

ACT ON RENEWABLE ENERGY SOURCES AND HIGH EFFICIENCY COGENERATION

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ACT ON RENEWABLE ENERGY SOURCES AND HIGH EFFICIENCY COGENERATION

I. GENERAL PROVISIONS

Act Subject

Article 1 (OG [111/18](#))

(1) This Act defines planning and incentives for the production and consumption of electricity produced in the plants using renewable energy sources and high efficiency cogeneration. Furthermore, the Act determines incentives for the production of electricity using renewable energy sources and high efficiency cogeneration; it defines the implementation of the incentive system for the production of electricity from renewable energy sources and high efficiency cogeneration; it defines issues as regards to the construction of the plants intended for the production of electricity using renewable energy sources and high efficiency cogeneration at the state land; it determines the management of the renewable energy sources and high efficiency cogeneration register for projects, project holders and eligible producers of electricity using renewable energy sources and high efficiency cogeneration; it defines international cooperation in the field of renewable energy sources and other questions relevant for renewable energy sources and high efficiency cogeneration usage.

(2) This Act determines questions as regards to the construction of the production plants and acquiring eligible electricity producer status for the production plants using any of the primary renewable energy sources in the area of the Republic of Croatia and/or high efficiency cogeneration.

(3) The provisions of the acts defining energy sector, energy activities regulation, electricity market, gas and heat energy market are to be applied to all relations in the energy sector which refer to the production of energy from renewable energy sources and cogeneration plants and which are not defined by this Act.

(4) The provisions of the regulations determining environmental and nature protection, cultural heritage protection and preservation, state supports, physical planning, construction, electricity market, concessions, maritime domain, water management, economic activities, ownership rights and other related rights as well as the provisions of other regulations are to define planning, designing, construction, usage, maintenance and removal of the production plants and units producing electricity from renewable energy sources and high efficiency cogeneration, as appropriate.

(5) The provisions of the Act defining general administrative procedure are to be applied to the procedures defined in this Act.

The Purpose of the Act and Interest of the Republic of Croatia

Article 2

(1) The usage of renewable energy sources and high efficiency cogeneration is of interest for the Republic of Croatia.

(2) The purpose of this Act is to promote the production of electricity from renewable energy sources and high efficiency cogeneration, to promote the production of electricity from renewable energy sources and high efficiency cogeneration at consumption location, to promote shares in the total direct consumption of the energy produced from renewable energy sources by using incentive mechanisms and regulatory frame for renewable energy sources and high efficiency cogeneration usage.

(3) By using renewable energy sources and high efficiency cogeneration, the interests of the Republic of Croatia in the energy field are to be realized. These interests are defined in the Energy Development Strategy for the Republic of Croatia, acts and other regulations defining energy activities, especially as regards to:

1. Realizing national goal referring to the usage of energy from renewable energy sources in relation to the share of energy from renewable energy sources in the total direct energy consumption in the Republic of Croatia in 2020
2. Wider usage of own natural energy resources
3. Long term decrease of dependence on energy import
4. Efficient energy usage and decrease of the fossil fuels usage impact on environment
5. Creating new work places, developing entrepreneurship in energy sector and implementing other activities initiated in order to develop energy projects and their results in the local community
6. Encouraging the development of new and innovative technologies and contributing to the local community.
7. Diversifying energy production and increasing supply safety.

Application of Acquis Communautaire

Article 3 (OG [111/18](#))

The following European Union directives are implemented in this Act and legal order of the Republic of Croatia:

1. Directive 2009/28/EC of the European Parliament and Council of 23 April 2009 on promoting the usage of energy obtained from renewable energy sources, its amendment and later repealing of the Directives 2001/77/EC and 2003/30/EC, which was last amendment by the Council Directive 2013/18/EU of 13 May 2013 as regards to the adjustment of the Directive 2009/28/EC of the European Parliament and Council of 23 April 2009 on promoting the usage of energy obtained from renewable energy sources due to the Republic of Croatia access (text relevant for EEA),
2. Directive 2012/27/EU of the European Parliament and Council of 25 October 2012 on energy efficiency, amendment of the Directives 2009/125/EC and 2010/30/EU and repealing the Directives 2004/8/EC and 2006/32/EC (text relevant for EEA) and
3. Directive (EU) 2015/1513 of the European Parliament and Council of 9 September 2015, and amendment of the Directive 98/70/EC on the petrol and diesel fuels, and amendment of the Directive 2009/28/EC on promoting the usage of energy from renewable sources (text relevant for EEA) (SL L 239, 15 September 2015).

Terms

Article 4 (OG [111/18](#))

(1) The terms used in this Act have the meaning as determined by the act defining energy sector, act defining energy activities regulation, act defining electricity market, act defining gas market, act defining heat energy market and act defining oil and oil products market.

(2) Certain terms from this Act have the following meanings:

1. Bio-mas and bio-degradable part of the product, waste and biological waste from agriculture (including substances of plant and animal origin), forestry and related production activities including fisheries and aquaculture as well as bio-degradable part of industrial and utility waste
2. EKO balance group – balance group consisting of electricity producers and other persons performing electricity production and having the right to an incentive price in accordance with the concluded contract on electricity purchase pursuant to the Tariff System for the Production of Electricity from the Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), Tariff System for the Production of Electricity from the Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and Tariff System for the Production of Electricity from the Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15), and having right to a guaranteed purchase price pursuant to the electricity purchase agreement as defined in the Article 35 of this Act.
3. Ecological innovation – all forms of innovation activities leading to significant improvement in the field of environmental protection or innovation activities focused on the aforementioned, including new production processes, new products or services and new management and business methods whose use or implementation would probably prevent or significantly decrease environmental risks, pollution and other negative impacts arising from the use of resources during related activities
4. Economically justified demand – demand which does not exceed heat or cooling needs and which could be met by energy production procedures other than cogeneration in regular market conditions
5. Electricity from cogeneration – electricity produced within the procedure which is related to the production of useful heat and which is calculated in accordance with the methodology defined in the regulation determining eligible electricity producer status
6. Croatian Energy Regulatory Agency (hereinafter the Agency) – independent energy regulator founded in accordance with a special act and having the jurisdiction as defined in this Act and act determining energy activities implementation
7. Delivered electricity – amount of electricity which the production plant or unit hands over to the electro-energy network during the calculation measurement interval, recorded in a certain calculation measurement point
8. Simple structure – simple or any other structure or works in accordance with the construction regulations
9. Cogeneration plant – production plant which simultaneously produces heat energy and electricity in one unique process; during this process, cogeneration plants which use renewable energy sources as a primary energy source are considered production plants using renewable energy sources
10. Tender procedure for the award of market premium or for an incentive via guaranteed purchase price – non-discriminating procedure of collecting offers which includes participation of a certain number of entrepreneurs and which results in awarding supports pursuant to the start offer which the tenderer made in accordance with the auction

clearing price. Apart from the mentioned, calculation or volume referring to the tender procedure is an obliging limitation, so all procedure participants cannot get such support

11. Useful heat – heat energy produced in the cogeneration procedure in order to meet economically justified demand for heating or cooling

12. Self-supply plant user – the end buyer of the electricity in the household category who connected the electricity self-supply plant using renewable energy sources or high efficiency cogeneration within his own installations. The supplier or market participant with a suitable concluded agreement can take extra energy from such end buyer within the calculation period and under the condition that the amount of electricity handed over to the network within one calendar year is less or equal to the taken electricity.

13. End buyer with own production – end electricity buyer having installations with connected plant producing electricity from renewable energy sources or high efficiency cogeneration, and meeting the needs of the end buyer. There is a possibility of delivering extra produced electricity to the transmission or distribution network

14. Minister - competent for the energy field

15. Ministry – central state administration institution competent for the energy field

16. Net delivered electricity – difference between total delivered electricity and total electricity taken from the production plant or unit as defined within each calculation measurement interval for all calculation measurement locations together

17. Project holder – physical or legal person planning to construct or constructing production plant or unit, registered in the Register of Renewable Energy Sources, Cogeneration and Eligible Producers

18. Renewable energy sources – renewable non-fossil energy sources (aero-thermal, bio-mas energy, bio-liquid energy, sea energy, hydro energy, wind energy, geo-thermal and hydro-thermal energy, gas energy from the waste disposal location, gas from the plant for the waste waters and bio-gas treatment, Sun energy and bio-degradable part of the waste which is certified for the energy production in a manner which is in accordance with the regulations in the field of environmental protection)

19. Ratio between electricity and heat energy – ratio between the electricity from cogeneration and useful heat in cogeneration plant in accordance with the regulation determining eligible electricity producer status

20. Electricity market operator – legal person with public jurisdiction liable for the organization of the electricity market having the rights and duties as defined in this Act

21. Eligible electricity producer – energy entity and/or other legal or physical person producing electricity from renewable energy sources or simultaneously producing electricity and heat energy at high efficiency manner within an individual production facility, using waste or renewable energy sources in a suitable manner and in accordance with the environmental protection regulations. Such entity and/or legal or physical person has to have eligible electricity producer status in accordance with the provisions of this Act

22. Taken electricity – the amount of electricity which the production plant or unit takes from the electro-energy network within a calculation measurement interval, as recorded in a certain calculation measurement location

23. Support program – program of state support as defined in the act which determines state supports in the field of environmental protection and energy and which is developed in accordance with the valid regulations on state supports

24. Production plant – an independent and technically unique plant for the electricity and/or heat energy production. Such plant can consist of several production units.

25. Production unit – plant for electricity and/or heat energy production which is a part of the production plant and which can use joint production plant parts and joint primary energy product together with other production units. In other words, such unit can use the same energy source as other production units and produce energy independently of the other production units in the production plant.

26. Production plant using renewable energy sources – production plant using renewable energy sources for the electricity and/or heat energy production

27. Project of using renewable energy sources and high efficiency cogeneration – project of production plant construction which is registered in the Register of Renewable Energy Sources, Cogeneration and Eligible Producers

28. The Register of Renewable Energy Sources, Cogeneration and Eligible Producers (hereinafter OIEKPP Register) – unique register of the projects referring to renewable energy sources and high efficiency cogeneration, production plants using renewable energy sources, plants using high efficiency cogenerations and eligible producers in the area of the Republic of Croatia

29. Electricity self-supply – meeting personal electricity needs from the electro-energy plant which is connected within own installations

30. Statistical transfer among the member states – statistical transfer of a certain amount of electricity obtained from the renewable energy sources in one EU member state and transferred to the other member state. The transferred electricity amount is taken from the realized amount of electricity from renewable energy sources in the country which transfers the electricity and it is added to the realized amount of electricity from renewable energy sources in the county which takes the electricity.
31. Liquid bio-fuel – liquid bio-fuel used for energy purposes except traffic including electricity and heating and cooling energy produced from bio-mass
32. Third state – every state except the Republic of Croatia and EU member states
33. Total direct energy consumption – the amount of energy which is delivered for the energy needs of end buyers in industry, transport, households, services, including public services, agriculture, forestry and fishery, including energy consumption in the energy sector for the electricity and heat energy production needs and electricity and heat energy losses in energy transmission and distribution
34. Total efficiency – annual amount of the produced electricity and mechanical energy and produced useful heat divided by primary energy of the fuel which is spent for heat energy produced within the cogeneration procedure and which is spent for gross production of electricity and mechanical energy
35. High efficiency cogeneration – cogeneration plant insuring primary energy savings of minimally 10% in comparison with the referent separated production of electricity and heat energy, or insuring any savings of the primary energy in case of cogeneration plants with the installed electricity connection power which does not exceed 1 MW and which meets efficiency and/or heat usage conditions as defined in the Article 25 of this Act
36. Production plant own consumption – all electricity consumption related to the electricity production including consumption which is used for the needs of production plant work, general production plant consumption, electricity consumption related to the preparation of primary energy product or energy source management and other consumption beyond production plant calculation measurement points. Production plant own production is balanced with the production from the production plant or unit, or it is taken over from the network through production plant or production unit calculation measurement points.

Electricity Market Operator

Article 5 (OG [111/18](#))

In accordance with this Act, the Electricity Market Operator is liable for:

1. Entering data into OIEKPP Register pursuant to the provisions of this Act
2. Implementing public tender for market premium award or public tender for electricity purchase and guaranteed purchase price agreement pursuant to the Article 31 and Article 34 of this Act
3. Concluding market premium agreement pursuant to the decision on the selection of the most favourable tenderer in accordance with the Article 32 of this Act
4. Concluding the electricity purchase and guaranteed purchase price agreement pursuant to the decision on the selection of the most favourable tenderer in accordance with the Article 35 of this Act
5. Purchasing electricity from eligible producers pursuant to the electricity guaranteed price offtake agreement in accordance with the Article 35 of this Act and purchasing electricity from eligible producers pursuant to the electricity offtake agreement concluded in accordance with the Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15)
6. Concluding the offtake agreement for the obligatory share of electricity which is produced in eligible producers production plants as defined in the Paragraph 5 of this Article with all electricity suppliers in accordance with the Article 40.a of this Act
7. Sales of the electricity of eligible producers as defined in the Paragraph 5 of this Article in a clear and fair manner at the electricity market pursuant to the Article 40 of this Act
8. Collecting fees for renewable energy sources and cogeneration from all electricity suppliers in accordance with the Article 41 and 42 of this Act
9. Submitting reports on the collection, calculation and division of funds for incentive payment in accordance with the provisions of this Act and in accordance with the Article 43 of this Act
10. Management of EKO balance group in accordance with the Article 46, Paragraph 2 of this Act

11. Making the Regulations on EKO Balance Group Management in accordance with the Article 46, Paragraph 4 of this Act

12. Planning electricity production for EKO balance group in accordance with the Article 46, Paragraph 11 of this Act

13. Registration of the eligible producers plants with the valid electricity offtake agreement concluded with the electricity market operator in accordance with the Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) and electricity guaranteed price offtake agreement as defined in the Article 35 of this Act, and with the right to participation in the electricity origin guarantees system, into the Register of Guarantees for the Origin of the Electricity

14. Issuing the electricity origin guarantee for the electricity produced in the eligible producers plants with the valid electricity purchase agreement which is concluded with the electricity market operator in accordance with the Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) and electricity guaranteed price offtake agreement as defined in the Article 35 of this Act, and with the right to participation in the electricity origin guarantees system

15. Sales of electricity origin guarantees as defined in the Article 40, Paragraph 2 of this Act, issued for the electricity which is produced in the electricity eligible producers plants with the valid electricity offtake agreement which is concluded with the electricity market operator in accordance with Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) and electricity guaranteed price offtake agreement as defined in the Article 35 of this Act

16. Implementing the procedure in order to determine whether an entrepreneur meets the conditions for the decrease of the renewable energy sources and cogeneration fee and publishing the list of entrepreneurs paying decreased renewable energy sources and cogeneration fee in accordance with the Article 43 of this Act.

