

The European Commission (EC) announced that it has approved Croatia's 783 million euros worth scheme for the support of electricity production from renewable energy sources. The statement from the Commission said that this set of measures will help Croatia reach its renewable energy targets, including those set in its Recovery and Resilience Plan, and contribute to the European objective of achieving climate neutrality by 2050, without unduly distorting competition in the single market.

The approval is related to a new support scheme that Croatia plans to introduce to support electricity produced from wind, solar, hydro, biomass, biogas and geothermal power plants. Under the scheme, the aid will take the form of a premium to the electricity market price. The premium will be set through a competitive bidding process and will not be higher than the difference between the average production cost for each renewable technology and the electricity market price. The beneficiaries will be selected in tenders that will take place in the period from 2021 to 2023. Total budget will amount to 783 million euros and the support will be paid out to the selected beneficiaries for a period of 12 years.