewable energy sources.

The most extensive third part of the law concerns the independent support of energy from renewable sources and secondary sources and highly-effective combined electricity and heat production. It is defined in individual sections, what sources and ways of production may be and cannot be included under the stated concepts. The form of energy support is the so-called “green bonus”, fixed in CZK/MWh, which is provided in the annual or hourly mode. Moreover, the conditions of registration and connection of sources into the transmission system, measuring and registration of electricity, accounting etc. are defined. An independent chapter is devoted to payment from electricity from solar radiation, the target of which is to reflect changes (decrease) in economic demands of FTV systems and purchaser prices fixed in the “solar boom” period in the CR (2008 – 2011). The chapter five fixes the conditions for the support of heat from RENEWABLE ENERGY, in the investment and operating form. The chapter focused on financing the subsidy of electricity and heat follows, paid through the operator of the market from the financial means, consisting of:

a) receipts from the payments of the component of the distribution system service price and component of the price of service of transmission system for electricity support,

b) receipts from the payments for non-achieving the minimum effectiveness of use of energy when burning the brown coal under the Energy Management Act,

c) subsidies from the means of state budget,

d) revenues from the auction of emission allowances under the Act on Conditions of Business with the allowance for the trade with allowances for greenhouse gas emissions implemented through the chapter of the ministry.

The last chapters are focused on the conditions for issue, registration and acknowledging and the guarantee of original of the electricity from RENEWABLE ENERGY, secondary sources etc.

The Energy Regulatory Office determines, based on the above mentioned Act, the scope and amount of the subsidiary in the price decisions which are the main implementing regulation of the Act. The annual “green bonuses”, consisting of two rates – basic and supplementary rate representing the electricity from the highly effective combined production of electricity and heat are fixed in the decision. The amount of green bonuses is decreased by increasing installed output. Supplementary bonuses take into consideration the energy sources when the highest bonus is allocated to the energy production from gasification of the

solid biomass, biogas in biogas station and firedamp. The lower bonuses are fixed for the production of electricity from burning the net biomass and communal waste.

(https://www.eru.cz/pRenewable energy)

In total, more than 40 mld. annually are determined for the support of renewable sources; besides the money from the budget, persons and companies contribute to it in fees on invoices. (https://www.novinky.cz/ekonomika/448856-stat-zaplati-na-podporu-obnovitelnych-zdroju-26-miliard.html)

The National action plan for renewable energy sources is based on the guideline of the European Parliament and Council No. 2009/28/EC of the support of energy use from renewable sources. For the states of EU from this guideline the target follows to achieve 20% share of energy from renewables and the target of 10% share of energy from renewable sources in the transport in 2020. The European Commission fixed for the Czech Republic minimally 13% share of energy from renewables in the rough final energy consumption and assurance of minimally 10% of share of renewable sources in the transport.

Up to 2040, the share of the annual consumption of electricity from the inland renewable sources should achieve the level of 18–25 %. In comparison with other sources, RENEWABLE ENERGY are on the second place immediately behind the nuclear fuel, which should represent approx. 46–58 % of the total structure of total power production. Renewable sources are followed by the natural gas (5–15 %), brown and black coal (11–21 %).

(https://www.mzp.cz/cz/obnovitelne_zdroje_energie)

2.2.4. Related laws or standards impacting energy sector development

The list of main legislative duties applying to power engineering and following from associated Acts is split into the stage of preparation of energy intention (permission stage) and operating stage.

Preparation of energy intention

Construction and facility for energy production are included into the technical infrastructure.

The basic requirements for location of energy facilities are the accordance with the territorial plan, based on the Act No. 183/2006 Coll. on Town and Country Planning and Building Code (Building Act). In case of industrial intentions, such territorial determination is quite exact. In case of private sources, the regulation may be fixed by the specific limits for the territory use. For larger industrial intentions, the necessity of evaluation of locating the intention of territorial studies may be expected.

Before the permission procedure, in the Act No. 100/2001 Coll. of evaluating the influences on the environment the duty is fixed to elaborate the establishment procedure or evaluating the influences for the stated and listed intentions. In case of power engineering, this duty concerns:

- Facility for burning fuel with the heat output above 50 MW
- Industrial facilities for the production of electrical energy, steam and warm water above 50 MW
- Water power plants with the total installed electrical output above 10 MW
- Wind power plants with the height of the pole above 50 m

- Nuclear power plants and other nuclear reactors incl. disassembly or final closing these power plants or reactors
- Deep geothermal drills and deep drills for water supply for water mains with the deepness above 200 m

The result of evaluation has recommending and supporting character for the subsequent administrative procedure, including the possible compensation and elimination measures.

Permission procedure

To locate the constructions or facilities, their changes, to change their influence on the use of the territory, to change the use of the territory and to protect important interests on the territory only based on the zoning and planning decision or zoning and planning approval under the Building Act. The zoning and planning decision is issued by the respective Building Authority based on the simplified zoning and planning procedure. The Building Authority may, under the administrative order, connect the planning and building procedure if the conditions in the territory are unique, especially if a territorial plan or regulation plan is approved for the territory.