Renewable Energy Sources

Article 6 (OG [111/18](#))

(1) Due to the needs referring to the reporting and statistic processing implemented in accordance with this Act and classification, the renewable energy sources are as follows:

1. Sun energy
2. Wind energy
3. Hydro energy
4. Geo-thermal energy
5. Bio-mass energy and
6. Non-specified and other renewable energy sources.

(2) Due to the needs referring to the reporting and statistic processing implemented in accordance with this Act and plant classification, the fossil fuels are as follows:

1. Bituminous coal
2. Brown coal and lignite
3. Natural gas
4. Oil and petroleum products
5. Non-specified and other fossil fuels.

(3) In order to implement this Act, the Government of the Republic of Croatia shall develop detailed production plant classification depending on the source type, technology and production plant connection power, in the Regulation as defined in the Article 36 of this Act.

II. NATIONAL GOAL AS REGARDS TO RENEWABLE ENERGY SOURCES USAGE, NATIONAL ACTION PLAN FOR RENEWABLE ENERGY SOURCES, REPORT ON IMPROVEMENT IN THE FIELD OF INCENTIVES AND RENEWABLE ENERGY SOURCES USAGE

National Goal as regards to Renewable Energy Sources Usage

Article 7 (OG [111/18](#))

- (1) National goal as regards to renewable energy sources usage is an obligatory goal of using energy obtained from the renewable energy sources in the Republic of Croatia in 2020. It is determined as minimal share of energy obtained from the renewable energy sources in the total direct energy consumption (hereinafter the National Goal). In percentages, it is 20%.
- (2) Method of determining share of energy obtained from renewable energy sources in the total direct energy consumption in the Republic of Croatia shall be determined in accordance with the methodology for determining the share of energy obtained from renewable energy sources in the total direct energy consumption.
- (3) Energy production from the plants using renewable energy sources which are not connected to electro-energy network is calculated in the energy obtained from the renewable energy sources within the total direct energy consumption.
- (4) As for the production plants using several energy sources some of which are renewable energy sources and for the purpose of calculating the share of energy obtained from the renewable energy sources in the total direct energy consumption, only the share of electricity obtained from the renewable energy sources is to be considered. In order to implement such calculation, the share of each energy source is calculated pursuant to its energy content.
- (5) If the Republic of Croatia considers that the National Goal as defined in the Paragraph 1 of this Article shall not be met by 2020 due to force majeure, the Republic of Croatia is obliged to immediately inform the European Commission on the afore mentioned. The European Commission shall make the decision whether this was the case of force majeure. If the European Commission decides that this was the case of force majeure, it shall be determined that the share of energy obtained from the renewable energy sources in the total direct energy consumption for 2020 is adjusted.
- (6) The Government of the Republic of Croatia defines the methodology for determining the share of energy obtained from the renewable energy sources in the total direct consumption as defined in the Paragraph 2 of this Article with the Regulation which is defined in the Article 25 of this Act.
- (7) The methodology from the Paragraph 6 of this Article shall define the method of calculating the amount of aero-thermal, geo-thermal or hydro-thermal energy in the heat pumps which is considered energy obtained from the renewable energy sources.
- (8) By the end of the current year and in accordance with the methodology defined in the Paragraph 6 of this Article, the Ministry shall develop and publish the report on total direct energy consumption in the previous year at the Ministry's website.

National Action Plan for Renewable Energy Sources

Article 8

- (1) National Action Plan for Renewable Energy Sources (hereinafter the National Action Plan) is a planning document which is developed for the period until 2020. It defines the National Goal of the Republic of Croatia as regards to the share of energy which is obtained from renewable energy sources in electro-energy sector, heating, cooling and transportation system.
- (2) The National Action Plan includes the overview and evaluation of the energy market, comparative analysis, long-term goals including National Goal, all sector goals and annual forecasts, measures which are to be taken in order to realize goals and all other necessary data.
- (3) The National Action Plan is developed in accordance with the acts defining energy policy and planning energy development, and pursuant to the suggestion made by the European Commission and EU regulations.
- (4) If the share of energy which is obtained from the renewable sources is below level which is foreseen in the National Action Plan within the previous two years period, the Republic of Croatia is obliged to deliver amended National Action Plan to the European Commission. Such amended Plan shall be delivered by 30 June of the next year and it shall include all suitable measures for achieving suitable share of energy obtained from the renewable energy sources.

(5) The National Action Plan is to be developed by the Government of the Republic of Croatia upon the Ministry's proposal.

(6) The National Action Plan and its amendments are to be delivered to the European Commission after they have been developed.

(7) The National Action Plan and its amendments are to be published at the Ministry's website.

Report on the Improvement in the field of Incentives and Renewable Energy Sources Usage

Article 9 (OG [111/18](#))

(1) The Republic of Croatia is obliged to file a report on the improvement in the field of incentives and renewable energy sources usage to the European Commission.

(2) The Report on the Improvement in the field of Incentives and Renewable Energy Sources Usage from the Paragraph 1 of this Article states the following:

1. Sectorial (electricity, heating, cooling and transportation) and total share of energy obtained from the renewable energy sources within the last two calendar years and measures which are taken and planned at national level in order to encourage growth of the share of energy obtained from the renewable energy sources

2. Introducing and functioning of support program and other incentive measures which aim to encourage the energy production from renewable sources and all changes in the field of measures from the National Action Plan as well as information on how the supported electricity is awarded to the end users

3. The manner in which the Republic of Croatia, when necessary, structures its support programs in order to consider the application of renewable energy with additional benefits in comparison to other applications. The application with additional benefits can have more expenses, including fuels and raw materials stated in the Regulation defining incentive measures for bio-fuel usage in transportation

4. Functioning of the system of guarantees for the origin of electricity, heating and cooling obtained from renewable energy sources and measures made in order to ensure reliability and protection from the system fraud

5. Advancement in the evaluation and improvement of administrative procedures in order to remove all regulatory and non-regulatory obstacles in the development of energy from renewable sources

6. Measures taken in order to ensure the transmission and distribution of electricity produced from the renewable energy sources and in order to improve the framework or regulations for the takeover or division of technical adjustment expenses

7. Development in the field of availability and usage of bio-mass source for energy purposes

8. Changes in the raw materials price and land usage in the Republic of Croatia related to the increased usage of bio-mass and other forms of energy obtained from the renewable sources

9. Development and share of bio-fuel produced from raw materials and fuels stated in the Regulation defining methods and conditions for the application of sustainability requirements for the bio-fuel usage and production, including resources evaluation which is focused on sustainability aspects and which affects the exchange of products for people's and animal's food for bio-fuel production needs. Waste hierarchy principles established in the acts and defining sustainable waste management and multiple bio-mass usage principles have to be considered taking into account regional and local economic and technological opportunities, maintaining special carbon supplies in the ground and soil and eco-system quality

10. Estimated impact of the bio-fuel and bio-liquids production on biological diversity, water sources, water and soil quality in the Republic of Croatia

11. Estimated net savings of the greenhouse gases emissions due to the usage of energy obtained from the renewable energy sources

12. Estimated surplus during the production of energy from the renewable energy sources in comparison with the framework instructions. This surplus can be transferred to other member states and it provides an evaluation as regards to the possibility of joint projects until 2020

13. Estimated demand for the energy obtained from the renewable energy sources which cannot be met through domestic production by 2020

14. Information on the method of evaluating the share of bio-degradable waste in the waste which is used for energy production and steps taken to improve and inspect such evaluations

15. Amount of bio-fuels and bio-liquids in energy units which correspond to each category of raw materials as defined in the Regulation determining methods and conditions for the application of sustainability requirements in bio-fuels production and usage, which the Republic of Croatia considered in order to achieve national goal.

(3) The report from the Paragraph 1 of this Article is prepared by the Ministry and delivered to the European Commission by 31 December 2015, 31 December 2017, 31 December 2019 and 31 December 2021.

(4) The report from the Paragraph 1 of this Article is adjusted to the template which is defined by the European Commission for national action plans in the field of renewable energy sources.

(5) If the report from the Paragraph 1 of this Article defines that the goals established in the National Action Plan are not realized within reported period, the Government of the Republic of Croatia shall revise its National Action Plan.

(6) Revised National Action Plan is to be delivered to the European Commission.

Statistic Transfers among the European Union Member States

Article 10

(1) The Republic of Croatia can conclude the agreement on statistic transfer of a certain amount of energy obtained from renewable energy sources from one country to the other and it can define other elements of such transfer. The above mentioned agreement can be concluded with another European Union member state.

(2) The transferred amount of energy obtained from renewable sources:

1. Shall be deducted from the amount of energy obtained from renewable sources and considered when evaluating whether the member state doing the transfer meets the requirements determined in the National Goal and National Action Plan

2. Shall be added to the amount of energy obtained from renewable energy sources and considered when evaluating whether the member state which is the transfer recipient meets the requirements determined in the National Goal and National Action Plan.

(3) Statistic transfer does not impact the realization of the national goal of the member state which implements the transfer.

(4) Agreements defined in the Paragraph 1 of this Article can be concluded for the period of one or more years.

(5) The Republic of Croatia is obliged to inform the European Commission as regards to the agreement defined in the Paragraph 1 of this Article at the latest three months after the end of each year during which the agreement is in force, including the delivery of information on the subject energy amount and price.

(6) Statistic transfers from the Paragraph 1 of this Article are considered to be valid only after all member states included in the transfer inform the European Commission on such transfer.

(7) The Government of the Republic of Croatia makes the decision on the implementation of the statistic transfers.

(8) Statistic transfers are contracted between the states in the form of international agreements and in accordance with the act defining international agreements conclusion and implementation.

(9) The Government of the Republic of Croatia makes the decision on the conclusion of the agreement on statistic transfers upon the proposal of the competent ministry.

Joint Projects of EU Member States

Article 11

(1) The Republic of Croatia can cooperate with another European Union member state or states on all types of joint projects which refer to electricity production and production of heating or cooling energy obtained from the renewable energy sources. Such cooperation can include all electricity and heat energy producers using renewable energy sources.

(2) The Republic of Croatia is obliged to inform the European Commission as regards to the share or amount of electricity and heating or cooling energy obtained from renewable energy sources and produced at its territory within the joint project which started being implemented after 25 June 2009 or in the renewed production plant with increased capacity after the above mentioned date, and which is considered a part of general national goal of the other member state.

(3) The notice from the Paragraph 2 of this Article includes the following:

1. Description of the proposed production plant or information on the renewed production plant

2. Information on the share or the amount of electricity or heating or cooling energy produced in the production plant which is considered a part of the national goal of the other member state

3. Information on the member state for which the notice is issued

4. Information on the period for a complete calendar year during which the electricity or heating or cooling energy obtained from renewable energy sources and produced by the production plant is considered a part of the national goal of the other member state.

(4) The period defined in the Paragraph 3, Item 4 of this Article has to finish until 2020. However, the period of joint project can last after 2020.

(5) Notice sent in accordance with this Article can be amended or withdrawn only in agreement with the member state which takes part in the project implementation.

(6) The Government of the Republic of Croatia makes the decision on the implementation of joint projects with member states.

(7) Joint projects with member states are agreed among states in the form of international agreements in accordance with the act defining international agreement conclusion and implementation.

(8) The Government of the Republic of Croatia makes the decision as regards to the conclusion of the agreement on joint projects with the member states upon the proposal made by the competent ministry.

(9) For the needs of the Paragraph 2 of this Article, it shall be considered that the amount of electricity obtained from the renewable energy sources which is a result of increased capacity of the production plant was produced in a separate production plant from the point when the capacity was increased.

Impacts of the Joint EU Member State Projects

Article 12

(1) Within three months after each calendar year and within a period which is determined in accordance with the Article 11, Paragraph 3, Item 4 of this Act, the Republic of Croatia is obliged to issue a notice stating as follows:

1. Total amount of electricity or heating or cooling energy obtained from the renewable energy sources and produced during the year from the production plant defined in the Article 11, Paragraph 2 of this Act

2. Amount of electricity or heating or cooling energy obtained from the renewable energy sources and produced during the year from the production plant which is considered a part of the general national goal of the other member state.

(2) Notice from the Paragraph 1 of this Article is to be delivered to the European Commission and other member state for which the notice was issued.

(3) For the needs of evaluating National Goal of the Republic of Croatia, the amount of electricity or heating or cooling energy obtained from the renewable energy sources for which the notice in accordance with the Paragraph 1, Item 1 of this Article was issued:

1. Shall be deducted from the amount of electricity or heating or cooling energy obtained from renewable sources which is considered when evaluating whether the National Goal of the Republic of Croatia is met

2. Shall be added to the amount of electricity or heating or cooling energy obtained from renewable energy sources which is considered when evaluating whether the other member state for which the notice was issued meets the general national aim.

and considered when evaluating whether the member state which is the transfer recipient meets the requirements determined in the National Goal and National Action Plan.

Joint Projects of EU Member States and Third Countries

Article 13

(1) The Republic of Croatia alone, with another European Union member state or states, can cooperate with one or more third countries on all types of joint projects which refer to the production of electricity from the renewable energy sources. Such cooperation can include all electricity and heat energy producers using renewable energy sources.

(2) The electricity obtained from renewable energy sources and produced in a third country is considered only for the needs of evaluating whether the requirements defined in the National Goal and National Action Plan are met provided that the following conditions are fulfilled:

1. The electricity is spent in the European Union. This condition is met if:

- The usage of awarded cross border capacities is reported to all competent transmission system operators in the origin country and, if applicable, in each third transit country for the suitable amount of electricity

- If the suitable amount of electricity was registered and classified in the work system plan by the competent system operator in the member state

- The period of using the awarded cross-border capacities corresponds to the period of electricity production using renewable energy sources and production plants as defined in the Paragraph 2, Item 2 of this Article

2. The electricity from the joint project defined in the Paragraph 1 is produced in the newly built production plant which started working after 25 June 2009 or production plant with the increased capacity after the above defined date.

3. Only the investment support is approved for the amount of electricity which is produced and exported from the third state support program.

(3) The Republic of Croatia can request the European Commission to consider the electricity obtained from renewable energy sources which is produced and spent in a third country when calculating the share of energy from renewable energy sources if there is a connection line between the Republic of Croatia and third country, if the construction time is long and if the following conditions are met:

1. The connection line construction started on 31 December 2016
2. The connection line cannot be commissioned by 31 December 2020
3. The connection line can be commissioned by 31 December 2022
4. After commissioning, the connection line shall be used for the export of electricity which is produced from the renewable energy sources to the European Union in accordance with the Paragraph 2 of this Article
5. The usage refers to joint project which meets the criteria as defined in the Paragraph 2, Items 2 and 3 of this Article and which shall use the connection line after it is commissioned and for the amount of electricity which is not greater than the amount which is exported to the EU after the connection line is commissioned.

