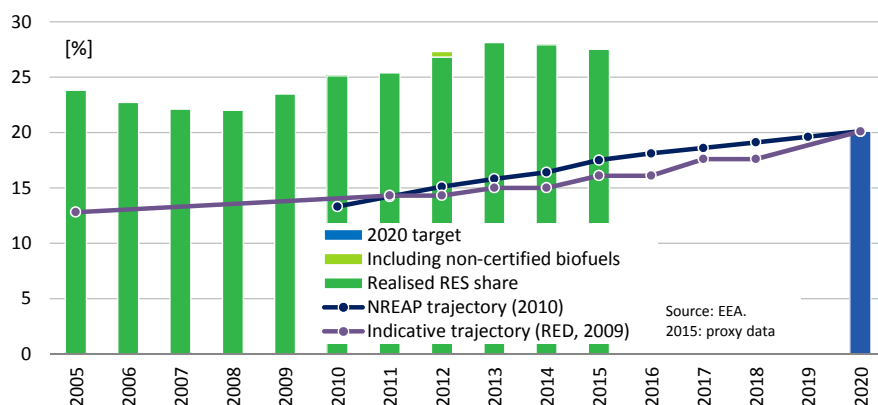


Summary

Electricity from renewable sources is promoted through a premium tariff (and a guaranteed feed-in tariff for installations of less than 30 kW), allocated through tenders. Soft loans and subsidies for renewable energy projects are also provided. Renewable energy sources for heating purposes only are not promoted through a national support scheme. A training programme for RES installers aims at promoting the development, installation and usage of power generating and heating installations based on renewables. The main promotion scheme in the field of renewable transport fuels is a biofuels quota scheme. Additionally, the state provides biofuels incentives taking the form of a tax credits mechanism.

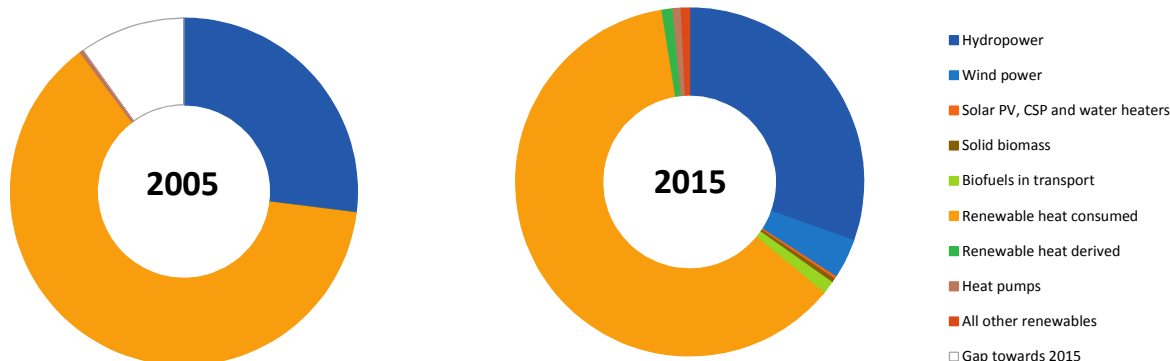


Abbreviations used:

RES: renewable energy sources
 RES-E: renewable electricity
 RES-H/C: renewable heating/cooling
 RES-T: renewable transport fuels

Data for 2015

Overall RES share:	29.0%	Avoided fossil fuels:	3.0 [Mtoe]
Overall RES 2020 target:	20.0%	Avoided fuel expenses:	0.7 [billion euro]
Share RES-E in electricity:	45.4%	RES Turnover:	670 [MEUR]
Share RES-T in transport:	3.5%	RES Employment:	6350 [jobs]
Share RES-H/C in heating:	38.6%		