For the constructions and the facilities the planning decision on the location of the construction or facility is necessary. This decision defines the building plot, locates the designed construction, it determines its type and purpose, conditions for its location, for the elaboration of the design documentation for the issue of the building permit, for announcing the construction and for the connection to the public transport and technical infrastructure. In the building permit, the building authority fixes the conditions for performing the construction, by which it assures the protection of public interests and fixes especially the connection to other conditioning constructions and facilities, observing the general requirements on the construction, or technical standards. In case of individual RENEWABLE ENERGY, the following conditions are the main ones:

Photovoltaic power plants (FVE) – location is possible first of all in the areas of production and storage, areas of technical infrastructure and in the mixed production areas, if limited by the territorial plan. If FVE is of such a scope that it is only a supplementing facility of another construction, it is possible to locate it as a part of this construction. It may be located in the area for housing, recreation, amenities etc. e.g. o the roofs of buildings, if complying first of all with hygienic conditions.

Wind power plants VTE may be split into categories as per the stand height:

- Up to 10 m: the zoning and planning decision and possibly construction announcement
- 10 m – 35 m: the zoning and planning decision and building permit are necessary
- above 35 m: the zoning and planning decision and building permit are necessary

The wind power plants with the total installed output higher than 500 kWe or with the height of the stand exceeding 35 m as per the Annex 1 of the Act on evaluation of influences on the environment (EIA), are in the category of intent for which the establishment procedure is necessary. The intent for the production of wind power plant is the subject of evaluating the influence on the landscape as per the Act No. 114/1992 Coll. of Nature and Landscape Protection.

Small water power plants (MVE) – In the Czech Republic, the facilities under 10 MW, in EU under 5 MW shall be considered for a small water power plant. Water power plants with the total installed output of production from 10 MWe to 50 MWe under the Annex 1 “Evaluation of influences on the environment” (EIA), is in the category of intents calling for establishment procedure.

(some information from: CONSTRUCTIONS AND FACILITIES FOR THE PRODUCTION OF ENERGY FROM SELECTED RENEWABLE SOURCES, methodical instruction for their location (MMR, 2008)) – partly already outdated (Change of Air Act etc.)

Under the Act No. 201/2012 Coll. of air protection, the building owner is obliged for new constructions and changes of the current constructions, if technically possible, to use for heating the heat from the system of supplying the thermal energy or source which is not a stationary source. This does not apply if the energy opinion does not prove that the use of heat from the system of supplying the thermal energy or source energy which is not a stationary source is not economically acceptable for the obliged person. In practice it is necessary to elaborate an energy opinion for each construction, the obligatory contents is given by the implementing regulation No. 480/2012 Coll. to this Act.

The Air Protection Act splits the stationary sources of air pollution into listed and not listed ones. Not listed are the sources of the nominal heat input up to 300 kW. The listed sources are split into categories which determine the duties in the permission procedure. Cat. A – the dispersion is required, cat. B – compensation measures are required and cat. C –the operating rules are required as a part of the operation permission. Some of the sources are included in all the categories. From RENEWABLE ENERGY, biogas production is included into the cat. C and in case of the energy use of biomass, the nominal heat input is of principal importance.

Operation of RENEWABLE ENERGY technologies

The operation of technologies follows, in the most cases the operating rules, approved in the permission procedure. In case of sources polluting the air (biogas stations, biomass boiler rooms etc.), it is necessary to meet the announcing and monitoring duties – measuring and following of released emissions, annual announcing emissions quantity.

2.3. LATEST NATIONAL AND REGIONAL ACTIVITIES AND EFFORTS FOR THE REFORM OF STANDARDS

The branch targets and plans of RENEWABLE ENERGY development by 2020 are fixed e.g. by the National Action Plan for the energy from renewables. By 2020 the following shall be achieved:

- The share of energy from renewables when heating and cooling: the rough final consumption of energy from renewables during heating and divided by the rough final energy consumption when heating and cooling: 18,9 %
- Share of energy from renewables when producing electricity: rough final consumption of electricity from renewables during the electricity production divided by the total rough final electricity consumption: 15,2 %
- Share of energy from renewables in the transport: final energy from renewables consumed in the transport divided by the consumption in the transport, particularly 1) petrol; 2) Diesel oil; 3) biofuel used in the railway and road transport and 4) electricity in the land transport: 10 %
- Share of energy from the renewables in the rough final energy consumption: 15,3 %
- Minimum development plan OZ: 13 % (3 487,4 ktoe)

In January 2018, MPO (Ministry of Industry and Trade) of the CR started the sector examination of the appropriateness of the subsidy provided as per the Act No. 165/2012 Coll. of subsidized energy sources.

This is a sector investigation of the provided operating support for electricity from renewable sources following from the decision of the European Commission on compatibility of this subsidy with the rules of the European Union valid for the public subsidy. The statements in the form of Excel file were sent to the energy producers from RENEWABLE ENERGY.