(4) The European Commission is to be informed as regards to the electricity share or amount produced by the production plant in the area of a third country. Such electricity share or amount has to be considered a part of the National Goal of the Republic of Croatia or Republic of Croatia and one or more other member states in relation to the needs of evaluating the fulfilment of the National Goal requirements. In case of more member states, the European Commission is informed as regards to the distribution of such share or amount among member states. This share or amount cannot exceed a share or amount that is really exported to and spent in the European Union and that corresponds to the amount defined in the Paragraph 2, Item 1, Clause 1 and 2 of this Article and meets the conditions defined in the Paragraph 2, Item 1 of this Article.

(5) The notice from the Paragraph 4 of this Article is issued by the Republic of Croatia when the electricity share or amount as defined in the Paragraph 4 of this Article is considered a part of the National Goal of the Republic of Croatia.

(6) The notice from the Paragraph 4 of this Article includes the following:

1. The description of the proposed production plant or information on reconstructed production plant
2. Information on the electricity share or amount produced by the production plant and considered a part of the National Goal of the Republic of Croatia and, depending on confidentiality requirements, suitable financial information
3. Information on the period, in full calendar years, during which such electricity presents a part of the National Goal of the Republic of Croatia
4. Written confirmation on the acceptance of the Item 2 and 3 of this Paragraph issued by a third country where the production plant is commissioned and electricity share or amount produced in the production plant and used by a third country for its own needs.

(7) The period which is stated in the Paragraph 6, Item 3 of this Article has to be finalized by 2020 and the joint project duration can exceed 2020.

(8) The notice which is issued in accordance with this Article cannot be changed or withdrawn without the approval of the member state from the project and third country confirming the joint project in accordance with the Paragraph 6, Item 4 of this Article.

(9) The Government of the Republic of Croatia makes the decision as regards to the implementation of joint projects with the third countries.

(10) Joint projects with the third countries are contracted among member states in the form of international agreements and in accordance with the act defining international agreements conclusion and implementation.

(11) The decision on the conclusion of the agreement as regards to the joint projects with the third countries is made by the Government of the Republic of Croatia upon the proposal of the competent ministry.

(12) For the needs of the Paragraph 2, Item 2 of this Article, it is considered that the amount of electricity from the renewable energy sources which is a result of the increased production plant capacity is produced in a separate production plant from the moment of capacity increase.

The Effects of the Joint Projects between EU member states and third countries

Article 14 (OG [111/18](#))

(1) When the electricity share or amount from the Article 13, Paragraph 4 of this Act is considered a part of the National Goal of the Republic of Croatia, the Republic of Croatia is obliged to issue a notice stating the following information

within three months after the end of each calendar year and within the period determined in accordance with the Article 13, Paragraph 6, Item 3 of this Act:

1. Total amount of electricity obtained from the renewable energy sources which is produced in the production plant during that year. The notice from the Article 13, Paragraph 5 of this Act is issued for such electricity.
 2. The amount of electricity obtained from the renewable energy sources which is produced in the production plant during that year and which is considered a part of the National Goal for the Republic of Croatia.
 3. Evidence on the fulfilment of the conditions from the Article 13, Paragraph 2 of this Act.
- (2) The notice from the Paragraph 1 of this Article is delivered to the European Commission and a third country which confirmed the project in accordance with the Article 13, Paragraph 6, Item 4 of this Act.
- (3) In order to evaluate whether the National Goal of the Republic of Croatia is achieved, the amount of electricity produced from renewable energy sources with an issued notice as defined in the Paragraph 1, Item 2 of this Article is to be added to the amount of energy obtained from the renewable energy sources which is considered during the evaluation whether the National Goal of the Republic of Croatia was met.

III. TENDER FOR THE RIGHT TO CONSTRUCT PRODUCTION PLANT USING RENEWABLE ENERGY SOURCES OR HIGH EFFICIENCY COGENERATION AT STATE LAND

Article 15 (OG [111/18](#))

- (1) A construction and/or easement right can be founded for the purpose of constructing production plants using renewable energy sources and for the purpose of constructing high efficiency cogeneration and infrastructural facilities which are directly related to the production plant work on the land owned by the Republic of Croatia.
- (2) Construction and/or easement right as defined in the Paragraph 1 of this Article is to be founded pursuant to the agreement on the construction and/or easement right foundation.
- (3) Agreement from the Paragraph 2 of this Article is to be concluded between the institution which is competent for the management of the land owned by the Republic of Croatia and legal or physical person selected as the most favourable tenderer at the public tender defined in the Article 16.a, Paragraph 1 of this Act and in accordance with the regulations defining management of the land owned by the Republic of Croatia.
- (4) Agreement on the construction and/or easement right is to be concluded between the institution which is competent for the management of the land owned by the Republic of Croatia and transmission system operator and/or distribution system operator for the construction of electro-energy infrastructure which is directly related to the work of the production plant defined in the Paragraph 1 of this Article and which is planned for the construction at the land owned by the Republic of Croatia.
- (5) The transfer of the founded construction right or a part of the construction right prior to the expiry of the foundation period is to be implemented in accordance with the regulations defining management of the land owned by the Republic of Croatia.
- (6) If the existing production plant is reconstructed in accordance with the Article 30, Paragraph 6 of this Act, construction and/or easement right period can be extended in accordance with the regulations defining management of the land owned by the Republic of Croatia.

Article 16 (OG [111/18](#))

- (1) Legal or physical person who is interested in the construction of the production plant using renewable energy sources or in construction of high efficiency cogeneration and infrastructural facilities related to the work of the production plant at the land owned by the Republic of Croatia shows its interest for the construction of the production plant at a certain location, in written form to the Ministry.
- (2) Legal or physical person from the Paragraph 1 of this Article is obliged to pay an advance payment in a defined amount to the special account owned by the Ministry. Furthermore, such person is obliged to deliver payment evidence along with the statement of interest for the production plant construction at a certain location.
- (3) If the legal or physical person defined in the Paragraph 1 of this Article fails to deliver evidence on the advance payment or if such person fails to pay the advance payment in the defined amount, the Ministry shall not implement the evaluation procedure as regards to the possibility of subject production plant construction at the location and the

Ministry shall inform the legal or physical person defined in the Paragraph 1 of this Article as regards to the above mentioned.

(4) The advance payment as defined in the Paragraph 2 of this Article is used for the settlement of the expenses arising from the evaluation procedure as regards to the possibility of the production plant construction at the location and/or expenses for the implementation of the tender procedure from the Article 16.a, Paragraph 1 of this Act for a physical or legal person from the Paragraph 1 of this Article who is selected as the most favourable tenderer, and for other related expenses.

(5) If, after the settlement of the expenses defined in the Paragraph 4 of this Article, the amount of the paid advance payment is greater than the calculated expenses, the Ministry shall refund the difference to the legal or physical person defined in the Paragraph 1 of this Article.

(6) The Ministry shall implement the evaluation procedure as regards to the possibility of the production plant construction at the requested location within 90 days from the date when the statement of interest is received.

(7) When there are obstacles for the public tender procedure implementation at location as defined in the Paragraph 1 of this Article, the Ministry shall inform the physical or legal person stating its interest on such obstacles within 30 days from the date when the Ministry received the notice on the obstacles. Such notice shall also be published at the OIEKPP Register websites.

(9) Upon the Ministry's request, the transmission system operator and distribution system operator are obliged to provide preliminary opinion on the connection possibility and other possible options as regards to the connection to electro-energy transmission and/or distribution network. The aforementioned is to be implemented within 15 days from the date when the Ministry's request is received.

(10) Upon the Ministry's request, state administration institutions, local and regional authority units, legal persons with public authorizations and other public and legal institutions are obliged to deliver the documentation and other information necessary for the implementation of the evaluation procedure as regards to the production plant construction possibility at the requested location as defined in the Paragraph 6 of this Article and for the implementation of the public tender procedure from the Article 16.a, Paragraph 1 of this Act. The above mentioned is to be implemented within 15 days from the date when the Ministry's request is received.

Article 16.a (OG [111/18](#))

(1) Pursuant to the stated interest for the production plant construction as defined in the Article 16, Paragraph 1 of this Act and if the Ministry establishes that there are no obstacles, the Ministry prepares and implements public tender procedure. Such public tender procedure is to be published in the Official Gazette, European Union Official Gazette and OIEKPP Register website within six months from the date when the statement of interest for the production plant construction at a certain location was received.

(2) If no interest has been shown for the construction of the production plant using renewable energy sources or high efficiency cogeneration at the land owned by the Republic of Croatia or if, after the stated interest, the Ministry established that there are obstacles for the implementation of the public tender procedure at the subject location, the Ministry shall not organize public tender procedure from the Paragraph 1 of this Article.

(3) The deadline for offers made within the public tender procedure from the Paragraph 1 of this Article cannot be shorter than two or longer than four months.

(4) The Ministry is obliged to make the decision on the selection of the most favourable tenderer within 60 days from the date of the expiry of the tender delivery deadline. Such decision is to be delivered to the institution which is competent for the management of the land owned by the Republic of Croatia. The decision on the selection of the most favourable tenderer is an administrative act.

(5) The Ministry shall deliver its decision defined in the Paragraph 4 of this Article to all tenderers and State Attorney of the Republic of Croatia and it shall publish it at the OIEKPP Register website.

(6) Tender conditions, procedures and criteria for the tender evaluation as well as the description of the provisions of the decision on the selected tenderer are to be determined within the public tender procedure defined in the Paragraph 1 of this Article.

(7) The criteria for determining public tender procedure conditions from the Paragraph 1 of this Article as regards to the selection of the most favourable tenderer include minimally the following:

1. Basic production plant characteristics including preliminary connection power and production of the plant using renewable energy sources and high efficiency cogeneration and infrastructure directly related to the production plant work
2. Foreseen construction finalization deadline

3. The amount of the fee paid to the local authority and/or the participation possibility and/or share in the local authority project within which the production plant defined in the Article 16 of this Act shall be constructed in accordance with the competent act.
- (8) Legal or physical person who was selected as the most favourable tenderer at the public tender procedure from the Paragraph 1 of this Article is obliged to deliver a guarantee for the plant construction to the Ministry.
- (9) Public tender procedure implementation, participation conditions and selection criteria have to be clear, transparent and objective.
- (10) The decision from the Paragraph 4 of this Article is made with the validity period of maximally ten years, depending on the plant type. This deadline starts from the date when the selected physical or legal person received the decision on the selection of the most favourable tenderer. Within the above mentioned deadline, the selected legal or physical person is obliged to obtain the act approving the production plant usage.
- (11) If the selected legal or physical person failed to obtain the act approving the production plant usage within the validity deadline as defined in the Paragraph 10 of this Article, the agreements which are concluded pursuant to the decision on the selection defined in the Paragraph 4 of this Article are to be terminated and insurance instruments are to be activated. Furthermore, in such case, the Ministry can repeat the public tender procedure.
- (12) Exceptionally from the Paragraph 11 of this Article, the selected legal or physical person can submit the request for the extension of the decision validity prior to the expiry of the decision validity from the Article 4 and depending on the plant construction phase. Such request is to be submitted to the Ministry and insurance instruments are to be activated in accordance with the defined amount.
- (13) The Ministry decides as regards to the request from the Paragraph 12 and in this sense, the Ministry makes a decision which is to be delivered to the institution which is competent for the management of the land owned by the Republic of Croatia and to the State Attorney of the Republic of Croatia. Furthermore, the decision is to be published at the OIEKPP Register website.
- (14) An appeal cannot be made against the decisions defined in the Paragraphs 4 and 13 of this Article. However, it is possible to start an administrative dispute in front of the competent administrative court. Administrative dispute can also be started by the State Attorney of the Republic of Croatia.
- (15) The Ministry can cancel the decision on the selection of the most favourable tenderer prior to the expiry of the validity deadline if the conditions defined in the regulation from the Paragraph 17 of this Article are met.
- (16) An appeal cannot be made against the decision made by the Ministry as regards to the cancelation of the decision from the Paragraph 4 of this Article. However, it is possible to start an administrative dispute in front of the competent administrative court.
- (17) Upon the Ministry's proposal, the Government of the Republic of Croatia determines the following within a special regulation: obligatory content of the statement of interest in the construction of the production plant using renewable energy sources and high efficiency cogeneration and infrastructure directly related to the production plant work, amount, disposal and refund of the advance payment for the implementation of the evaluation procedure as regards to the production plant construction possibility at the requested location, information and documentation which the institutions defined in the Article 16, Paragraphs 9 and 10 of this Act have to deliver to the Ministry, public tender implementation procedure from the Paragraph 1 of this Article, tender documentation list, tender conditions, detailed criteria for the selection of the most favourable tenderer and conditions which have to be met within the validity period for the decision defined in the Paragraph 4 of this Article, validity period for the decision on the selection of a certain production plant type, method of changing the conditions determined in the decision on the selection, conditions for the cancelation of the decision on the selection prior to the defined expiry deadline, insurance instruments and conditions which the selected tenderer has to maintain until the production plant construction, conditions for the extension of the decision from the Paragraph 4 of this Article and insurance amount which is activated if the decision is extended.
- (18) The conditions for the construction of electro-energy infrastructural facilities which are directly related to the production plant work from the Article 16, Paragraph 1 of this Act are to be determined by the transmission system operator and/or distribution system operator in accordance with the regulation on the issuance of electro-energy approval and determining the conditions and deadlines for the connection to the electro-energy network.
- (19) Electro-energy infrastructural facilities from the Paragraph 18 of this Article are not a subject of the public tender procedure from the Paragraph 1 of this Article.
- (20) The investor for the electro-energy infrastructure from the Paragraph 18 of this Article is the transmission system operator and/or distribution system operator.

IV. REGISTER OF RENEWABLE ENERGY SOURCES, COGENERATION AND ELIGIBLE PRODUCERS

Article 17 (OG [111/18](#))

(1) OIEKPP Register is established and kept by the Ministry. It is kept in electronic form in order to supervise the implementation of the renewable energy sources and high efficiency cogeneration projects and for the purpose of the following:

1. Administrative support to the Register users or public and legal institutions during the implementation of this Act
2. Collecting and analysing data as regards to the production plants and projects using renewable energy sources and high efficiency cogeneration
3. Determining whether national goals referring to the renewable energy sources are met
4. Determining whether national goals referring to high efficiency cogeneration are met
5. Reporting in accordance with the National Action Plan for renewable energy sources.

(2) Project holder status is acquired after the registration in the OIEKPP Register.

Article 18 (OG [111/18](#))

(1) OIEKPP Register includes information on the project holders and documents which are issued by the competent institutions to the holder of renewable energy sources and high efficiency cogeneration projects or energy producer using renewable energy sources and high efficiency cogeneration, information on the production plants and units using renewable energy sources and high efficiency cogeneration, information on available incentive quotas, information on gaining eligible producer status, information and data on implemented tenders, tenders in progress and tender organizations pursuant to this Act.

(2) OIEKPP Register consists of two parts. The data and information defined in the provisions of this Act and Regulation from the Paragraph 9 of this Article are entered in the first part. The second part includes the following: documents delivered for the project holders' data registration, documents delivered and drafted during registration procedure, decisions and other documents issued by the competent institutions and delivered to the OIEKPP pursuant to this Act and regulation from the Paragraph 9 of this Article.

