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# Energy and Climate Investment in Czechia

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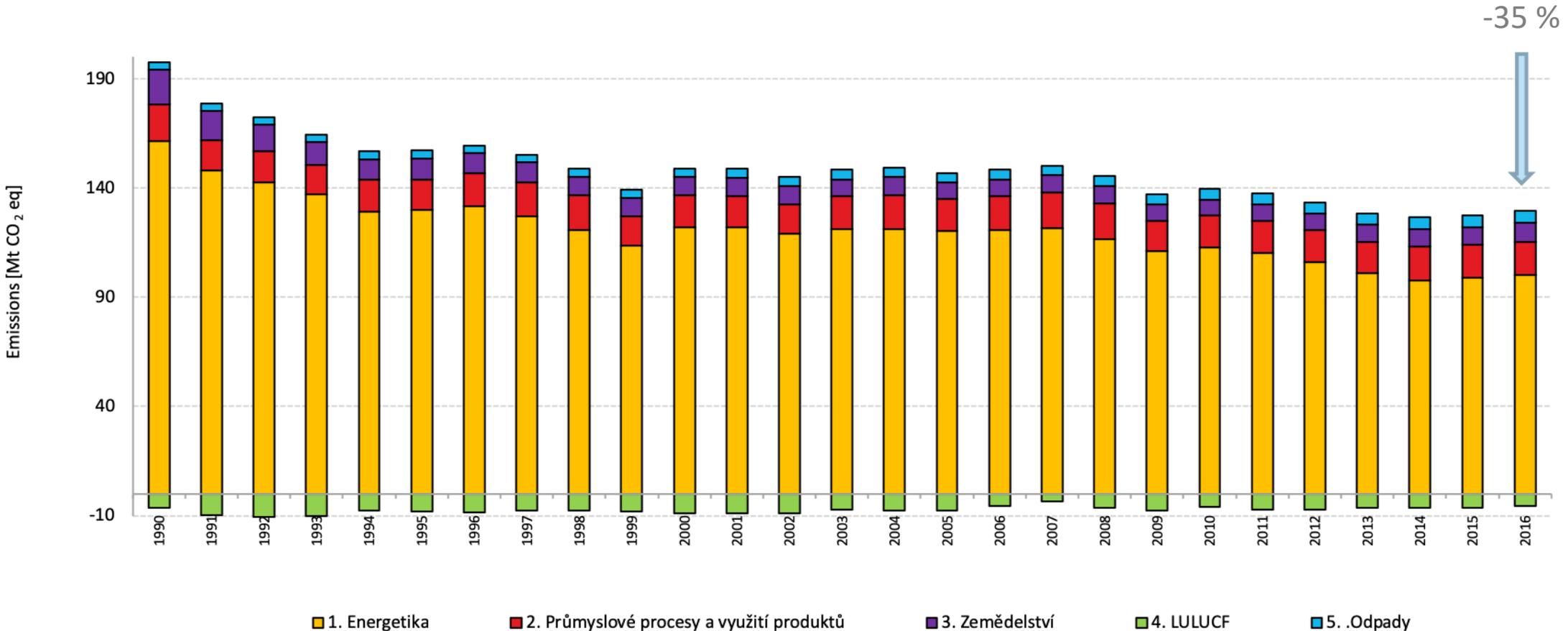
Workshop on „Finance flows and investment needs for the Energy and Climate finance  
landscapes transition”