(https://www.mpo.cz/cz/energetika/sektorove-setreni-primerenosti-podpory--234842/)

Currently, no important legislative changes in RENEWABLE ENERGY were identified, none are being implemented and none are being planned in the following 2-3 years.

2.4. STATE, REGIONAL, MUNICIPAL AUTHORITIES RESPONSIBLE FOR ENERGY/EE/RE POLICY DEVELOPMENT.

Power engineering in the CR is primarily in powers of the **Ministry of Industry and Trade (MPO)**. The section of power engineering of the Ministry of Industry and Trade prepares the stated energy concept and the associated strategic documents. Moreover it assures the accordance of the strategic documents in the area of power engineering with the concept of the economic strategy and government policy and economic and political processes in the European Union. In the area of the legislative power engineering section it is responsible for the Energy Act, Act of support of production of energy from renewables sources. For the area of power engineering, it assures the relationships to the respective bodies of EU, OECD and Energy Charta.

(https://www.mpo.cz/cz/energetika/)

The permanent consulting government body of the in the area of energy and raw material state policy was formed by the government resolution, it is **Government Council for Energy and Raw Material Strategy of the Czech Republic**. The chairman of the Government Council is the Minister of the Industry and Commerce, 1st Vice-Chairman is the Minister of the Environment, 2nd Vice –Chairman is the deputy head of the minister of industry and commerce having in its powers the raw materials and power engineering, from the title of its functions. The main target of Government Council is to provide to the government the support during the preparation and discussion of the conceptual and strategic documents important for the economics of the Czech Republic; the Work Bodies of the Government Council consist of 9 working groups. The activity of the Government Council (including the activity of the working groups) is assured by the Secretariat being the organization part of the Ministry of Industry and Commerce.

(https://www.mpo.cz/dokument147240.html)

Also the Ministry of Environment providing particularly the information support participates considerably in the politics and strategies (e.g. National action plan for energy from renewables) Within the support of the permission process of renewables, Ministry of Environment provides the tools: information line for renewable energy sources for the public administration, information server (https://Renewable energy.mzp.cz/), information publication of renewables and methodical material in the area of renewables.

(https://www.mzp.cz/cz/obnovitelne_zdroje_informacni_podpora)

State Environmental Fund of the CR is established by the Act No. 388/1991 Coll. in connection with implementing regulations – Statute of Fund, Rule of Procedure of Fund Council, Guideline of the Ministry of Environment of providing financial means from the Fund and Annex to the Guideline. They regulate the conditions for providing the support for the respective period.

The Fund Administrator is the Ministry of Environment of the Czech Republic. The minister decides on the use of financial means of the Fund upon recommendation of the Fund Council as consulting body. In connection with the decisions of the Minister of Environment on providing the support, the administration of contributions is assured by the Fund Office. The Director appointed and recalled by the Minister of Environment stands at the head of the Fund.

The Fund assures the complete agenda concerning providing financial support (subsidies, loans etc.) for RENEWABLE ENERGY area. It draws the means from the own sources, state budget or sources of the European Union for the area of environment.

Energy Regulatory Office (ERÚ) was formed on January 1, 2001 by the Act No. 458/2000 Coll. (Energy Act) as administrative authority for the performance of supervision in power engineering. Powers of ERÚ:

- Price regulation,
- Support of the economic competition in energy branches,
- Supervision of the markets in energy branches,
- Support of use of the renewable and secondary energy sources,
- Support of the combined production of electricity and heat,
- Support of bio-methane,
- Support of the decentralized production of electricity and protection of interest of customers and consumers with the target of satisfaction of all the appropriate requirements on the energy supply,
- Protection of authorized interests of holders of licences the activity of which is subject to regulation,
- protection of authorized interests of customers and consumers in energy branches.

3. CONCLUSIONS

The development and enforcing policy and legislation in power engineering, including renewable sources falls under the powers first of all of the Ministry of Industry and Trade. The Ministry of Environment concentrates first of all on the area of RENEWABLE SOURCES support. The permanent consulting body in the area of the energy and raw material policy of the Czech Republic is the Government Council for Energy and Raw Material Strategy of the Czech Republic.

Among the most important strategic documents is the National Plan of the Czech Republic for energy from renewable sources, State and Territorial Energy Concept and State program for the support of savings and use of RENEWABLE ENERGY.

Also the State Environmental Fund participates in the support of renewables sources.

The main legislative regulation in the energy area is the Act No. 458/2000 Coll.. Energy Act, determining the basic pre-conditions for entrepreneurship and executing the state administration in this branch. The Act No. 406/2000 Coll. of Energy management sets the requirements on assuring the minimum efficiency of energy equipment, decreasing energy demands of buildings and labelling of appliances and buildings. The Act No. 165/2012 Coll. on subsidized energy sources regulating the ways of support and Framework for the National Action Plan of the Czech Republic for the energy from renewables is focused on RENEWABLE ENERGY.

The supervisory activity is assured by the State Energy Inspectorate. The administrative authority for executing the regulation in power engineering is the Energy Regulatory Office.