(3) Competent institutions from the Paragraph 1 and 2 of this Article refer to the Ministry, ministry competent for construction and physical planning, ministry competent for agriculture, forestry and water management, ministry competent for environmental protection, Agency, central state administration institution competent for state properties management, electricity market operator, transmission system operator, distribution system operator, legal person in charge of water management, Croatian Forests, state administration institutions, local and regional authority units and other competent institutions and legal persons with public authorizations.

(4) The Ministry, Agency, electricity market operator, transmission system operator and distribution system operator enter the information and data from the Paragraph 2 of this Article into OIEKPP Register.

(5) If the data registration into OIEKPP Register is implemented pursuant to legal acts, the data is registered into OIEKPP Register after such legal act enters into force.

(6) First registration in OIEKPP Register is implemented by the Ministry pursuant to the energy approval.

(7) Exceptionally from the Paragraph 6 of this Article, the Ministry implements the first registration for the production plants which are not registered in OIEKPP Register pursuant to the usage permit or other suitable act allowing the use of the production plant. In case of the production plants which are considered simple structures, the registration is implemented pursuant to the evidence on the permanent connection to the electro-energy network.

(8) Review of the data from OIEKPP Register is publicly available via Internet.

(9) The Ministry shall determine all information, data, documents and acts which are registered in OIEKPP Register, registration method, OIEKPP Register organization and management, procedures and deadlines for the registration into OIEKPP Register, OIEKPP Register content and obligations of all competent institutions as regards to the registration and change of data in OIEKPP Register. The above mentioned shall be determined in a special regulation.

(10) The issuance of energy approvals and criteria for the issuance of energy approval are defined by the act which is competent for electricity market and regulations made pursuant to the aforementioned act.

V. ELIGIBLE ELECTRICITY PRODUCER STATUS

Rights and Obligations of an Eligible Electricity Producer

Article 19 (OG [111/18](#))

- (1) In accordance with the provisions of this Act, an eligible electricity producer status can be gained by any electro-energy entity or other legal or physical person simultaneously producing electricity and heat energy in a production plant by using high efficiency method and/or renewable energy sources and/or waste and renewable energy sources for electricity production in an economically suitable manner in accordance with the regulations in the administrative field of environmental and nature protection, regardless the production plant power.
- (2) Transmission system operator or distribution system operator are obliged to ensure a priority electricity delivery into the network for the production plants with eligible producer status in relation to other production plants connected to the electro-energy network. The above mentioned is to be performed in the cases when it is necessary to limit the electricity delivery to the production plants in the electro-energy network. However, the above mentioned is not to be implemented if such priority delivery significantly disturbs the reliability and safety of the electro-energy system drive.
- (3) The transmission system operator and distribution system operator are obliged to define the method of fulfilling the obligation from the Paragraph 2 of this Article in detail within the network regulations for the transmission or distribution system. The above mentioned is to be implemented in an transparent, objective and fair manner.
- (4) The priority electricity delivery into electro-energy network as defined in the Paragraph 2 of this Article does not refer to electricity purchase.
- (5) If there are more significant limitations as regards to the delivery of electricity produced from renewable energy sources or high efficiency cogeneration to electro-energy system, the transmission or distribution system operator is obliged to immediately inform the Agency on such situation.
- (6) Notice from the Paragraph 5 of this Article also includes the explanation of the limitations in the delivery of electricity produced from renewable energy sources or high efficiency cogeneration to electro-energy system, as well as the description of the measures which the transmission or distribution system operator intends to implement in order to remove such limitations. The Agency shall evaluate whether the limitations are justified and whether the proposed measures are suitable. Furthermore, the Agency can make a decision as regards to measures for the removal of the stated limitations in accordance with its jurisdiction.
- (7) Eligible electricity producer has the right to participate in the system of guarantees provided for the electricity origin in accordance with the regulations and acts made pursuant to the act defining energy sector and electricity market. The above mentioned excludes the cases when such production plant and/or unit with the eligible electricity producer status has the agreement on the electricity offtake with the electricity market operator by applying the Tariff System for the Production of Electricity from the Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), Tariff System for the Production of Electricity from the Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and Tariff System for the Production of Electricity from the Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) and guaranteed price offtake agreement from the Article 35 of this Act.
- (8) Eligible producer status is a condition to realize the right to a market premium incentive and guaranteed offtake price incentive for the production of electricity using renewable energy sources and high efficiency cogeneration in accordance with the provisions of this Act.
- (9) Rights from the Paragraphs 7 and 8 of this Article cannot be realized pursuant to the electricity that was taken from the electro-energy network, stored by using electricity storage system or used for pumping reversible hydro power plants and returned back to the network.
- (10) Eligible producer realizes his incentive right and other rights from this Act in relation to the net delivered electricity that is to be determined by transmission and/or distribution system operator in accordance with the provisions of this Act, act defining electricity market and bylaws made pursuant to such act as well as in accordance with the transmission or distribution system network regulations.
- (11) The usage of the heat energy produced in the production plant with the eligible producer status has to be environmentally acceptable and feasible and it has to be used for economic purposes with a best and expert care.
- (12) The eligible producer is obliged to:
 1. Continuously maintain technical and technological characteristics and conditions for the production plants and units usage with an eligible producer status
 2. Deliver reports and other documentations to the Agency, electricity market operator and other competent institutions in accordance with the provisions of this Act, act defining electricity market and other laws defining energy sector and bylaws made pursuant to such laws

3. Realize the conditions for the production plant efficiency
4. Maintain measurement equipment within its competence and in its ownership and present true and accurate measurement data
5. Answer Agency's questions and deliver documentation referring to the production plant usage to the Agency in accordance with the provisions of this Act, act defining electricity market, other laws defining energy sector and bylaws and regulations made pursuant to the above stated laws
6. Perform other obligations defined in the provisions of this Act, act defining electricity market, other laws defining energy sector and bylaws made pursuant to the above stated laws.

(13) An appeal cannot be made against the decision made by the Agency as defined in the Paragraph 6 of this Article. However, an administrative dispute can be started in front of the administrative court.

Article 19.a (OG [111/18](#))

»(1) The electricity market operator disposes with the guarantees for the origin of electricity as defined in the Article 40, Paragraph 2 of this Act which is produced in the production plant or unit of the eligible electricity producer with the valid offtake agreement concluded with the electricity market operator in accordance with the Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and Tariff System for Electricity Production Using Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) and guaranteed price offtake agreement from the Article 35 of this Act.

(2) The electricity market operator manages the origin guarantee from the Paragraph 1 of this Article at a special account.

(3) Electricity market operator is authorized to sell the origin guarantees as defined in the Paragraph 1 of this Article in a transparent and fair manner.

(4) Electricity market operator can sell the origin guarantees as defined in the Paragraph 1 of this Article at the market organized for the purpose of trading with electricity.

(5) The provisions of a special act defining market organized for the purpose of trading with electricity shall be applied to the sales of electricity origin guarantees in a suitable manner. This shall also include the provisions referring to business account opened by the market, provisions on the as regards to the legal status of the funds at the special business accounts in case of third persons' requests, enforcement, bankruptcy, liquidation or offsetting.

Conditions for Obtaining Eligible Producer Status

Article 20 (OG [111/18](#))

(1) Eligible electricity producer status can be obtained by any electro-energy entity or other legal or physical person for the production plant:

1. That uses renewable energy sources and/or waste and renewable energy sources or that simultaneously produces electricity and heat energy in high efficiency manner regardless the production plant power
2. That is registered in the OIEKPP Register
3. That has a connection to the network and installed measurement equipment so that the calculation of net delivered electricity is enabled
4. That meets suitable efficiency conditions in case of cogeneration plants
5. That has measurement equipment which is needed in order to evaluate whether the efficiency conditions for the plants simultaneously producing electricity and heat energy are met
6. That has measurement equipment and records system for the fuels usage in the plants using fossil or renewable fuels or waste
7. That has necessary acts pursuant to regulations defining construction and in accordance with which the plant and connection can be used or commissioned
8. Located at the real-estate owned by legal or physical person who requested the issuance of a decision on eligible producer status or legal or physical person who has founded construction or easement right for the production plant or usage right for the property where the production plant is to be constructed.

(2) Eligible producer status can be obtained by the end user with own production and by self-supply plant user whose production plant meets the conditions defined in the Paragraph 1 of this Article.

(3) Eligible producer status can be obtained for independently or technically whole production plant and/or production unit as defined in the Article 21, Paragraph 5 of this Act. The eligible producer can realize the rights defined in the Article 19, Paragraphs 7 and 8 of this Act in accordance with the provisions of this Act and pursuant to the production of a certain production unit. The afore mentioned is to be implemented under the condition that there is a possibility of calculation of net delivered electricity individually for each certain production unit in the whole production plant and under the condition that there is a possibility of measuring heat and fuel consumption for production units simultaneously producing electricity and heat energy in order to determine the efficiency of each production unit.

(4) Exceptionally from the Paragraph 3 of this Article, in case of production plants and/or production units using renewable energy sources or high efficiency cogeneration built before this Act entered into force, the method of determining net delivered electricity and method of measuring heat and fuel consumption pursuant to the existing measurement equipment is to be determined by the Government of the Republic of Croatia with the regulation from the Article 25 of this Act.

(5) For the eligible producer production plant using several connection or calculation measurement points, the calculation of net delivered electricity at the production plant has to be ensured by the transmission system operator and/or distribution system operator.

(6) In the case of the production plant defined in the Paragraph 5 of this Article, when the production plant is connected to the transmission and distribution network, the transmission system operator is liable for determining and calculation of net delivered electricity pursuant to his readings and readings delivered by the distribution system operator in accordance with the transmission system regulations or network distribution system regulations.

(7) Efficiency conditions, technical measurement conditions and methods, and conditions referring to the deviation from the determined efficiency conditions (referent value corrective coefficient) are to be defined by the Government of the Republic of Croatia in a Regulation defined in the Article 25 of this Act depending on the production plant source type, technology and installed power.

Decision on Obtaining Eligible Producer Status

Article 21 (OG [111/18](#))

(1) Eligible electricity producer status is obtained pursuant to the decision made by the Agency. This decision is issued pursuant to the request submitted by electro-energy entity or other legal or physical person for the production plant which meets the conditions defined in this Act and regulation defined in the Article 25 of this Act.

(2) Decision on gaining the eligible producer status from the Paragraph 1 of this Article ceases to be valid after the expiry of a period for which it was issued or after it has been cancelled, annulled or made void in accordance with the provisions of this Act and General Administrative Procedure Act (Official Gazette number 47/09).

(3) If the production plant is constructed in phases, the Agency can make a partial decision on gaining eligible producer status per construction phases after the request submitted by the electro-energy entity or other legal or physical person meeting the conditions determined in this Act and regulation from the Article 25 of this Act. The above mentioned is to be implemented if the subject construction phase meets the conditions defined in the Article 20 of this Act and in accordance with the conditions which are valid at the date when the request for the issuance of the decision on obtaining eligible producer status for a certain phase was submitted.

(4) If a new production units is added to the existing production plant with the eligible electricity producer status and after the request submitted by the electro-energy entity or other legal or physical person meeting the conditions defined in this Act and regulation from the Article 25 of this Act, the Agency change the decision on gaining eligible producer status for the added production unit under the condition that the added production unit meets the conditions defined in the Article 20 of this Act and in accordance with the conditions which are valid at the date when the request for the issuance of the decision on obtaining eligible producer status for such production unit was submitted.

(5) Exceptionally from the Paragraph 4 of this Article, when the new added production unit delivers electricity to the electro-energy network directly through its individual calculation measurement point, the Agency shall make a decision on gaining the eligible producer status for the newly added production unit under the condition that such production unit meets the conditions determined in the Article 20 of this Act and in accordance with the conditions which are valid at the date when the request for the issuance of the decision on obtaining eligible producer status for such unit was submitted.

(6) The Agency is obliged to register each decision on eligible producer status, information on the validity period, cancelation, annulment or void into OIEKPP Register after they enter into force.

(7) An appeal against the Agency's decisions defined in the Paragraphs 1, 3, 4 and 5 of this Article is not allowed. However, an administrative dispute can be started in front of the competent administrative court.

Article 22 (OG [111/18](#))

(1) If the Agency or competent inspection establishes irregularities or insufficiencies, or if it establishes temporary irregularity in the conditions defining the usage of the production plant and/or unit pursuant to which the decision on eligible producer status was issued, the Agency shall determine the deadline for the removal of established irregularities and insufficiencies in a special decision. Within the above mentioned deadline, the physical or legal person with such decision is obliged to remove all established irregularities and insufficiencies.

(2) The deadline from the Paragraph 1 of this Article cannot be longer than six months.

(3) If a physical or legal person with a decision from the Paragraph 1 of this Article fails to remove the irregularities or insufficiencies from the Paragraph 1 of this Article within a set deadline, the Agency shall cancel the decision on eligible producer status for the production plant or unit with irregularities or insufficiencies.

(4) The provisions of the Paragraphs 1, 2 and 3 of this Article suitably apply to cases of production plants or units which are considered simple structures determined by the regulation defining simple and other structures and works, and which obtained the decision on gaining eligible electricity producer status from the Agency.

(5) In case of production plants or units which are considered simple structures determined by the regulation defining simple and other structures and works, and which did not obtain eligible producer status pursuant to the Agency's decision, the loss of eligible producer status shall be defined in the regulation from the Article 25 of this Act.

(6) An appeal cannot be made against the decision issued by the Agency as defined in the Paragraphs 1, 3 and 4 of this Article. However, an administrative dispute can be started in front of the competent administrative court.

Article 23 (OG [111/18](#))

(1) The Agency shall cancel the decision on eligible producer status if:

1. The eligible producer does not maintain the conditions for the usage of the production plant and/or unit with the eligible producer status in accordance with the Article 22 of this Act

2. The eligible producer fails to deliver reports and other written documentation to the Agency, electricity market operator and other competent institutions or if it delivers report containing inaccurate data

3. The permit for the performance of energy activity which is necessary for electricity production and which was issued to the producer ceases to be valid or if another permit for energy activities performance which is necessary for production related activities ceases to be valid

4. The eligible producer does not realize efficiency conditions for the production plant and/or unit

5. The eligible producer does not maintain or care about his measurement equipment or if he manipulates measurement data

6. The eligible producer makes changes to the production plant or unit without Agency's approval and if such changes impact the usage of the production plant or unit with the eligible producer status

7. The eligible producer does not answer Agency's enquiries or fails to deliver the documentation referring to production plant and/or unit usage.

8. The eligible producer fails to meet other defined obligations

9. The eligible producer fails a cancelation request.

(2) The Agency can cancel the decision on eligible producer status in accordance with the act defining general administrative procedure.