Berlin, 15 March 2019

# Part 1: Overview

***Czechia – present state and the expected development of GHG emissions***

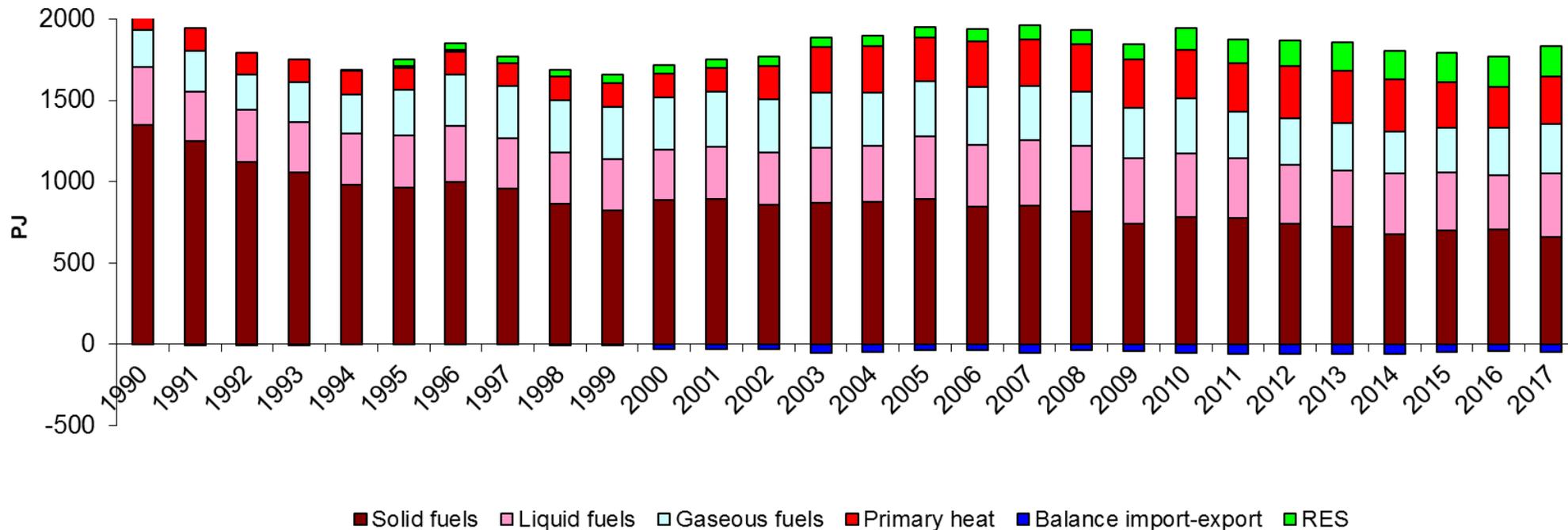
# Climate and Energy targets in Czechia



Source: Czech NECP

# What influences GHG emissions

## Primary energy sources

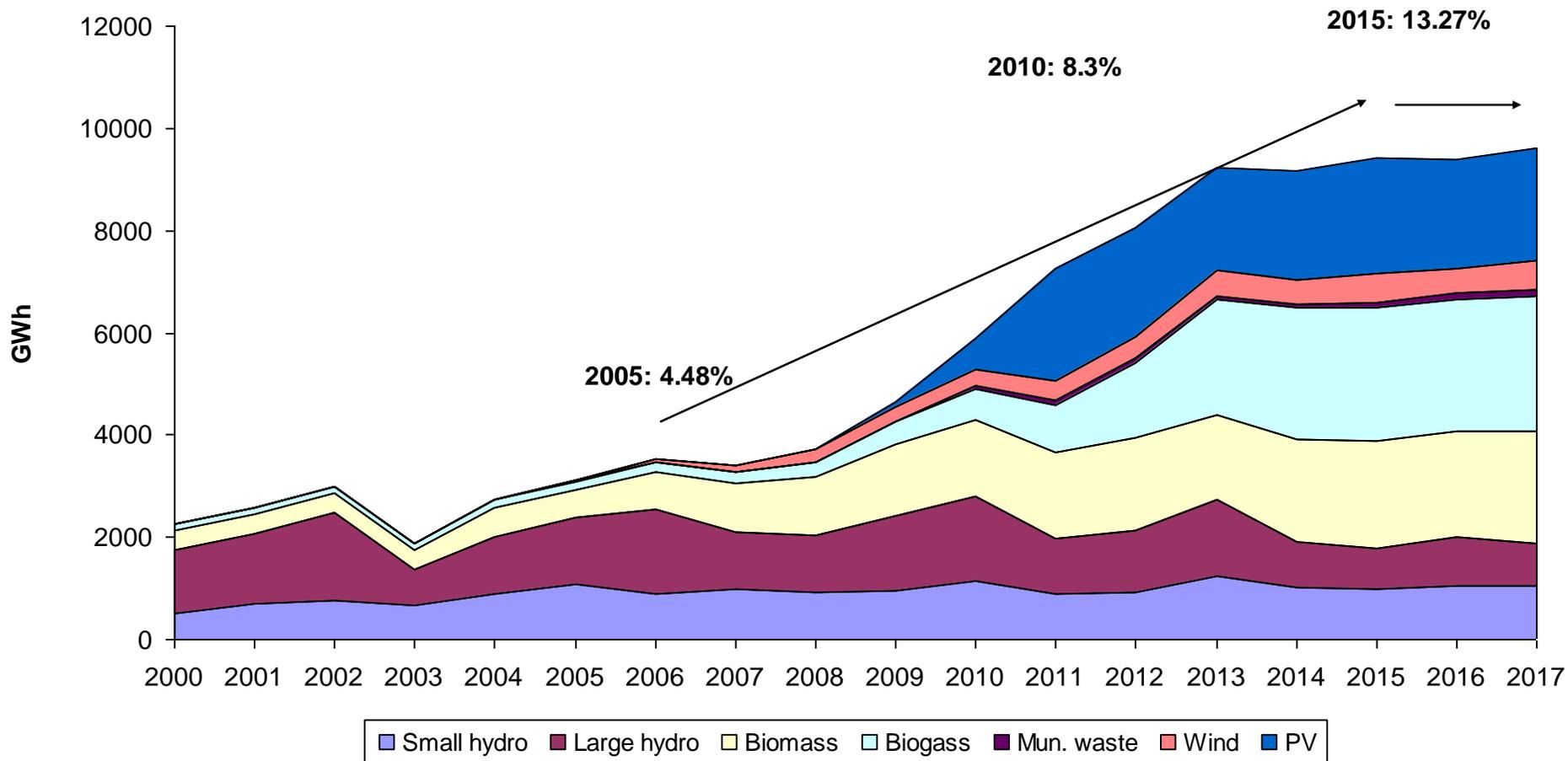


