

Croatian energy market operator HROTE explained that the negative balance is the result of a drop in electricity consumption of about 6 % and that decline has led to a reduction in revenues from RES fees. HROTE paid slightly more than 400 million euros in subsidies to renewable energy producers last year, but the revenues of the state-owned company did not cover expenses, so a loss of 49 million euros was recorded

HROTE collects funds for the payment of incentives for renewable energy sources (RES) from the fee for RES paid by all electricity consumers in the amount of 1.36 eurocents/kWh and from the sale of electricity from renewable sources. A total of 352 million euros was collected last year, while 401.5 million euros was paid to privileged producers. This difference of some 49 million euros was covered from the reserves from previous years, which at the beginning of 2020 amounted to around 63.5 million euros.

However, HROTE warns that the negative trends, although in a somewhat milder form, continued at the beginning of 2021, and this year it is no longer possible to cover the negative balance from the reserves. Since the autumn of last year, consultations with the competent Ministry have been underway to find the optimal solution to minimize the burden on households and industry, and on the other hand to properly service existing producers in the support scheme, as well as to launch a new cycle of RES investments through the market premium system. Raising the fee will not be avoidable, but other solutions are being sought to keep this fee increase to a minimum.

The deficit was also caused by the fall in prices on the electricity market. Also in 2020, 152 new RES producers entered the support scheme, which will produce almost 500 GWh of electricity in an average year, for which they will be paid more than 50 million euros.

HROTE warns that without the measures, which it proposed to the competent Ministry, the subsidies system will be blocked very soon because the reserves from previous years are running out. Without measures, the deficit of around 40 million euros for 2021 is estimated, which needs to be covered from additional sources of income, probably a 20 % increase of RES fee paid by all consumers. One of the options is to redirect funds from CO2 emissions to HROTE to cover the minuses. However, HROTE stressed that the fee will not be increased in 2021.