(3) If the decision on eligible producer status is cancelled, annulled, or made void, the electricity offtake agreement concluded with the electricity market operator pursuant to the Tariff System for the Production of Electricity from the Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), Tariff System for the Production of Electricity from the Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and Tariff System for the Production of Electricity from the Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) is terminated, or the market premium and guaranteed price offtake agreement concluded with the electricity market operator pursuant to the Article 32 and 35 of this Act is terminated.

(4) The Agency is obliged to register the cancelled, annulled or void decision on eligible producer status in the OIEKPP Register and inform the transmission system operator, distribution system operator and electricity market operator on such matter within eight days from the date when the decision on the cancellation, annulment or void enters into force.

(5) An appeal cannot be made against the decision issued by the Agency as defined in the Paragraphs 1 and 2 of this Article. However, an administrative dispute can be started in front of the competent administrative court.

Article 24 (OG [111/18](#))

- (1) The eligible producer with the decision on the eligible electricity producer status obtained from the Agency and planning to make changes as regards to the conditions for the usage of the production plant and/or unit is obliged to obtain an approval for the planned changes from the Agency.
- (2) The Agency can ask the Ministry for an opinion as regards to the planned changes of the conditions for the usage of the production plant as defined in the Paragraph 1 of this Article.
- (3) If the Agency does not make the decision on the eligible producer's request within 60 days from the date when the eligible producer's request from the Paragraph 1 of this Article was received and if the Agency does not request the removal of insufficiencies in the request made by the eligible producer as defined in the Paragraph 1 of this Article, it shall be considered that the previous approval is issued.
- (4) The Agency is obliged to deliver the information as regards to all changes made on the production plant and/or unit with the decision on the eligible producer status to the Ministry.
- (5) After the changes defined in the Paragraph 1 of this Article are implemented, if the conditions for the usage of the production plant and/or unit are changed, the Agency shall issue a decision on the change of the decision on eligible electricity producer status upon the request made by the eligible electricity producer if the conditions from the Articles 20 and 21 of this Act are met.
- (6) The Agency can change the decision on eligible electricity producer status in the following cases:
 1. When the eligible producer makes changes at the production plant with the Agency's approval and when such changes impact the usage of the production plant and/or unit with the eligible producer status
 2. When the ownership, construction, easement or usage right for the production plant is transferred to another person
 3. When the construction is made in phases
 4. When the plant usage conditions are changed.
- (7) If the Agency refuses to issue an approval for the planned changes in the production plant usage as defined in the Paragraph 1 of this Article, the eligible producer is authorized to request the issuance of the new decision on eligible producer status in accordance with the conditions which are valid on the date when the new request for the issuance on the eligible producer status is submitted, if the conditions determined in the Article 20 and 21 of this Act are met.
- (8) An appeal cannot be made against the decision issued by the Agency as defined in the Paragraphs 5, 6 and 7 of this Article. However, an administrative dispute can be started in front of the competent administrative court.

Article 25 (OG [111/18](#))

- (1) Upon the Ministry's proposal, the Government of the Republic of Croatia makes a special regulation and determines the following: method and conditions for gaining eligible producer status, technical and drive conditions for production plants and/or units, conditions for primary energy source usage in the production plants using renewable energy sources and fossil fuels for high efficiency cogeneration, conditions of high efficiency for cogeneration plants using fossil fuels, efficiency conditions and/or heat energy usage conditions for cogeneration plants using renewable energy sources, conditions for fossil fuels incineration, conditions for waste incineration, exceptions in fulfilling conditions for heat energy usage or efficiency conditions due to force majeure or other situations caused by third persons, conditions allowing deviations from determined efficiency conditions (referent value corrective coefficient), method of determining net delivered electricity and measurement method for heat energy and fuel consumption pursuant to the existing measurement equipment if the production plants using renewable energy sources and high efficiency cogeneration were constructed before this Act entered into force, termination and change of eligible electricity producer status if the production is made from the renewable energy sources and cogeneration in simple structures as defined by regulation determining simple and other structures and works, reporting and data delivery obligations, waste catalogue numbers, other conditions referring to the waste usage when waste is used as a raw material in the eligible electricity producer's plant in accordance with the priority order for the waste management in accordance with the Act defining sustainable waste management.
- (2) Prior to submitting the regulation from the Paragraph 1 of this Article to the Government of the Republic of Croatia for a decision, the Ministry is obliged to obtain previous Agency's approval.
- (3) The Ministry makes the proposal of the regulation from the Paragraph 1 of this Article in cooperation with the ministry which is competent in the field of environmental protection in a part defining waste usage as a raw material in production plant of the eligible electricity producer.

Article 26 (OG [111/18](#))

- (1) Exceptionally from the provisions of the Articles 19, 20, 21, 22, 23 and 24 of this Act, if the electricity is produced in the production plants using renewable energy sources or in the cogeneration plants which are simple structures in accordance with the regulation determining simple and other structures and works, eligible producer status is gained

pursuant to the evidence that the electricity producer using renewable energy sources or high efficiency cogeneration in his production plant realized right to a permanent connection to the electro-energy network.

(2) The Agency shall not issue the decision from the Article 21, Paragraph 1 of this Act for the simple structures as defined in the Paragraph 1 of this Article.

(3) Exceptionally from the Paragraph 2 of this Article, legal or physical person producing electricity using renewable energy sources and high efficiency cogeneration in simple structures determined in the regulation defining simple and other structures and works, and wishing to participate in the electricity origin guarantee system, has to obtain the decision on eligible producer status.

(4) Eligible producer defined in the Paragraph 1 of this Article is obliged to continuously maintain technical and technological characteristics and production plant usage conditions in accordance with the regulation from the Article 25 of this Act.

(5) The provisions of the Article 19, 20, 21, 22, 23 and 24 of this Act are suitably applied to the cases of production plants or units which are considered simple structures determined in the regulation defining simple and other structures and works if they do not oppose to the provisions of this Article. The above mentioned does not refer to the production plants or units with the decision on eligible electricity producer status issued by the Agency.

(6) Termination method and changes in the eligible electricity producer status as defined in the Paragraph 1 of this Article shall be defined in the regulation from the Article 25 of this Act.

VI. INCENTIVES FOR RENEWABLE ENERGY SOURCES AND HIGH- EFFICIENCY CONGENERATION STATE AID PROGRAM

Article 27 (OG [111/18](#))

(1) Pursuant to the applicable rules on state aids regulating environmental protection and energy issues, the Ministry is required to prepare a state aid program to provide a system of incentives for the production of electricity from renewable energy sources and high-efficiency cogenerations.

(2) The Republic of Croatia shall ensure that projects aimed at using renewable energy sources by application of innovative technologies, which have as such received support for development within the European Union, shall be entitled to incentives pursuant to the conditions and criteria as stipulated by the provisions of this Act and the regulation from Article 36 hereof.

(3) The Ministry may prepare a state aid program for innovative technologies from Paragraph 2 hereof, in accordance with the applicable rules on state aids regulating environmental protection and energy issues.

(4) The Republic of Croatia shall ensure that all available supports for the production of electrical energy from cogeneration plants are granted under the requirement that the source of generated electricity is high-efficiency cogeneration and that waste heat is efficiently used to achieve savings in the consumption of primary energy. Aids for cogeneration, production and district heating networks shall, as applicable, be governed by the rules regulating state aids.

INCENTIVES SYSTEM

Article 28 (OG [111/18](#))

(1) The Government of the Republic of Croatia shall, at the proposal by the Ministry, prepare a regulation defining the incentive quotas for the production of electricity from renewable energy sources and high-efficiency cogeneration plants for the period from 2016 to 2020, for the purposes of the tender procedure from Articles 31 and 34 of this Act.

(2) The quotas in Paragraph 1 hereof represent the total connection capacity expressed in kilowatts (kW) of the production plants and production units eligible for the conclusion of market premium agreements and guaranteed price offtake agreements from Articles 32 and 35 of this Act, where the quota fulfilment also includes the concluded contract on electricity purchase pursuant to the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15).

(3) If a market premium agreement, a guaranteed price offtake agreement concluded pursuant to this Act or a contract on electricity purchase concluded with an electricity market operator pursuant to the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12,

121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) should cease to be valid on any legal grounds other than the expiry of the period for which the purchase contract was concluded, the total amount of available incentive quotas is increased by the total connection capacity for which the said premium agreement i.e. electricity purchase contract had been concluded, depending on the particular renewable energy source, cogeneration and connection capacity in question.

(4) The Government of the Republic of Croatia shall adopt the regulation stipulated under Paragraph 1 hereof pursuant to the:

1. Energy Development Strategy of the Republic of Croatia
2. National Renewable Energy Action Plan
3. National Energy Efficiency Action Plan
4. Program for the Use of Efficiency Potential in Heating and Cooling for the period 2016-2030 adopted by the Government of the Republic of Croatia in accordance with the acts regulating the thermal energy market
5. Low-Emission Development Strategy of the Republic of Croatia for the period until 2030 with an outlook to 2050.

(5) If the documents stipulated under Paragraph 4, items 4 and 5 of this Article are not drawn up at the time of adoption of the regulation from Paragraph 1 hereof, the Government of the Republic of Croatia is required to adopt the said regulation pursuant to the available documents stipulated under Paragraph 4 hereof.

(6) The Transmission System Operator and the Distribution System Operator shall secure all legal and natural persons connection and the possibility of delivery of generated electricity for all production plants and production units for which purchase contracts have been concluded pursuant to the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15), as well as those for which market premium agreements and guaranteed price offtake agreements have been concluded pursuant to Articles 32 and 35 of this Act, in accordance with the conditions stipulated by special acts regulating the connection to the transmission network, as well as the network operation and delivery of electricity into the network, except in such cases when the electricity network delivery represents a significant risk to the safety and reliability of the electric power system.

Article 29

Information and data on available incentive quotas, conducted and ongoing tender procedures, as well as future tenders, are publicly announced on the OIEKPP Register website.

Market Premium Incentives

Article 30

(1) The system of market premium incentives is a form of incentivising electricity production from production plants or production units using renewable energy sources and high-efficiency cogeneration, by enabling holders of construction projects of renewable energy and high-efficiency cogeneration plants or units to conclude market premium agreements with the electricity market operator.

(2) The market premium is an incentive, i.e. a remuneration paid by the electricity market operator to the eligible electricity producer for the net amount of electricity delivered from the production plant or production unit into the power supply network pursuant to the provisions of this Act.

(3) The right to the conclusion of the agreement from Paragraph 1 hereof is granted based on the choice of best tenderers in a tender conducted by the electricity market operator in accordance with Article 31 of this Act.

(4) An eligible electricity producer which has concluded the agreement from Paragraph 1 hereof sells the electricity directly in the electricity market in accordance with the acts and provisions regulating the electricity market.

(5) The market premium system incentivises the construction of new production plants and production units using renewable energy sources and new high-efficiency cogeneration plants, until the fulfilment of the incentive quota from Article 28 hereof.

(6) The reconstruction of an existing production plant is also considered a new production plant, if it meets the following conditions:

1. the total reconstruction cost amounts to at least 100 % of the production plant's expected revenues over a seven-year calculation period, and

2. the existing plant is a:

- hydro power plant older than 30 years
- biomass power plant older than 20 years
- biogas power plant older than 20 years
- bioliquid power plant older than 20 years
- solar energy plant older than 20 years
- wind power plant older than 15 years
- geothermal power plant older than 20 years.

(7) The production plant's total annual revenue forecast is calculated based on its planned annual production average and the reference value (RV) from Article 32 of this Act.

(8) A legal or natural person with a valid electricity purchase contract concluded with the electricity market operator under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) or a guaranteed price offtake agreement from Article 35 of this Act is not entitled to incentives in the form of a market premium pursuant to the provisions of this Act for those production plants i.e. production units for which it has already been granted other incentives.

Market Premium Tender Procedure

Article 31 (OG [111/18](#))

(1) The right to conclude a market premium agreement is granted to those project holders who have been chosen as the best tenderers in a public tender prepared and conducted by the electricity market operator at least once a year, through a public bidding process.

(2) The public tender from Paragraph 1 of this Article is conducted in case of available incentive quotas.

(3) Based on the conducted open tender, the electricity market operator makes the decision on the choice of best tenderers, which is then delivered to all participants in the public tender and the Croatian State Attorney's Office. The decision on the choice of best tenderers is an administrative act.

(4) Participation in the tender from Paragraph 1 of this Article, pursuant to the conditions set out in the open call, is allowed to holders of new production plant or production unit construction projects.

(5) The public call for tenders i.e. bids from Paragraph 1 of this Article must contain at least:

1. a provision on the classification of production plants
2. a provision on the maximum reference values (RV) from Article 32 Paragraph 2 of this Act, based on the classification of production plants
3. a provision on the best tenderers being those project holders who meet the tender conditions and whose bid reference value is lower than or equal to the maximum reference value set out in the open call, and who have submitted the lowest reference value bid
4. a provision that the best tenderers are chosen within the limits of the available quota
5. a provision on the required bid bond instruments to be provided for each project.

(6) The tender conditions, deadlines, details of the tender procedure and the contents of the open call for tenders, as well as the classification of production plants for which the public tenders shall be open, are to be defined by the regulation from Article 36 of this Act.

Market Premium Agreement

Article 32 (OG [111/18](#))

(1) Based on the decision on the choice of the best tenderer from Article 31 Paragraph 3 of this Act, the electricity market operator concludes a market premium agreement with the project holder.

(2) The market premium (TPi) for each particular production plant or production unit in a given calculation period is calculated as:

$$TP_i = RV - TC_i$$

where:

TCi – is the reference electricity market price in the calculation period, expressed in HRK/kWh

RV – is the electricity reference value defined by the market premium agreement and expressed in HRK/kWh.

If the calculated market premium value (TPi) is negative, the market premium equals zero.

(3) The calculation period from Paragraph 2 hereof is one month.

(4) The maximum electricity reference values are defined annually by the electricity market operator based on the calculation methodology for maximum electricity reference values provided for in the regulation from Article 36 of this Act. The maximum electricity reference values are published on the electricity market operator's website and are used for the purposes of the tender procedure from Article 31 of this Act.

(5) The reference electricity market price is defined by the electricity market operator by the 15th day of the current month for the previous month, based on the calculation methodology for reference electricity market prices provided for in the regulation from Article 36 of this Act, and published on the electricity market operator's website.

(6) The calculation methodology for reference electricity market prices from Paragraph 5 of this Article shall establish a mechanism to ensure that an eligible electricity producer is not granted the right to a market premium incentive in periods when the reference market prices are negative.

(7) The calculation methodology for reference electricity market prices for particular production plant groups shall also establish an appropriate method of allowance allocation for additional operating costs involved in the sale of electricity in the electricity market as a result of the market's underdevelopment, of difficulties faced by small-scale producers with respect to market participation as well as the sale of electricity from variable energy sources.

(8) The Market Premium Agreement shall set the electricity reference value for each production plant or production unit resulting from the tendering procedure referred to in Article 31 of this Act, corrected in accordance with Paragraph 10 of this Article.

(9) The market premium shall be paid on the basis of the net electricity delivered in the calculation period.

(10) The reference electricity values defined by the concluded market premium agreement shall be corrected each year in relation to the established corrected reference value of electricity from the previous year by applying the average annual consumer price index published by the Central Bureau of Statistics for the previous calendar year for all concluded valid market premium agreements. The first correction of the electricity reference value shall be applied in the calendar year following the year in which the market premium agreement was concluded.

(11) A market premium shall start to be paid after the project holder has acquired the status of the eligible producer for the production plant or for the production unit for which the market premium agreement is concluded.

(12) A market premium agreement shall be terminated if the project holder loses the status of the eligible producer for the production plant or production unit for which a market premium agreement has been concluded.

Guaranteed Offtake Price Incentives

Article 33 (OG [111/18](#))

(1) The system of guaranteed offtake price incentives is a form of incentivising electricity production from production plants or production units using renewable energy sources and high-efficiency cogeneration with a connection capacity of up to 500 kW, by enabling holders of construction projects of renewable energy and high-efficiency cogeneration plants or units to conclude guaranteed price offtake agreements with the electricity market operator.

(2) The guaranteed offtake price from Paragraph 1 hereof is a remuneration paid by the electricity market operator to the eligible electricity producer for the net amount of electricity delivered from the production plant or production unit into the power supply network under the guaranteed price offtake agreement from Article 35 of this Act.

(3) The right to the conclusion of the agreement from Article 35 of this Act is granted based on the choice of best tenderers in a tender conducted by the electricity market operator in accordance with Article 34 of this Act.

(4) An eligible electricity producer which has concluded the agreement from Article 35 of this Act sells the net electricity delivered to the electricity market operator under the conditions set out in the mentioned agreement.

(5) The guaranteed offtake price system incentivises the construction of new production plants and production units using renewable energy sources and new high-efficiency cogeneration plants, until the fulfilment of the incentive quota from Article 28 hereof.

(6) A legal or natural person with a valid electricity purchase contract concluded with the electricity market operator under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14

and 100/15) or a market premium agreement from Article 32 of this Act is not entitled to incentives in the form of a guaranteed offtake price pursuant to the provisions of this Act for those production plants i.e. production units for which it has already been granted other incentives.

Guaranteed Offtake Price Tender Procedure

Article 34 (OG [111/18](#))

- (1) The right to conclude a guaranteed price offtake agreement from Article 35 of this Act is granted to those project holders who have been chosen as the best tenderers in a public tender prepared and conducted by the electricity market operator at least once a year, through a public bidding process in case of available incentive quotas.
- (2) Based on the conducted open tender, the electricity market operator makes the decision on the choice of best tenderers, which is then delivered to all participants in the public tender and the State Attorney's Office of the Republic of Croatia. The decision on the choice of best tenderers is an administrative act.
- (3) Participation in the tender from Paragraph 1 of this Article, pursuant to the conditions set out in the open call, is allowed to holders of new production plant or production unit construction projects.
- (4) The public call for tenders i.e. bids from Paragraph 1 of this Article must contain at least:
 1. a provision on the classification of production plants
 2. a provision on the maximum guaranteed offtake prices, based on the classification of production plants
 3. a provision on the best tenderers being those project holders who meet the tender conditions and whose bid electricity price is lower than or equal to the maximum guaranteed offtake price set out in the open call, and who have submitted the lowest electricity price bid.
 4. a provision that the best tenderers are chosen within the limits of the available quota
 5. a provision on the required bid bond instruments to be provided for each project.
- (5) The tender conditions, deadlines, details of the tender procedure and the contents of the open call for tenders, as well as the classification of production plants for which the public tenders shall be open, are to be defined by the regulation from Article 36 of this Act.

Guaranteed Price Offtake Agreement

Article 35 (OG [111/18](#))

- (1) Based on the decision on the choice of the best tenderer from Article 34 Paragraph 2 of this Act, the electricity market operator concludes a guaranteed price offtake agreement with the project holder under the offtake price which the project holder achieved within the tender from Article 34 of this Act.
- (2) The offtake price from Paragraph 1 hereof remains unchanged for the entire duration of the guaranteed price offtake agreement, except for the annual correction provided for in Paragraph 6 hereof.
- (3) The maximum guaranteed offtake prices are defined annually by the electricity market operator based on the calculation methodology for maximum guaranteed offtake prices provided for in the regulation from Article 36 of this Act. The maximum guaranteed offtake prices are published on the electricity market operator's website and are used for the purposes of the tender procedure from Article 34 of this Act.
- (4) The guaranteed price offtake agreement from Paragraph 1 hereof shall set the offtake price for each production plant or production unit resulting from the tendering procedure referred to in Article 34 of this Act.
- (5) The guaranteed offtake price shall be paid for net electricity delivered in the calculation period.
- (6) The guaranteed offtake price defined by the concluded guaranteed price offtake agreement shall be corrected each year in relation to the established corrected offtake price from the previous year by applying the average annual consumer price index published by the Central Bureau of Statistics for the previous calendar year for all concluded valid guaranteed price offtake agreements. The first correction of the guaranteed offtake price shall be applied in the calendar year following the year in which the guaranteed price offtake agreement was concluded.
- (7) The guaranteed offtake price shall start to be paid after the project holder has acquired the status of eligible producer for the production plant or for the production unit for which the guaranteed price offtake agreement is concluded.
- (8) By way of derogation from Paragraph 7 hereof, during the test operation period the electricity market operator shall pay the eligible electricity producer 50% of the guaranteed purchase price defined in the guaranteed price offtake agreement from this Article.
- (9) The agreement from Paragraph 1 hereof shall be terminated if the project holder loses the status of eligible producer for the production plant or production unit for which the guaranteed price offtake agreement has been concluded.

Complaint against the Decision on Best Tenderers

Article 35a (OG [111/18](#))

- (1) A complaint against the decision referred to in Article 31, Paragraph 3 and Article 34, Paragraph 2 of this Act may be filed with the Ministry in writing within 15 days from the date of receipt of the decision on the choice of the best tenderers.
- (2) A copy of a regularly filed complaint shall be delivered by the Ministry to the chosen tenderers who may submit to the Ministry a reply to the complaint within ten days of the receipt of the complaint.
- (3) The right of complaint applies to all tender participants who have or had a legal interest in obtaining the agreement referred to in Articles 32 and 35 of this Act and to the State Attorney's Office of the Republic of Croatia.
- (4) The complainant is required to prove or make probable the legal interest provided for under Paragraph 3 of this Article.
- (5) The complainant is required to pay an administrative fee for the complaint in accordance with the Act regulating administrative fees and bylaws passed under this Act.
- (6) By way of derogation from Paragraph 5 of this Article, the State Attorney's Office of the Republic of Croatia shall not be liable to pay the administrative fee for the complaint.
- (7) Within the complaint procedure, the Ministry shall examine the legality of tenders conducted for the award of the market premium and tenders for guaranteed purchase price incentives in accordance with the provisions of this Act, the implementing regulations adopted pursuant to this Act and the act regulating the general administrative procedure.
- (8) The Ministry shall decide on complaints referred to in Paragraph 1 of this Article by a decision against which no further complaint is allowed, but an administrative dispute may be initiated before the competent administrative court.

Article 36

- (1) The Government of the Republic of Croatia shall, at the proposal by the Ministry, adopt a regulation, elaborating in detail the manner and conditions for the acquisition, realization and termination of rights to market premium and guaranteed offtake price incentives, regulating in detail the rights and obligations of the project holder, the eligible producer, the electricity market operator, the transmission system operator and the distribution system operator related to incentive rights, laying down in detail the mandatory contents of a market premium agreement and a guaranteed price offtake agreement, specifying the construction time limits and the required construction guarantees for production plants or production units, as well as the required guarantees for incentive payments, elaborating in detail the terms of refund for amounts paid under incentives in the event of termination of a right to an incentive, determining the calculation methodology for maximum electricity reference values, the calculation methodology for maximum guaranteed electricity offtake prices, depending on the type, capacity and technology of production plants, the calculation methodology for reference electricity market prices, waste code numbers, the classification of production facilities depending on the type of source, technology and installed capacity of the production plant, as well as the procedure of obtaining incentive rights in case of utilising waste as a raw material in an eligible electricity producer's production plant in accordance with the order of priority in waste management pursuant to the act regulating sustainable waste management.
- (2) The Ministry shall prepare a draft of the regulation from Paragraph 1 of this Article in cooperation with the competent ministry for environmental protection, in the part regulating the issue of utilization of waste as a raw material in an eligible electricity producer's production plant.

VII. COLLECTION AND ALLOCATION OF INCENTIVE FUNDS

Incentive Funds

Article 37 (OG [111/18](#))

Funding for incentive payments shall be collected from:

1. a special incentive fee to promote electricity production from renewable energy sources and cogeneration (hereinafter: renewable energy sources and cogeneration fee)
2. the sale of electricity generated in the production facilities of eligible producers, which the electricity market operator purchases from eligible producers on the basis of contracts for the purchase of electricity concluded under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable

Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) and the guaranteed price offtake agreements from Article 35 of this Act.

3. the sale of issued guarantees of origin for electricity generated in production facilities of eligible producers
4. monthly fee referred to in Article 46, Paragraph 7, Item 2 of this Act, paid by members of the ECO balance group with a connection capacity of production plants exceeding 50 kW
5. revenues related to the balancing of deviations of the ECO balance group

Utilisation of Incentive Funds

Article 38 (OG [111/18](#))

(1) Funds for incentives payments referred to in Article 37 of this Act shall be used for:

1. payment of the incentive electricity price to eligible producers which are in the system of incentivizing electricity production for the electricity delivered on the basis of purchase agreements concluded with the electricity market operator under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15)
2. payment of the market premium to eligible producers which have concluded market premium agreements referred to in Article 32 of this Act
3. payment of the guaranteed offtake price to eligible producers which have concluded guaranteed price offtake agreements referred to in Article 35 of this Act
4. payment of the power supply system balancing costs referred to in Article 46, Paragraph 7 of this Act, which are assigned to the ECO balance group, except for the part of the costs that are settled from the monthly fee paid by members of the ECO balance group.

(2) Funds for incentive payments referred to in Article 37 of this Act shall also be used to finance the activities of the electricity market operator with respect to the system of incentivizing electricity production from production facilities using renewable energy sources and cogeneration plants, including the costs of managing the ECO balance group and the costs associated with the sale of the quantities of issued guarantees of origin for electricity produced in the production facilities of eligible producers.

(3) The Ministry shall allocate the amounts and supervise the calculation, payment and spending of the funds referred to in Paragraph 2 of this Article.

(4) The funds collected for incentive payments shall not be considered revenues of the electricity market operator, except in terms of financing of activities in accordance with Paragraph 2 of this Article.

Purchase and Sale of Electricity

Article 39

The total net electricity delivered by eligible electricity producers which receive incentives on the basis of purchase agreements concluded with the electricity market operator under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) and on the basis of guaranteed price offtake agreements referred to in Article 35 of this Act, is purchased by the electricity market operator.

Article 40 (OG [111/18](#))

(1) Electricity suppliers are required to off-take the share expressed in percentage of the net electricity delivered by the eligible electricity producers referred to in Article 39 of this Act at the regulated purchase price of HRK 0.42/kWh.

(2) The remaining share of the net electricity delivered by the eligible electricity producers referred to in Article 39 of this Act shall be sold by the electricity market operator on the electricity market in a transparent and non-discriminatory manner.

(3) The share referred to in Paragraph 1 of this Article shall be prescribed by the Government of the Republic of Croatia in a regulation to be passed by October 31 of the current year for the following year, at the proposal of the Ministry.

(4) The Government of the Republic of Croatia shall determine the share referred to in Paragraph 1 of this Article on the basis of a revenue and expenditure plan of the electricity market operator for the following year containing at least a

three-year period forecast related to the incentive systems, which the electricity market operator submits to the Ministry by the end of September of the current year.

(5) The remaining share of the net electricity delivered from Paragraph 2 of this Article shall be equal to the difference between the production plan of the ECO balance group and the share of electricity that the suppliers are required to off-take in accordance with Paragraph 1 of this Article.

(6) The sale of electricity referred to in Paragraph 2 of this Article shall be conducted in accordance with the Rules for the sale of electricity adopted by the electricity market operator with a prior opinion of the Agency and a prior approval by the Ministry.

(7) The electricity market operator shall be authorized to trade electricity in the electricity market in a transparent and non-discriminatory manner in order to ensure the sale of electricity referred to in Paragraph 2 of this Article in accordance with the planned production of the ECO balance group.

Article 40a (OG [111/18](#))

(1) The electricity market operator determines the share of electricity that each particular electricity supplier is required to off-take, in accordance with its percentage of the total electricity supply in the Republic of Croatia.

(2) The share of each electricity supplier referred to in Paragraph 1 of this Article shall be determined on a monthly basis.

(3) The energy suppliers' off-take requirements for the next calculation period shall be determined by the 25th day of the current month on the basis of data on the total electricity supply, the share of each particular electricity supplier in the total electricity supply, the total amount of electricity delivered to the power system by eligible producers from the ECO balance group in the previous month, and in accordance with the regulation by the government of the Republic of Croatia referred to in Article 40, Paragraph 3 of this Act.

(4) When determining the particular suppliers' requirements referred to in Paragraph 1 of this Article, the electricity market operator shall consider separately the share of electricity produced from production facilities using renewable energy sources and the share of electricity produced from high efficiency cogeneration plants.

(5) The transmission system operator and the distribution system operator shall submit data to the electricity market operator for the calculation of the share of electricity each electricity supplier is required to off-take, in accordance with its percentage of the total electricity supply in the Republic of Croatia.

(6) The agreement referred to in Article 42, Paragraph 1 of this Act shall regulate in detail all mutual rights and obligations regarding the off-take, calculation and charging of the respective share of electricity produced from production facilities using renewable energy sources and high efficiency cogeneration plants, which is purchased by the electricity market operator in accordance with Article 39 of this Act.

(7) Each electricity supplier shall issue to the electricity market operator a guarantee to secure the off-take of its respective share of electricity referred to in Paragraph 1 of this Article.

(8) The electricity supplier shall distribute to its end customers, proportionally to the amount of electricity sold, the electricity purchased by the electricity market operator in accordance with this Article.

(9) The total net electricity delivered by eligible electricity producers which receive incentives on the basis of purchase agreements concluded with the electricity market operator under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) and on the basis of guaranteed price offtake agreements referred to in Article 35 of this Act, is to be off-taken from the electricity market operator by electricity suppliers, depending on their respective market share for the electricity delivered by 31 December 2018, under the regulated purchase price of 0,42 HRK/kWh.