1990: 2076 PJ / 2000: 1635 PJ / 2007: 1909 PJ / 2017: 1788 PJ

Continuous decline of domestic (brown) coal utilization

# What influence GHG emissions

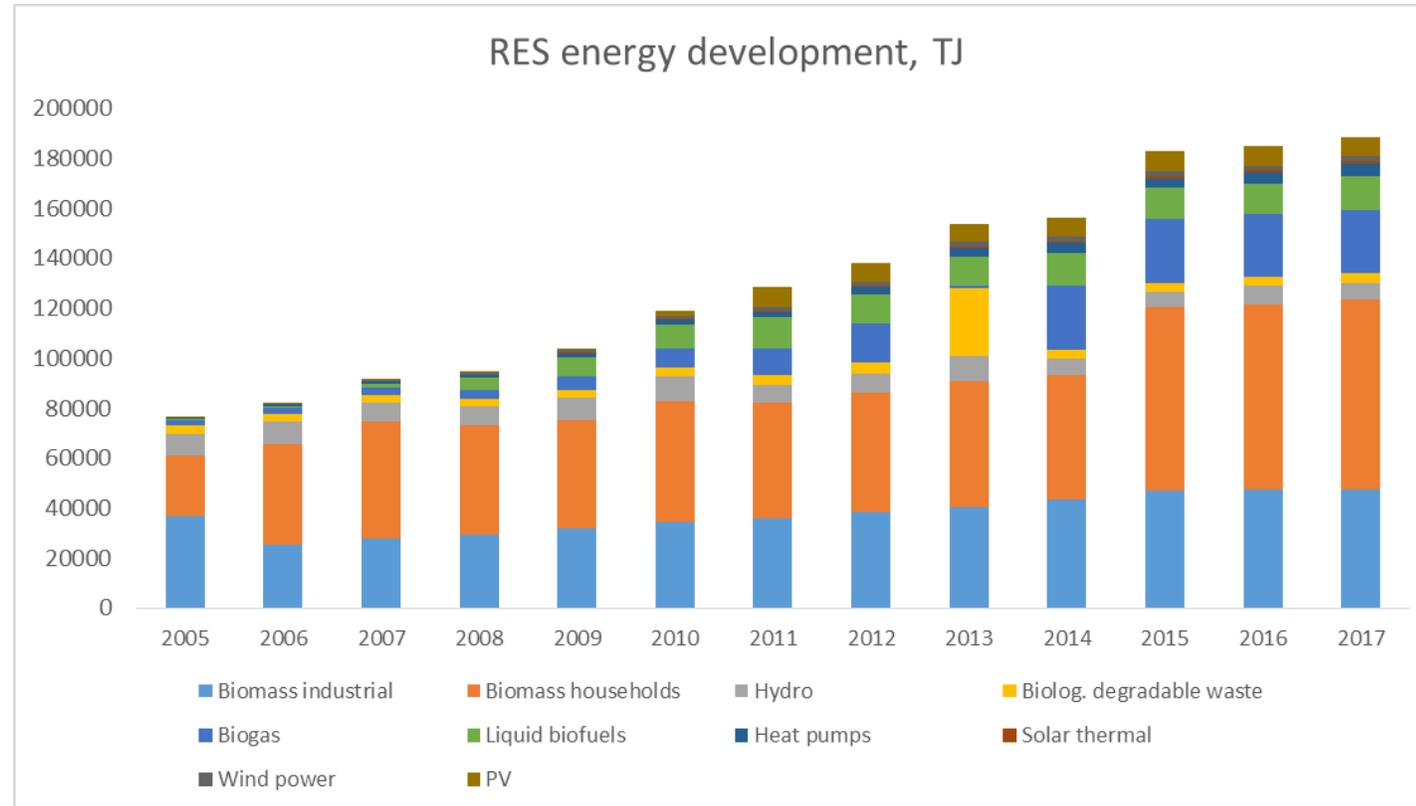
## RES development – power generation



Operation support  
(FIT + FIP: 1.8 bln  
EUR/year

# What influence GHG emissions

## RES development – RES energy



2017: RES is 10,54% on PES, decisive role of solid biomass: 65%, incl. biogas and liquid biofuels: 88% of RES contribution on PES

# What influence GHG emissions

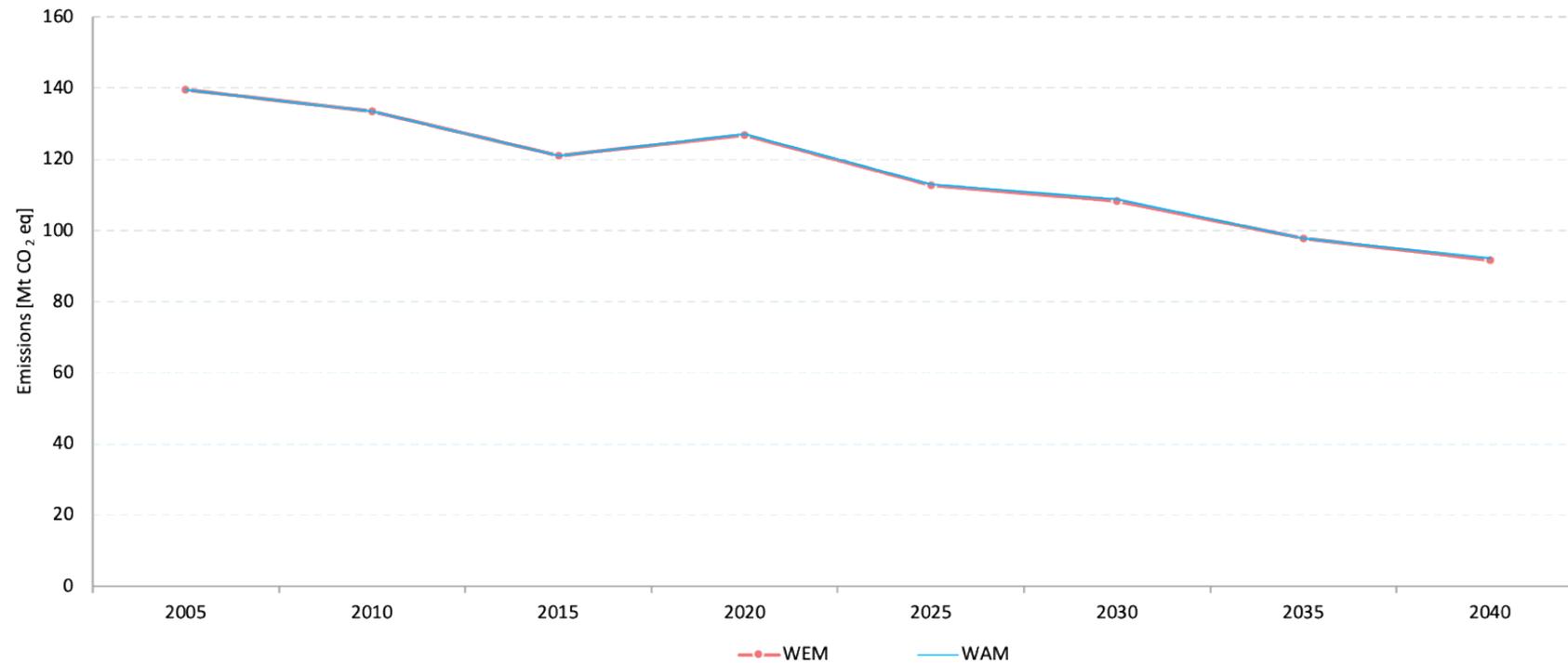
## RES development – RES shares in sectors (final consumption)

	Electricity	Transportation	Cooling and heating	Total final consumption
<b>2010</b>	7,52 %	5,12 %	14,02 %	<b>10,48 %</b>
<b>2011</b>	10,61 %	1,18 %*	15,29 %	<b>10,91 %</b>
<b>2012</b>	11,67 %	6,15 %	16,15 %	<b>12,77 %</b>
<b>2013</b>	12,78 %	6,34 %	17,56 %	<b>13,85 %</b>
<b>2014</b>	13,89 %	6,90 %	19,36 %	<b>15,00 %</b>
<b>2015</b>	14,07 %	6,45 %	19,66 %	<b>15,00 %</b>
<b>2016</b>	13,61 %	6,42 %	19,93 %	<b>14,91 %</b>

Roční metodika a výpočet EUROSTAT – převzato z databáze SHARES

**RES target for 2020 already fulfilled**

# Climate and energy targets in Czechia

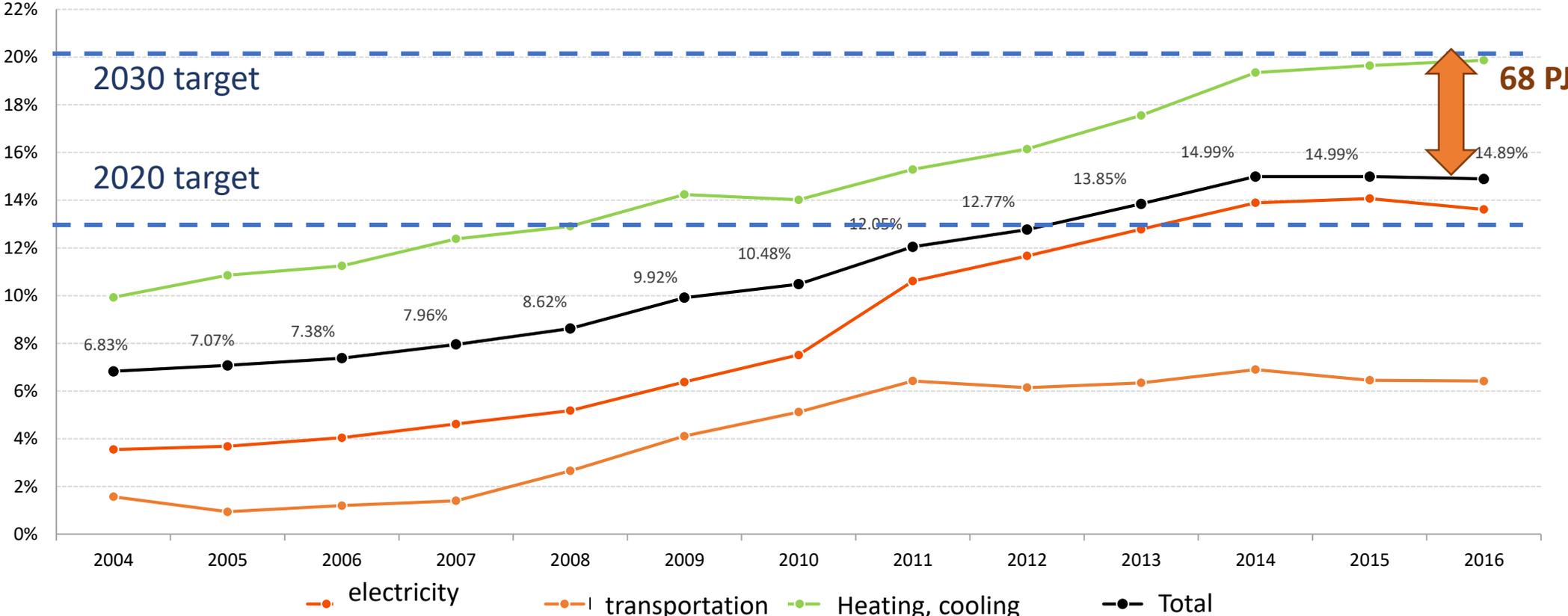


Source: Czech NECP

	Historical GHG emissions in Mt CO <sub>2</sub> ,ekv			Proj GHG projection in Mt CO <sub>2</sub> ,ekv				
	2005	2010	2015	2020	2025	2030	2035	2040
WEM	139,45	133,57	121,09	126,83	112,85	108,22	97,84	91,59
WAM	139,45	133,57	121,09	127,18	113,12	108,71	97,78	92,29

# Climate and energy targets in Czechia

Share of renewables in CZ gross final consumption

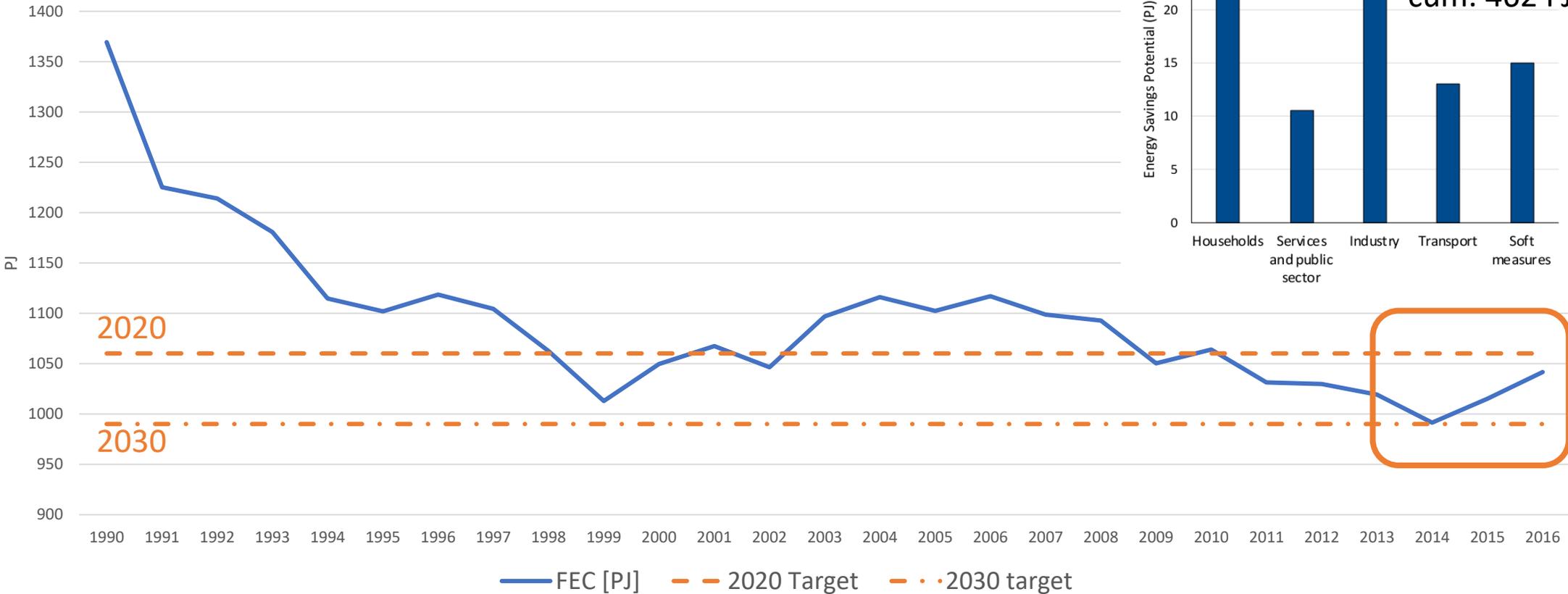


Note: The NECP expects a stagnation or gradual decline of the share of renewable energy sources (power)

Source: Czech NECP

# Climate and Energy targets in Czechia

Final energy consumption in Czechia



# Investment needed by 2030



RES – specific case

Boom between  
2006/2010

End of operation support

Threat of decrease in  
biomass and biomass



Art 7 EED total  
investment needed  
400 – 600 bln CZK



Retrofit of buildings  
13 500 mln EUR of  
cumulative  
investment

# Main strategies and instruments

- Update of legislation
  - Energy Act: (at least) one year delay, currently being discussed on ministries level, many opened questions, e.g. auctions for RES, accumulation, implementation of EU commission on notification decisions (from 2016-7), etc.
  - Act on supported sources: biomethane and switch from biogas to biomethane, ground mounted big PVs, way of support, what to do with installation after 20 years of operational support

# Thank you for your attention.

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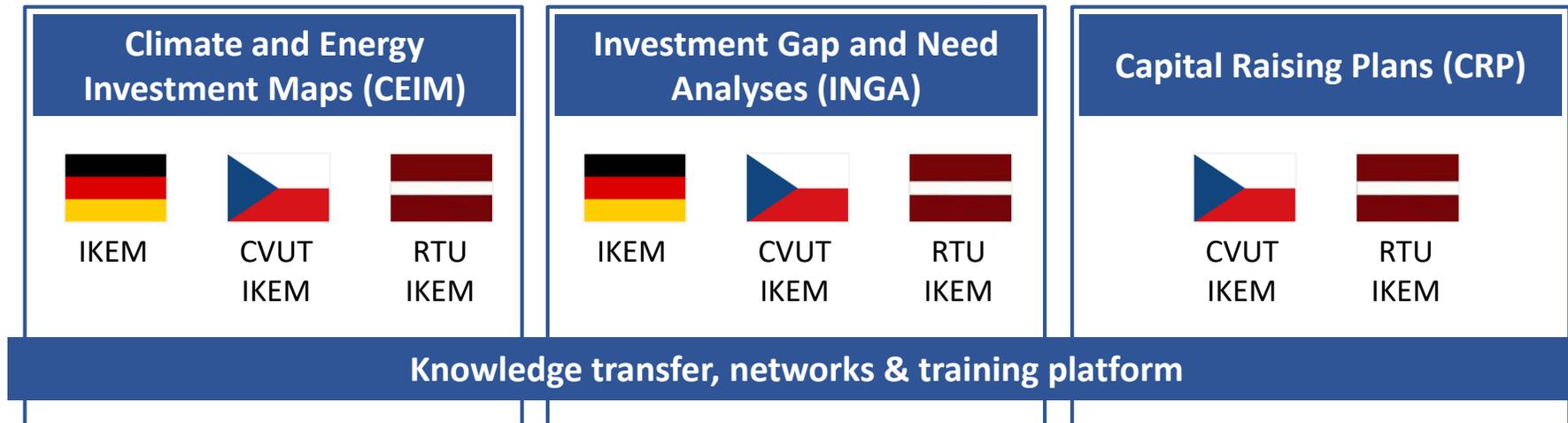
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# Part 2: Climate Investment Capacity 2030 in Czechia

# CIC 2030 in Czechia

Launched in October 2018

**Climate investment capacity (CIC): climate finance dynamics & structure for financing the 2030 targets**



Based on discussion with key stakeholders we focus on two sectors/recipients:  
**Buildings and energy sector (with a focus on RES)**

# Current status of energy and climate investment tracking



**Czech Kick-off** held on 15th January 2019 in Prague

20 key stakeholders: 3 ministries – Industry and Trade, Environment, Transportation,

Office of the government, banks and bank associations, power industry, energy services and buildings associations



# Starting points

## Overall

- Insufficient public finances:
  - Total investment needed in EE: CZK 400 – 600 bln
  - Currently available under the existing system: CZK 87 - 143 bln
- Targets are set. However, there is little knowledge as of now, which sectors will contribute the most to fulfilling them
- Results will be used (and are expected) by the MoIT and MoE
  - e.g. EU-ETS modernisation fund under preparation (starting 2021) – our results could contribute to prioritisation of the spendings of the fund

# Starting points

## Climate and Energy Investment Map

- Timing
  - The most useful would have been a year ago, but we can now feed in the finalisation of NECPs
- Data
  - Good overview of public sector financing, but what are the levels and sources of private financing?
  - Banks – if not public sector instruments (such as EIB, CMZRB) the data is not tracked according to climate relevance
  - Discussions launched with the bank association
- Additionality of the investment?
- We expect a large portion of the investment to come from public sources in form of subsidies/grants (based on the Czech reality)
  - Example: in 2017, there were 0 projects supported by the Czech Moravian Guarantee and Development Bank in energy savings. There was 1 in 2018.

# Starting points

## Investment Needs (and Gap) Analysis

- Discussion with MoIT: interest in financial (investment) flows mapping to fulfil the goals of NECP, analysis of state in 2020 against 2030 year
  - Interest in project results, agreed buildings and RES branches for the analysis
  - Can help with input data
- Discussion with MoE:
  - Similar interest in project results

Thank you for your attention.