	2005	2015		
	Energy	Energy	Employment	Turnover
Hydropower	533.0 ktoe	604.0 ktoe	250 Jobs	25 MEUR
Wind power	1.0 ktoe	72.7 ktoe	750 Jobs	125 MEUR
Solar PV, CSP and water heaters	0.0 ktoe	4.9 ktoe	350 Jobs	35 MEUR
Solid biomass	0.3 ktoe	7.7 ktoe	4600 Jobs	440 MEUR
Biofuels in transport	0.0 ktoe	24.2 ktoe	150 Jobs	30 MEUR
Renewable heat consumed	1245.4 ktoe	1218.0 ktoe		
Renewable heat derived	0.0 ktoe	20.1 ktoe		
Heat pumps	5.3 ktoe	15.3 ktoe	0 Jobs	0 MEUR
All other renewables	0.9 ktoe	15.1 ktoe	500 Jobs	40 MEUR
Gap towards 2015	196.0 ktoe			

Source: Eurostat, EurObserv'ER, 2017.

Hydropower jobs & turnover only covers 'small hydropower'. PV=Photovoltaics, CSP=Concentrated Solar Power. Biofuels in transport only covers compliant fuels (employment and turnover additionally cover the non-compliant biofuels). Derived heat includes heat produced in main activity producer plants and heat sold produced in autoproducer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).



CURRENT RENEWABLE ENERGY POLICY

In Croatia, renewable energy generation is supported mainly through a premium tariff and a feed-in tariff (for installations of less than 30 kW) allocated through tenders. Additionally, the Croatian Bank for Development and Reconstruction (HBOR) and the Environmental Protection and Energy Efficiency Fund (FZOEU) provide financial incentives for RES-E projects.

The access of electricity from RES to the grid is regulated by the general legislation on energy and RES installations are given priority. Electricity from RES is subject to special provisions only in case of wind power plants.

There are currently no support schemes for RES heating and cooling. However, the Energy Strategy adopted in 2009 obliges the Croatian State to encourage the future use of RES and to achieve a higher percentage of primary use of RES in the heating sector (cooling is not mentioned). A training programme for RES installers aims at promoting the development, installation and usage of power generating and heating installations based on renewables.

The main promotion scheme in the field of RES-T is a biofuels quota scheme. Additionally, the state provides a tax regulation mechanism to encourage the usage of biofuels.

OVERVIEW OF MAIN SUPPORTING POLICIES

The following measures and instruments are in place for renewable electricity generators:

- RES-E plant operators, who have obtained the status of privileged producer and have won a public tender carried out by the Croatian Energy Market Operator, can receive a premium tariff in addition to the selling price, which was obtained on the electricity market.
- Privileged producers owning RES installations, which do not exceed a capacity of 30 kW, can conclude a power selling contract at a guaranteed purchase price, if they have won a public tender carried out by the Croatian Energy Market Operator.
- Soft loans granted for the implementation of RES-E projects are part of the “environmental protection” loan scheme by the Croatian Bank for Reconstruction and Development (HBOR) in cooperation with commercial banks.
- The Environmental Protection and Energy Efficiency Fund (FZOEU) offers grants and soft loans for the use of renewable energy sources.

In Croatia, there are currently no support schemes for renewable heating and cooling. The aforementioned soft loan and investment subsidy facilities are also eligible for producers of renewable heating.

Direct stimulation of renewable transport fuels, only open for biofuels, is applied through the following policies and measures:

- A biofuels quota scheme obliges importers and suppliers of transport fuels to deliver a minimum share of biofuels for each year up to the year 2020 as defined in national legislation.
- A tax credits mechanism sets the excise duty for biofuels to zero.