Renewable Energy Sources and High-Efficiency Cogeneration Fee

Article 41

(1) The Renewable Energy Sources and Cogeneration Fee is a special-purpose incentive fee charged by electricity suppliers to final customers as a fixed fee for each kWh of electricity sold.

(2) The electricity market operator collects the renewable energy sources and cogeneration fee from suppliers.

(3) The fee amount for renewable energy sources and cogeneration shall be prescribed by the Government of the Republic of Croatia by a decision to be made by 31 October of the current year for the following year at the proposal of the Ministry.

(4) The fee amount for renewable energy sources and cogeneration shall be sufficient to cover the costs referred to in Article 38, Paragraphs 1 and 2 of this Act in the year which it is determined for, as well as any liabilities from the previous year, taking into account the expected electricity sales revenues referred to in Article 39 and the associated guarantees of electricity origin.

(5) The Government of the Republic of Croatia shall determine the fee amount for renewable energy sources and cogeneration on the basis of a revenue and expenditure plan for the following year containing at least a three-year period forecast related to the incentive systems, which the electricity market operator submits to the Ministry by 30 September of the current year.

(6) Funds collected in the form of the renewable energy sources and cogeneration fee which have not been allocated in the course of the year shall, in accordance with the provisions of this Act, be used for the same purpose during the following calendar year.

Article 42

(1) The electricity market operator shall conclude an agreement with each individual supplier, regulating in detail all mutual rights and obligations related to the collection of the renewable energy sources and cogeneration fee, its calculation and charging method.

(2) The electricity supplier shall issue to the electricity market operator a guarantee to secure the collection of the renewable energy sources and cogeneration fee.

Article 43 (OG 111/18)

(1) Particular groups of entrepreneurs belonging to sectors in which their competitiveness is put at risk by costs arising from the financing of the renewable energy sources fee and are eligible under the provisions of Paragraph 10 of this Article, as well as entrepreneurs which are, pursuant to the Act governing air protection, required to obtain a greenhouse gas emissions permit may pay a reduced fee for renewable energy sources and cogeneration.

(2) The reduced fee for renewable energy sources and cogeneration shall be determined in accordance with the applicable legislation on state aids for environmental protection and energy and in accordance with the provisions of this Act and all implementing regulations adopted on the basis thereof.

(3) The reduced fee amount for renewable energy sources and cogeneration shall be laid down by a decision of the Government of the Republic of Croatia referred to in Article 41, Paragraph 3 of this Act and shall be calculated as the fee amount for renewable energy sources and cogeneration reduced by a percentage determined in accordance with the methodology provided for in the ordinance referred to in Paragraph 10 of this Article.

(4) An entrepreneur from Paragraph 1 of this Article shall submit a request for payment of a reduced amount of the renewable energy and cogeneration fee to the electricity market operator containing the data stipulated by the regulation referred to in Paragraph 10 of this Article.

(5) The request referred to in Paragraph 4 of this Article is resolved by a decision of the electricity market operator against which a complaint may be filed with the Ministry.

(6) In the procedure referred to in Paragraph 5 of this Article, the electricity market operator shall examine:

- the arithmetic mean calculated for the last three years for which data on gross added value are available
- the entrepreneur's electricity consumption
- the entrepreneur's electricity expenses
- that the entrepreneur is not in difficulties under special regulations
- that the entrepreneur has no debt or outstanding debt pursuant to the decision of the European Commission on the unlawfulness or incompatibility of the aid with the internal market.

(7) The electricity market operator shall publish on its website the list of entrepreneurs paying a reduced fee for renewable energy sources and cogeneration and submit the list to the Ministry along with a revenue and expenditure plan of the electricity market operator referred to in Article 41, Paragraph 5 of this Act.

(8) The electricity market operator shall, at least once a year, by 31 March of the current year for the previous year, submit to the Ministry and the Agency a report on the collection, calculation and allocation of incentive funds referred to in Article 37 of this Act and on the fulfilment of its obligations under this Act.

(9) The electricity market operator shall, at least once a year, by 31 March of the current year, inform the public on the collection, calculation and allocation of incentive funds from Article 37 of this Act for the previous year, by a publication on its web site.

(10) The mandatory contents of the request to establish compliance with the criteria for payment of a reduced fee amount for renewable energy sources and cogeneration, the required evidence and documentation to be enclosed to the request by the entrepreneur referred to in Paragraph 1 of this Article, the manner and methodology of calculation of the arithmetic mean, electricity consumption and electricity expenses referred to in Paragraph 6, Item 1, 2 and 3 of this Article, and their limit values for the entrepreneurs from Paragraph 1 of this Article, the classification of entrepreneurs paying a reduced fee amount for renewable energy sources and cogeneration, as well as the manner and methodology of calculation of the reduction amount for the renewable energy sources and cogeneration fee shall be determined by the Government of the Republic of Croatia in a regulation to be adopted at the proposal of the Ministry.

VIII. ELECTRICITY OFFTAKE FROM END-CUSTOMERS WITH OWN PRODUCTION OR USERS OF SELF-SUPPLY PLANTS

Article 44 (OG [111/18](#))

(1) Electricity suppliers are required to offtake any electricity surpluses from end-customers with own production (i.e. prosumers) or from users of self-supply plants that cumulatively meet the following conditions:

1. hold the status of eligible electricity producers in terms of Article 21 of this Act
2. they have acquired the right to permanent connection to the power grid, for production facilities that are considered simple structures
3. the total connection capacity of all production facilities at a single metering point does not exceed 500 kW
4. the feed-in connection capacity of an end-customer with own production or does not exceed the off-take connection capacity of the end-customer with own production or user of a self-supply plant
5. The end-customer with own production or user of a self-supply plant supplies electricity through the same metering point through which it purchases electricity from the supplier
6. The end-customer with own production or user of a self-supply plant shall keep a record of the electricity produced and the electricity supplied.

(2) The electricity off-take from end-customers with own production or from users of self-supply plants referred to in Paragraph 1 of this Article shall be regulated by a power supply agreement concluded between the electricity supplier and the end-customer with own production or a user of a self-supply plant, containing provisions on the off-take of electricity surpluses.

(3) At the request by the supplier with which it has concluded the agreement referred to in Paragraph 2 of this Article, the end-customer with own production or user of a supply plant shall submit data on its production plant and/or production unit.

(4) At the request by end-customers with own production or users of self-supply plants, the electricity suppliers shall, within 30 days from the submission of the request, conclude a power supply agreement with the end-customer with own production or user of a self-supply plant, containing provisions on the off-take of electricity surpluses from the production plant.

(5) For electricity off-taken by electricity suppliers referred to in Paragraph 1 of this Article, the value of electricity off-taken from an end-customer with own production (C_i) in the given calculation i.e. billing period shall be determined as follows:

1. $C_i = 0.9 * PKC_i$, if applicable for the calculation/billing period:

$$E_{p_i} \geq E_{i_i}$$

2. $C_i = 0.9 * PKC_i * E_{p_i} / E_{i_i}$, if applicable for the calculation/billing period $E_{p_i} < E_{i_i}$,

where:

- E_{p_i} = total electricity off-taken from the grid by the customer within the calculation period, expressed in kWh

- E_{i_i} = total electricity fed into to the grid by the customer-owned production plant within the calculation period, expressed in kWh

- PKCi = average unit price of electricity paid by the customer to the supplier for the electricity sold, without the grid tariff i.e. charge for network use and any other fees and taxes, within the calculation period expressed in HRK/ kWh.

(6) The electricity supplier referred to in Paragraph 2 of this Article shall, in each calculation period, reduce the bill for delivered electricity to the end-customer with own production by an amount calculated in accordance with Paragraph 5 of this Article.

(7) In calculating the electricity consumption, as well as the grid tariff and the renewable energy sources and high-efficiency cogeneration fee, for users of self-supply plants referred to in Paragraph 1 of this Article, account shall be taken of the amount of electricity that represents the difference between the off-taken and delivered (i.e. fed in) electricity in a particular tariff. If, at the end of the calculation period, the amount of active power delivered to the grid under a particular tariff is higher than the amount of electricity off-taken, the supplier shall off-take the surplus electricity produced at the price:

$$C_{iVT} = 0.8 * C_{pVT},$$

$$C_{iNT} = 0.8 * C_{pNT},$$

where:

- CpVT = the price of total electricity off-taken from the grid by the end-customer within the calculation period, during the higher daily tariff (i.e. day-rate), expressed in HRK/ kWh

- CpNT = the price of total electricity off-taken from the grid by the end-customer within the calculation period, during the lower lower daily tariff (i.e. night-rate), expressed in HRK / kWh

- CiVT = the price of total electricity delivered into the grid by the end-customer within the calculation period, during the higher tariff (i.e. day-rate), expressed in HRK/ kWh

- CiNT = the price of total electricity delivered into the grid by the end-customer within the calculation period, during the lower lower tariff (i.e. night-rate), expressed in HRK / kWh

(8) The electricity supplier referred to in Paragraph 2 of this Article shall, in each calculation period, issue an invoice to the end-customer in the household category for the difference between the off-taken and delivered (feed-in) electricity (kWh) in the higher daily tariff and for the difference between the delivered (feed-in) and off-taken electricity (kWh) in the lower daily tariff by the end-customer with own production. The same amounts shall represent the basis for calculating the grid tariff and the renewable energy sources and high-efficiency cogeneration fee.

(9) The calculation i.e. billing period referred to in Paragraphs 5 and 7 of this Article shall be one month.

(10) The electricity supplier may offer to the end-customer with own production or user of a self-supply plant referred to in Paragraph 1 of this Article more favourable terms of purchase in relation to those provided for in Paragraphs 5 and 7 of this Article.

(11) An end-customer with own production not wishing to sell electricity surpluses to its electricity supplier is required to conclude an appropriate agreement with a market participant to regulate the sale of surpluses in accordance with the legislation regulating the electricity market.

(12) The distribution system operator is required to submit data on annual consumption and production at the request of the supplier or market participant with which the consumer with a self-supply plant has concluded the agreement.

(13) The supplier or market participant with which the consumer with a self-supply plant has concluded the agreement shall, by 31 January of the current year, assess the fulfilment of conditions for the limitation of the delivered electricity on the basis of the data referred to in Paragraphs 3 and 12 of this Article.

(14) If the supplier or market participant referred to in Paragraph 13 of this Article establishes that the end-customer with a self-supply plant has in the previous calendar year delivered more electricity to the grid than it has off-taken from the grid, it shall be considered an end-customer with own production in the current calendar year .

IX. DEMONSTRATION PROJECTS

Article 45

(1) A demonstration project within the meaning of this Act is a non-commercial project promoting a particular technology as the first of its sort in the European Union that represents a significant innovation and a substantial technological breakthrough and is aimed at demonstrating the sustainability and commercial potential of a new technological solution created within a research project.

(2) Demonstration project are not eligible for incentives under the market premium incentive system from Article 30 or the guaranteed price offtake system from Article 33 of this Act.

(3) Demonstration project are eligible for incentives under state aid programs for research and development and under state aid programs for innovations.

X. ECO BALANCE GROUP

Article 46 (OG [111/18](#))

(1) Electricity producers and other entities involved in the production of electricity which are entitled to incentivised prices on the basis of purchase agreements concluded under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) and to guaranteed offtake prices on the basis of guaranteed price offtake agreements referred to in Article 35 of this Act, become members of the ECO balance group pursuant to the provisions of this Act and other legislation regulating the electricity market, only for those production plants i.e. production units for which they receive incentives under the mentioned agreements.

(2) The electricity market operator is the head of the ECO balance group.

(3) The electricity market operator is required to manage all the activities related to the ECO balance group separately from all other activities within its jurisdiction, honouring the principles of transparency, objectivity and independence.

(4) The functioning of the ECO balance group, as well as the obligation to supply the data necessary for the planning of electricity production by members of the ECO balance group, including the submission of necessary data by the transmission system operator and the distribution system operator, shall be regulated in detail by the ECO Balance Group Management Rules which are laid down by the electricity market operator with the prior opinion of the transmission system operator and the distribution system operator, and under approval of the Ministry.

(5) Members of the ECO Balance Group shall comply with the ECO Balance Group Management Rules referred to in Paragraph 4 of this Article.

(6) The ECO Balance Group Management Rules shall be published on the website of the electricity market operator.

(7) The costs of balancing energy of the ECO balance group shall be settled by the electricity market operator from:

– incentive funds referred to in Article 37 of this Act and

– the monthly fee paid by members of the ECO balance group with a connection capacity of production plants exceeding 50 kW

(8) The fee referred to in Paragraph 7, Item 2 of this Article paid by members of the ECO balance group shall be calculated in HRK per kWh of the net electricity delivered.

(9) The fee amount from Paragraph 7, Item 2 of this Article, as well as the deadlines, the manner of payment and the necessary payment guarantees, shall be regulated by the Government of the Republic of Croatia in the regulation referred to in Article 36 of this Act, depending on the classification of production plants.

(10) The fee amount from Paragraph 7, Item 2 of this Article shall be corrected each year in relation to the established corrected fee amount from the previous year by applying the average annual consumer price index published by the Central Bureau of Statistics for the previous calendar year. The first correction of the fee amount from Paragraph 7, Item 2 of this Article shall be applied in the calendar year following the year in which the regulation referred to in Paragraph 9 of this Article is adopted.

(11) The electricity market operator shall plan the production of electricity for the ECO balance group and report the contractual schedules of the ECO balance group in accordance with the ECO balance group's production plan

(12) Members of the ECO Balance Group shall be required to regularly submit to the electricity market operator the data and documentation stipulated in the ECO Balance Group Management Rules, necessary for the planning of electricity production for the ECO balance group.

(13) The ECO Balance Group Management Rules shall lay down in detail the data and documentation referred to in Paragraph 12 of this Article, as well as the dynamics in which these are to be submitted by members of the ECO balance group to the electricity market operator.

XI. SUPERVISION

Administrative and inspection supervision

Article 47 (OG [111/18](#))

- (1) Administrative supervision of the implementation of this Act and the regulations passed under this Act shall be performed by the Ministry.
- (2) Inspection supervision of the implementation of this Act and the regulations passed under this Act shall be performed by the central state administration body responsible for inspection work.
- (3) If any irregularities and deficiencies are established by the competent inspector in the course of the inspection supervision, he or she is authorized to issue a decision specifying the measures and deadlines for their removal.
- (4) If any irregularities and deficiencies are established by the competent inspector in the course of the inspection supervision of an eligible producer, he or she shall be required to inform the Agency on the matter.

XII. PENALTY PROVISIONS

Article 48 (OG [123/16](#), [131/17](#), [111/18](#))

(1) A legal entity, i.e. a legal entity which is an electric power entity, shall be liable for a penalty in the amount of HRK 20,000.00 to HRK 500,000.00 if it:

1. as an eligible electricity producer fails to maintain the technical and technological features and conditions of use of the production plant and/or the production unit for which the eligible producer status has been acquired (Article 19, Paragraph 12, item 1)
2. as an eligible electricity producer fails to submit to the Agency, the electricity market operator and to other competent bodies the reports and other documents stipulated pursuant the provisions of this Act, the act regulating the electricity market, other acts regulating the energy sector and all bylaws passed under the mentioned acts (Article 19, Paragraph 12, item 2)
3. as an eligible electricity producer fails to maintain the metering equipment under its authority and ownership or fails to provide true and accurate metering data (Article 19, Paragraph 12, item 4)
4. as an eligible electricity producer fails to respond to the Agency's inquiries or fails to submit documentation relating to the use of the production plant in accordance with the provisions of this Act, the act regulating the electricity market, other acts regulating the energy sector and all bylaws passed under the mentioned acts (Article 19, Paragraph 12, item 5)
5. fails to provide for the calculation of the net electricity delivered at the production plant for which the eligible producer status has been acquired and which uses more than one connection terminal or metering point (Article 20, Paragraph 5)
6. changes the conditions of use of the production plant for which the eligible producer status has been acquired without prior consent of the Agency to the planned changes (Article 24, Paragraph 1)
7. as an electricity supplier, fails to offtake from the electricity market operator the electricity produced and delivered by eligible electricity producers referred to in Paragraph 39 of this Act, in accordance with the particular electricity supplier's share in the electricity market, under the regulated purchase price of 0.42 HRK/kWh (Article 40, Paragraphs 1 and 3)
8. as an electricity supplier, fails to off-take from the electricity market operator the electricity produced and delivered by eligible electricity producers referred to in Paragraph 39 of this Act by 31 December 2018, in accordance with the particular electricity supplier's share in the electricity market, under the regulated purchase price of 0.42 HRK/kWh (Article 40a, Paragraph 9)
9. as an electricity supplier, within 30 days from the submission of the request by an end-customer with own production or user of a self-supply plant to which it supplies electricity, and which meets the conditions stipulated under Article 44 Paragraph of this Act, fails to conclude a power supply agreement containing provisions on the off-take of electricity surpluses from that particular end-customer's production plant (Article 44, Paragraphs 1, 2 and 4)
10. as an end-customer with own production or a user of a self-supply plant, at the request of the electricity supplier with which it has concluded the agreement referred to in Article 44, Paragraph 2 of this Act, fails to submit to the particular electricity supplier the data on its production plant and/or production unit (Article 44, Paragraph 3).
11. as an electricity supplier referred to in Article 44, Paragraph 2 of this Act, in each calculation period fails to issue an invoice to the end-customer in the household category for the difference between the off-taken and delivered (feed-in) electricity (kWh) in the higher daily tariff and for the difference between the delivered (feed-in) and off-taken electricity (kWh) in the lower daily tariff by the end-customer with own production (Article 44, Paragraph 8)

12. as end-customer with own production not wishing to sell electricity surpluses to its electricity supplier, fails to conclude an appropriate agreement with a market participant to regulate the sale of surpluses in accordance with the legislation regulating the electricity market (Article 44, Paragraph 11)

13. as a supplier or market participant with which a consumer with a self-supply plant has concluded an agreement, by 31 January of the current year fails to assess the fulfilment of conditions for the limitation of the delivered electricity on the basis of the data referred to in Article 44, Paragraphs 3 and 12 (Article 44, Paragraph 13).

14. as a member of the ECO balance group, fails to comply with the ECO balance group management rules (Article 46, Paragraph 5)

15. as a member of the ECO Balance Group, fails to regularly submit to the electricity market operator the data and documentation stipulated in the ECO Balance Group Management Rules, necessary for the planning of electricity production for the ECO balance group (Article 46, Paragraph 12).

(2) A responsible person of a legal entity i.e. the legal entity which is an electric power entity, shall also be liable for a penalty in the amount of HRK 300.00 to HRK 50,000.00 for violations referred to under Paragraph 1 of this Article.

(3) A natural person shall be liable for a penalty in the amount of HRK 1000.00 to HRK 50,000.00 for violations referred to under Paragraph 1 of this Article.

(4) A natural person which is an electric power entity shall be liable for a penalty in the amount of HRK 1000.00 to HRK 50,000.00 for violations referred to under Paragraph 1 of this Article.

(5) In addition to the monetary penalty, the electric power entity referred to in Paragraph 1 of this Article that has committed two or more violations or has repeated the violations referred to in Paragraph 1 of this Article two or more times in a year, may be subject to a protective measure of being banned from conducting its business activities for a period ranging from three months to a year.

(6) The responsible person of an electric power entity referred to under Paragraph 2 of this Article may be subject to a protective measure of being banned from conducting its business activities for a period ranging from one month to a year.

(7) In addition to the monetary penalty, a physical person referred to under Paragraph 3 of this Article that has committed two or more violations or has repeated the violations referred to in Paragraph 1 of this Article two or more times in a year, may be subject to a protective measure of being banned from conducting its business activities for a period ranging from one month to a year.

(8) A physical person who is an electric power entity referred to in Paragraph 4 of this Article may be subject to a protective measure of being banned from conducting its business activities for a period ranging from one month to a year.

Article 49 (OG [111/18](#))

(1) A transmission system operator i.e. distribution system operator shall be liable for a penalty in the amount of HRK 20,000.00 to HRK 500,000.00 if it:

1. at the request by the Ministry referred to under Article 16, Paragraph 9 of this Act, fails to provide a preliminary opinion on the connection possibilities and the available options for the connection to the electric power transmission and/or distribution grid (Article 16, Paragraph 9).

2. fails to regularly enter data, information and documents stipulated by the Ordinance referred to under Article 18, Paragraph 9 of this Act into the OIEKPP Register (Article 18, Paragraph 4)

3. in cases when the delivery of electricity from production plants into the electric power grid needs to be limited, fails to secure the eligible electricity producers priority delivery of electricity to the grid, for those production plants for which they have acquired the eligible producer status, with respect to other production plants connected to the grid, unless such priority delivery represents a significant risk to the safety and reliability of the electric power system (Article 19, Paragraph 2)

4. fails to provide the Agency with information on significant limitations in the delivery to the grid of electricity produced from renewable energy sources and high-efficiency cogeneration, which information includes an elaboration of the limitations in the delivery of electricity to the grid and a description of the measures to be taken by the transmission system operator or the distribution system operator in order to remove such limitations (Article 19, Paragraphs 5 and 6)

5. fails to secure legal and natural persons the connection and possibility of delivery of generated electricity for production plants and production units for which purchase contracts have been concluded under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the

Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) , as well as those for which market premium agreements and guaranteed price offtake agreements have been concluded pursuant to Articles 32 and 35 of this Act, in accordance with the conditions stipulated by special acts regulating the connection to the network, as well as the network operation and delivery of electricity into the network, except in such cases when the electricity network delivery represents a significant risk to the safety and reliability of the electric power system (Article 28, Paragraph 6)

6. fails to submit to the electricity market operator the data referred to under Article 40a of this Act, necessary for the calculation of the share of electricity each electricity supplier is required to off-take, in accordance with its percentage of the total electricity supply in the Republic of Croatia (Article 40a, Paragraph 5).

7. fails to submit data on annual consumption and production at the request of a supplier or market participant with which a user of a self-supply plant has concluded an agreement (Article 44, Paragraph 12).

(2) A responsible person of a legal entity i.e. of an electric power entity shall also be liable for a penalty in the amount of HRK 300.00 to HRK 50,000.00 for violations referred to under Paragraph 1 of this Article.

Article 50

The Agency may propose infringement proceedings for the infringements, i.e. violations stipulated under Articles 48 and 49 of this Act, and in accordance with the provisions of the act regulating the electricity market.

XIII. TRANSITIONAL AND FINAL PROVISIONS

Article 51 (OG [123/16](#), [131/17](#), [111/18](#))

Deleted.

Article 52 (OG [123/16](#), [131/17](#), [111/18](#))

Deleted.

Implementing Regulations

Article 53 (OG [111/18](#))

(1) The Government of the Republic of Croatia shall adopt the regulations referred to under Article 16, Paragraph 16 and Article 28, Paragraph 1 of this Act and the decision referred to under Article 41, Paragraph 3 of this Act within 30 days from the date of entry into force of this Act.

(2) The electricity market operator shall adopt the Rules for the sale of electricity referred to under Article 40, Paragraph 2 of this Act within six months from the date of entry into force of this Act.

(3) The transmission system operator and the distribution system operator shall align the network regulations of the transmission i.e. the distribution system with the provisions of this Act within six months from the date of entry into force of this Act.

Article 54 (OG [111/18](#))

(1) Until the entry into force of the ordinance referred to in Article 18, Paragraph 9, and the regulation referred to under Article 36 of this Act, the Ordinance on the Use of Renewable Energy Sources and Cogeneration (Official Gazette 88/12) shall apply, unless some of its provisions are contrary to the provisions of this Act.

(2) Until the decision of the Government of the Republic of Croatia referred to under Article 41, Paragraph 3 of this Act enters into force, the Regulation on the Incentive Fee for Electricity Production from Renewable Energy Sources and Cogeneration (Official Gazette 128/13) shall apply, unless some of its provisions are contrary to the provisions of this Act.

Expiry

Article 55

On the date of entry into force of this Act, the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14) shall expire, except for project holders that have concluded electricity purchase agreements with the electricity market operator prior i.e. up to the date of entry into force of this Act.

Ongoing Proceedings

Article 56

Proceedings initiated under the provisions of the Act on the Electricity Market (Official Gazette No. 22/13, 95/15 and 102/15), the Ordinance on the Acquisition of the Eligible Electricity Producer Status (Official Gazette 132/13, 81/14, 93/14, 24/15, 99/15 and 110/15) and the Ordinance on the Use of Renewable Energy Sources and Cogeneration (Official Gazette 88/12) which have not been completed by the date of entry into force of this Act, shall be completed in accordance with the provisions of the former regulations.

Entry into Force

Article 57 (OG [123/16](#), [131/17](#), [111/18](#))

This Act shall be published in the Official Gazette and shall enter into force on 1 January 2016, except for Article 40 hereof, which shall enter into force on 1 January 2019.

Transitional and Final Provisions from OG 111/18

Establishment of the ECO balance group

Article 52

(1) The electricity market operator shall adopt the rules referred to in Article 46, Paragraph 4 of the Renewable Energy Sources and High-Efficiency Cogeneration Act (Official Gazette 100/15, 123/16 and 131/17), which shall enter into force no later than 1 January 2019.

(2) The electricity market operator shall, by 31 December 2018 at the latest, secure the technical conditions for the full functioning of the ECO balance group.

(3) Eligible producers and project holders for production plants or production units which have by the date of entry into force of this Act concluded valid electricity purchase contracts with the electricity market operator under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 33/07), the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 63/12, 121/12 and 144/12) and the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) , become members of the ECO balance group on the date of entry into force of this Act.

(4) Eligible producers referred to in Paragraph 3 of this Article with a connection capacity of production plants exceeding 50 kW shall be required to pay the fee referred to in Article 46, Paragraph 7, Item 2 of the Renewable Energy Sources and High-Efficiency Cogeneration Act (Official Gazette 100/15, 123/16 and 131/17) and to comply with the ECO balance group management rules referred to in Article 46, Paragraph 4 of the said Act.

(5) Project holders referred to in Paragraph 3 of this Article with a connection capacity of production plants exceeding 50 kW shall be required to pay the fee referred to in Article 46, Paragraph 7, Item 2 of the Renewable Energy Sources and High-Efficiency Cogeneration Act (Official Gazette 100/15, 123/16 and 131/17) and to comply with the ECO balance group management rules referred to in Article 46, Paragraph 4 of the said Act from the date of acquiring the status of eligible electricity producer.

(6) Eligible producers and project holders for production plants or production units which conclude an electricity purchase contract with the electricity market operator under the Tariff System for the Production of Electricity from Renewable Energy Sources and Cogeneration (Official Gazette number 133/13, 151/13, 20/14, 107/14 and 100/15) after the entry into force of this Act, become members of the ECO balance group on the date of conclusion of the electricity purchase contract.

(7) Eligible producers referred to in Paragraph 6 of this Article with a connection capacity of production plants exceeding 50 kW shall be required to pay the fee referred to in Article 46, Paragraph 7, Item 2 of the Renewable Energy Sources and High-Efficiency Cogeneration Act (Official Gazette 100/15, 123/16 and 131/17) and to comply with the ECO balance group management rules referred to in Article 46, Paragraph 4 of the said Act.

(8) Project holders referred to in Paragraph 6 of this Article with a connection capacity of production plants exceeding 50 kW shall be required to pay the fee referred to in Article 46, Paragraph 7, Item 2 of the Renewable Energy Sources and High-Efficiency Cogeneration Act (Official Gazette 100/15, 123/16 and 131/17) and to comply with the ECO balance group management rules referred to in Article 46, Paragraph 4 of the said Act from the date of acquiring the status of eligible electricity producer.

(9) The ECO balance group shall commence its operations on 1 January 2019.

Implementing Regulations

Article 53

- (1) The Government of the Republic of Croatia shall adopt the regulation referred to in Article 16a, Paragraph 17, added by Article 11 of this Act, within six months from the date of entry into force of this Act.
- (2) The Government of the Republic of Croatia shall adopt the regulation referred to in Article 25, as amended by Article 22 of this Act, within six months from the date of entry into force of this Act.
- (3) The Government of the Republic of Croatia shall adopt the regulation referred to in Article 36, as amended by Article 32 of this Act, within six months from the date of entry into force of this Act.
- (4) The Government of the Republic of Croatia shall adopt the regulation referred to in Article 40, Paragraph 3, as amended by Article 35 of this Act, by 30 December 2018.
- (5) The Government of the Republic of Croatia shall adopt the regulation referred to in Article 43, Paragraph 10, as amended by Article 37 of this Act, within six months from the date of entry into force of this Act.
- (6) The Minister shall issue the ordinance referred to in Article 18, Paragraph 9, as amended by Article 14 of this Act, within three months from the date of entry into force of this Act.
- (7) The electricity market operator shall adopt the rules for the sale of electricity referred to in Article 40, Paragraph 6, as amended by Article 35 of this Act, not later than 1 January 2019.
- (8) The transmission system operator and the distribution system operator shall align the network regulations of the transmission i.e. the distribution system with the provisions of this Act within three months from the date of entry into force of this Act.

Expiry

Article 54

On the date of entry into force of this Act, the Regulation Amending the Renewable Energy Sources and High-Efficiency Cogeneration Act (Official Gazette number 131/17) shall expire.

Ongoing Proceedings

Article 55

Proceedings initiated under the provisions of the Renewable Energy Sources and High-Efficiency Cogeneration Act (Official Gazette 100/15, 123/16 and 131/17) which have not been completed by the date of entry into force of this Act, shall be completed in accordance with the provisions of the former Act.

Entry into Force

Article 56

This Act shall enter into force on the eighth day following its publication in the Official Gazette, except for Article 41 hereof, which shall enter into force on 1 April 2019.