

Strategy of stabilization and development of district heating, CZECH REPUBLIC



The role of district heating in CZ

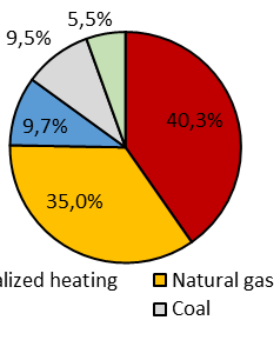
- District heating (DH) supply app. 50% of total heat consumption
- DH is the largest heat sourcing households (1.6 million households, 4 million people)
- Dominant role of coal in CHP plants - decreasing, but share steel reaches app. 60% of DH
- Important role of CHP in industry (mostly based on coal) – several units supply also district heat

Transformation of DH by 2030

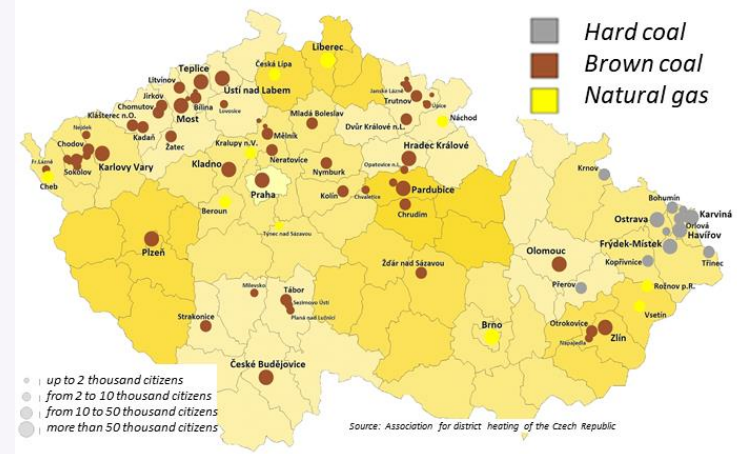
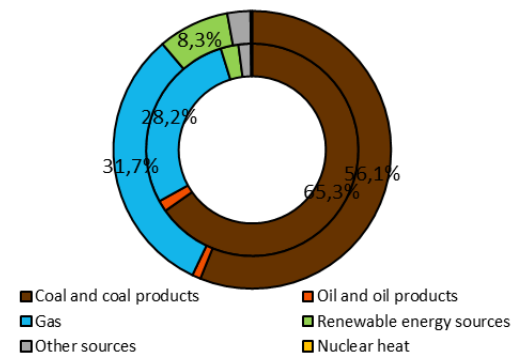
- Costs for modernization of DH
Conservative scenario, million CZK

	up to 2025	2026-2030
New CHP	32 060	31 653
Modernization of CHP	12 442	13 861
New mono-heat prod.	3 487	3 462
Modernization of mono-heat prod.	1 611	1 697
Heat distribution networks	3 302	3 645
Total	52 901	54 318

Relative share of dwellings/households with different heating options/fuels



Relative fuel share on supplied (sold) heat in 2010 (internal) and 2018 (external)



Source: Association for district heating of the Czech Republic based on ENERGO 2015

Key success factors



Policies for the transformation of H&C

- **New schemes for operational support - new sources of heat & modernization of current sources** - includes CHP support based on competitive auctioning (feed in premiums support for small CHPs)
- **New schemes of investment subsidies** - most important programs: Modernization Fund, Just Transition Fund, Recovery and resilience fund, EU/cohesion funds (OP TAK, OPŽP).
- **Reduced value added tax on heat and cold supply** - from 15% to 10% (1 January 2020)
- **New model of heat price regulation** - more deregulated model for district heating regulation.
- **Effective protection of DHS** - new requirements for disconnection from DHS introduced to prevent disconnection from the system with possible negative impacts (on energy efficiency, the environment, etc.).
- **Technical rules for heat measurement**: technical rules for remote readings and requirements for billing and verification of correctness of DH billing are being modified/introduced.

Public financing (investment support)

- **Operational fund for competitiveness**: modernization of DH distribution networks, after 2020 will be replaced by the Recovery and resilience fund.
- **Modernization fund**: transition of DH producers from coal to other low carbon sources (financed through the EU ETS)
- **Just transition fund**: three regions are eligible, DH systems involved
- **Recovery and resilience fund**: part to modernization of DH networks (app. 115 km to be modernized).

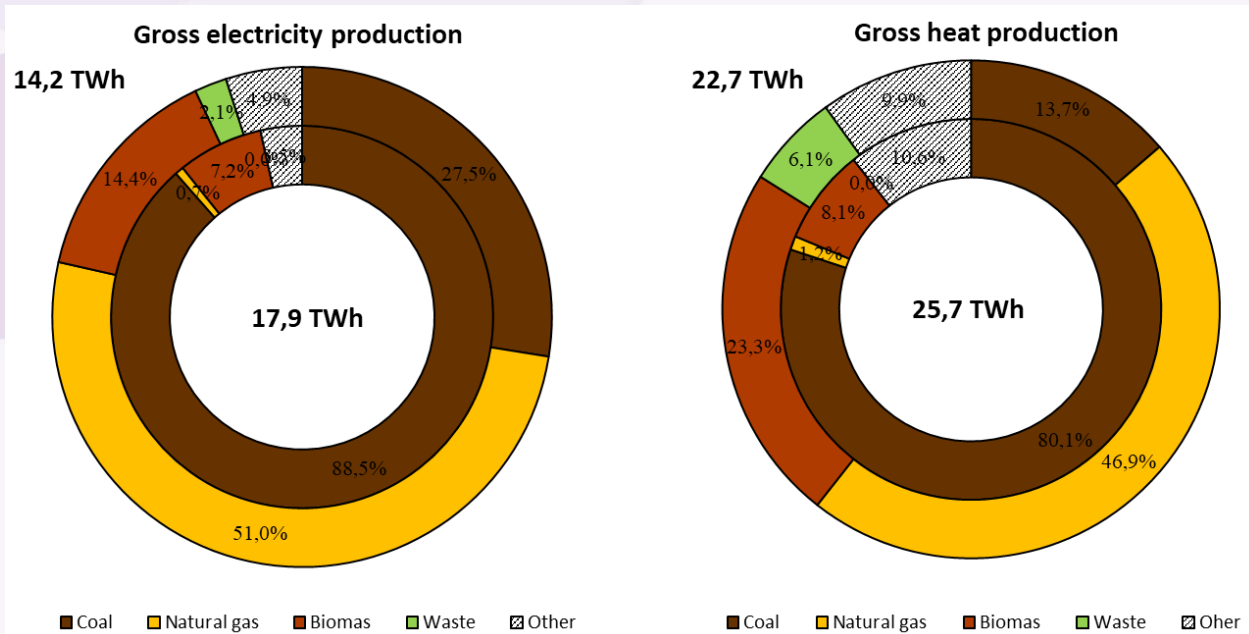
Further information



CONCERTED ACTION
ENERGY EFFICIENCY
DIRECTIVE

Transformation of DH by 2030

Planned transformation of coal CHP
comparison of year 2018 (inner circle) and year 2030 (outer circle)



Further information

Complete presentation available at:

www.ca-eed.eu

For more information contact:

Tomáš Smejkal

Department of strategy and international cooperation in energy

Ministry of Industry and Trade

www.mpo.cz/en/