Table 1: Overview of support schemes to promote renewable energy

		REGULATORY POLICIES					FISCAL INCENTIVE AND PUBLIC FINANCES			
	Feed-in tariffs	Feed-in premiums*	Tenders**	Quota obligation with Tradable Green certificates	Quota obligation without Tradable Green certificates	Net-metering/ net-billing	Investment subsidies	Tax credit mechanism I	Tax credit mechanism II	Soft loans
RES-E										
- Offshore wind										
- Onshore wind	x	x	x				x			x
- Solar	x	x	x				x			x
- Hydro	x	x	x				x			x
- Geothermal	x	x	x				x			x
- Solid biomass	x	x	x				x			x
- Biogas	x	x	x				x			x
RES-H/C										
- Solar thermal							x			x
- Geothermal							x			x
- Biomass							x			x
- Biogas							x			x
- Small scale installations, e.g. solar thermal collectors, heat pumps, biomass boilers and pellet stoves							x			x
- Others, i.e. aerothermal, hydrothermal heat pumps							x			x
RES-T										
- Bio gasoline					x			x		
- Biodiesel					x			x		

Sources: EurObserv'ER, GSR/REN21, RES-Legal Europe (2017)

* Feed-in tariffs are available for installations of less than 30 kW.

** Tenders in combination with a feed-in scheme

Table 2: Overview of instruments used at present

<i>Instrument</i>	<i>Description</i>
Feed-in tariffs	Guaranteed sale of electricity at a pre-set preferential price during the support contract period. New applications open to small-scale projects (≤ 30 kW) through tenders.
Feed-in premiums	Floating premiums based on difference between guaranteed reference values and the average benchmark electricity price per reference period during the support contract period. New applications open to large-scale projects (> 30 kW) through tenders.
Tenders	Applicable to project developers seeking feed-in tariff or premium support benefits.
Investment subsidies	The Environmental Protection and Energy Efficiency Fund (FZOEU) offers grants and soft loans for the use of renewable energy sources.
Soft loans	Granted for the implementation of RES-E projects are part of the “environmental protection” loan scheme by the Croatian Bank for Reconstruction and Development (HBOR) in cooperation with commercial banks. The Environmental Protection and Energy Efficiency Fund (FZOEU) also offers soft loans for the use of renewable energy sources.
Biofuels quota scheme	Obliges importers and suppliers of transport fuels to deliver a minimum share of biofuels for each year up to the year 2020 as defined in national legislation.
Tax credits mechanism	Sets the excise duty for biofuels to zero.

For further information:

CEER, 2017. Status Review of Renewable Support Schemes in Europe.

http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Electricity/2017/C16-SDE-56-03%20Status%20Review%20RES%20Support%20Schemes.pdf

EEA, 2017. [1] EEA, 2017 <http://www.eea.europa.eu/data-and-maps/daviz/actual-res-progress-indicative-trajectory-2>

Eurostat, 2017. Energy from renewable sources. http://ec.europa.eu/eurostat/statistics-explained/index.php/Energy_from_renewable_sources

REN21, Global Status Report 2017 http://www.ren21.net/wp-content/uploads/2017/06/170607_GSR_2017_Full_Report.pdf

IEA/IRENA Joint Policies and Measures database.

<https://www.iea.org/policiesandmeasures/renewableenergy/?country=Croatia>

Member State Progress Report, available at the Renewable Energy pages of the European Commission, <http://ec.europa.eu/energy/en/topics/renewable-energy>

RES Legal database, <http://www.res-legal.eu/search-by-country/croatia/>

<http://globalcompetitionreview.com/insight/the-european-middle-eastern-and-african-antitrust-review-2017/1067815/eu-energy> (Croatian renewables support compatible with the EU internal market: DG COMP decision SA.38406 on 1 September 2015)



This project is funded
by the European Union under
contract n° ENER/C2/2016-487/SI2.742173

Disclaimer

This document was prepared by the EurObserv'ER consortium, which groups together Observ'ER (FR), the Energy research Centre of the Netherlands (ECN, NL), the Renewables Academy (RENAC, DE), Frankfurt School of Finance and Management (DE), Fraunhofer-ISI (DE) and Statistics Netherlands (CBS, NL). The information and views set out in this publication are those of the author(s) and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein.