

Croatia TSO co HOPS has commissioned a study on the possibility of increasing the quota for the acceptance of wind power plants, which is indicatively set for years at 400 MW. In the meantime, they created a number of preconditions for a safer regulation of the power system, so significant increase in quotas, as it seems, is only a matter of months. While investors in wind farms prepare a celebration, interested parties in photovoltaic crowded into a miniature quota note with resignation that they remain second-class citizens. Any increase in quotas means increased allocations, which raises the electricity price to end users.

Even this year the quota for acceptance of wind power plants into the power system could be significantly increased. Croatian Transmission System (HOPS) commissioned the feasibility study of integrating new wind farms in the quota, which should be completed within six months, confirmed us from this company. Energy Institute "Hrvoje Pozar" carries out the study, which is author of the study from 2007<sup>th</sup>, when the quota was set at indicative 400 MW. Interest to extend the quota is huge, and the investors' pressure at state institutions is not any secret.

. According to data from HOPS, 254.4 MW of wind power plants and 43 MW in the test run were in operation on 4<sup>th</sup> February. The list of projects VE for electric power connection included in the quota is still 88.5 MW, making the total power used by the quota is 385.95 MW. There are 144 MW at the projects list for the connection that are not included in the quota but they have a connection contract, and preliminary energy permits were issued to the large number of megawatts, an important step towards the signing of the Treaty of Accession to the HOPS. According to current data in the Register OIEKPP, there are 89 projects with 3.824 MW of power, which demonstrates the enormous interest.

What did motivate HOPS to consider new quota, which has been eyesore to many investors for long time? "Permanent HOPS' job is, among other things, to provide technical requirements related to the supply security and reliable operation of the power system through the necessary research and development on time. Based on experience over the past few years, with wind power plants of significant amount of connected power in operation, the preconditions for reconsideration of technological and other opportunities of Croatian electric power system for the acceptance of new wind farms have been created", says mr. sc. Damian Medimorec head of the Board Office.

There are stories in the outside circles that quota will be probably increased for several hundred MW, and in the meantime some researches of specialists from FER and FESB have gone in that direction. In 2007<sup>th</sup> when the initial quota was set at 400 M, two wind power plants of 18 MW were at the network and it was expected to join the additional 11 MW. Goran Majstrovic, Head of the Department for energy transmission and distribution in EIHP, co-author of the study in 2007<sup>th</sup> and an expert who works on a new study says that due to the objective reasons HEP OPS set then an initial quota of WPP at indicative 400 MW based

on their analysis from 2007. He explains that the Croatian power system is specific in the sense that in a relatively small territory there is a large concentration of wind power plants, and due to wind gustiness characteristic for this area, the variability of WPP production is thus even more expressed. Given these circumstances and objectively limited opportunities in systems regulation without significant changes in the management system, the decision was to limit the WPP acceptance in the system in some way. By introduction of quotas for WPP acceptance, HEP OPS sought to preserve the system security. However, if quota had not been like this, and with all other administrative barriers to the development of WPP projects, the question is how greater would be power of the connected WPP today.

“Several significant changes occurred in the last period that affected reconsideration of the existing quota. At the beginning, the driving experience of systems management are now significantly higher than in 2007<sup>th</sup>. In addition, the development of new legislation and subordinate legislation (Law on renewable energy, new Market Rules, the new network rules, methodology for ancillary services ...) from which, among other things, it is expected to redefine the WPP rights and obligations in terms of forecasting production commitments from this source, which would mean that it will take less regulation. Besides, these laws and by-laws clearly define the roles of individual participants in the mechanism of ancillary services. Moreover, HOPS has installed a software tool for the wind prediction. It has to do with the software from Denmark which for some time has calibrated to the specifics of Croatian power system, which can also significantly facilitate management system with a larger share of WPP. All this could provide HOPS greater opportunities to system management whose safety and reliability is always in the first place, says Majstrovic who does not want to prejudge the quota results, because the input data have just started collecting. However, it is clear that the conditions for an increase in quotas are significantly cheaper now.

The profession has always pointed out that the alignment of the WPP operation with other traditional manufacturing facilities has been influenced by several elements, among them is the state of the transmission network that would allow secure placement and transmission of produced electricity. Prof. Dr. Sejid Tesnjak from FER says that distribution or transmission networks insufficient built and associated facilities can create the objective difficulties. “According to my knowledge from 2007<sup>th</sup> until now something has been done in terms of investment in the network and power facilities that can and should be support for frequency regulation, relating to the transformers installation with angle regulation in the transmission network, putting into operation of interstate transmission lines to Hungary and revitalization of the hydro aggregate in HPP Zakucac”, says Tesnjak convinced that the increase in the quota is professional- political issue.

Also investors in photovoltaic projects that are odd with quota on “MW change” are convinced that this is primarily a political issue, and prof. Dr. Tomsic, a former Deputy

Minister of Energy during whose mandate started the reproducers development talked against the inconsistent policies in renewable energy sources. "Quotas increase for wind power plants and other reproducers means an increase in electricity prices. Clearly, this has to do with lobbies; it was also previously the case. As a consumer I oppose the fact that I pay 300 EUR for one MW of electricity from PV, which is produced from imported equipment, as well as all equipment for wind farms that take loans from German banks, it turns out that the incentives drain abroad . If someone wants to build a wind farm or put photovoltaic panels should do so without feed-in tariffs ", Tomsic is clear.

Mark Nuic from company Adria Sol, which has built two PV power plants of 300 kW says that he is resigned with this government policy, because they say "wind power plants forward, the rest stop " . " We have weak, or no lobby, it is a problem. In the state interest is that people pay in HROTE's Fund and cannot recover the money by putting PV panels on their roof. Simultaneously, the money goes to those who can build", says Nuic. Adria Sol has suspended its two projects of 300 kW because it is not pay out to build a PV power plant and to return investment for 20 years, what is the actual refund to the Tariff system for the RESC. The well-known PV advocate prof. Dr. Ljubomir Majdandzic has the similar opinion and says that the government does not want its citizens to be rich, but only to pay that someone else be rich.

In the proposal of the Energy Development Strategy was intended to build 1.200 MW from wind by 2020<sup>th</sup> , but the National Action Plan for Renewable Energy Sources , adopted last year, has shortened it at 400 MW . Croatian policy towards renewable sources is quite inconsistent because now obviously going a different direction. Tomsic, who participated in negotiations with the EU in the energy chapter, says that in general there is no reason to rush with the increase in quotas because Croatia will fulfill its goals on time by 2020<sup>th</sup> . "The European Union has set ambitious goals, but at the same time the Member States stop on the brakes because all it costs too much. Most extreme example is Germany, whose household pay 48 % more expensive electricity than other citizens due to reproducers, and industry is under the pressure of the European Commission because of the large exemption for fees payment. States are more cautious and reduce feed-in tariffs, revise incentive systems, and we go in the direction that we do not need", says Tomsic, adding that he would decrease quota for PV at 1 MW .

Source; Serbia Energy See Desk