

In the period between 2010 and 2016, the development of Croatian wind energy sector was very dynamic. In that period, wind energy generation in Croatia increased 15 times. The share of wind energy in total electricity generation increased from just 0.5 % in 2010 to 9 % in 2016, while the share in total consumption rose from 0.4 % to 5.7 %. The share of wind energy in electricity generation within the support scheme amounted to 60 % in 2016. The trend of increasing wind energy production continued in 2017 as well. One of the reasons for such expansion is high financial incentives provided to RES producers by the state. Preferred producers, namely producers of electricity from renewable energy sources (RES), conclude a contract with Croatian electricity market operator HROTE which guarantees purchase of produced electricity at preferential prices in the next 14 years. Since the preferential price is much higher than the price at which HROTE sells electricity, the difference is covered through fees paid by end consumers. In 2015, more than 130 million euros in incentives was paid and the price at which HROTE bought electricity from preferred producers was three times higher than the price of electricity on the exchange. In 2016, the amount of paid incentives increased by 50 %. Revenues of preferred producers have tripled in the period between 2012 and 2016, while their profits also rose significantly in the mentioned period. In 2016, sector-level return of investment was 18 %, which confirms high profitability of wind energy sector in Croatia. The entire sector is privately owned since state-owned power utility HEP did not invest in wind generation capacities.