

Households in Croatia will be able to buy electricity from suppliers from any member state of the European Union, and residents of other EU countries will be able to contract electricity supply with state-owned power utility HEP thanks to a law that Croatian Government has prepared.

The Ministry of Economy and Sustainable Development has prepared a new Law on the Electricity Market, which states that the freedom of EU citizens to buy electricity from any part of the Union is part of the freedom guaranteed by the Treaty on the Functioning of the EU. Thus, free movement of goods, freedom of choice of place and seat of business and freedom to provide services are achievable only on a fully open electricity market that allows all end customers to freely choose electricity suppliers, and all suppliers to freely deliver to end customers.

Therefore, the proponents of the law explain that in order to encourage market competition and ensure the supply of electricity at the most competitive price, it is necessary to enable cross-border access to new electricity suppliers from various energy sources, as well as new providers of energy production, storage and management.

Market rules thus enable the entry and exit of producers and suppliers of electricity based on the assessment of the economic and financial sustainability of their business. However, there will still be an obligation to provide a public service that will remain available to consumers.

The new Croatian law stipulates that electricity bills, in addition to data on consumption and costs, should contain other information that can help end customers to compare their current contract with other offers. This means regularly delivering accurate billing information based on actual power consumption, using smart meters, which helps customers control consumption and costs. The new law also stipulates that the end customer must have clear terms of the contract with the supplier and that in the next five-year period he will be allowed to change suppliers within 24 hours. In addition, suppliers must enable customers to compare the prices of services on the market in order to be able to choose the most favorable option.

However, the experts warn that the provisions of the law will not be possible to implement without smart meters. This all refers to the supply of electricity, which is about 40 % of the electricity bill. The opening of the market is a good thing, but it is important that the public part of the service remains protected, namely network fees, fees for renewable energy sources and VAT.