

Workshop “Strengthening national capacity in applying sustainable energy policies and practices based on the recommendations of the Environmental Performance Reviews”

30 June 2021, Online
09:00 a.m. – 12:00 p.m. (CEST)

Croatia – 2nd EPR

Report	No.	Topic	SDG	Recommendation (quote)	Implementation	Implementation updated
Annex I	5.1	Energy efficiency; Legal, Policy and Institutional framework	7.3	<i>The Government should increase the share of green horizontal subsidies in the extrabudgetary Environmental Protection and Energy Efficiency Fund.</i>	<i>Croatia has taken some useful measures in the application of its taxation policy (e.g. electric cars are excluded from special tax on road vehicles) that make a useful move towards green initiatives. The Government has established the Environmental Protection and Energy Efficiency Fund (EPEEF) to provide extrabudgetary sources for financing green initiatives and environmental protection projects. However, the share of green horizontal subsidies in these funds is relatively low.</i>	Ongoing. Certain other measures (such as the biofuel obligation) will provide more financing sources for clean transport goals. That will result in the increase in the share of extra budgetary subsidies managed by the Environmental Protection and Energy Efficiency Fund.
	5.3	Energy efficiency; Market mechanisms	7.3	<i>The Government should review and adjust the electricity price structure in order to encourage energy saving and energy-efficiency improvements.</i>	<i>Electricity prices in Croatia decrease progressively as consumption increases for both households and industry. This price structure has the effect of rewarding higher consumption and therefore does little to change the behaviour of economic agents and households. Overall, the price structure discourages energy efficiency innovations and energy savings.</i>	Implemented. The price structure now includes the RES promotion part (10.5 lipa per Kwh).
	10.6	Energy efficiency; Market mechanisms	7.3	<i>Restructuring and privatization in the energy sector to improve energy efficiency, taking into account national conditions and interests, should be seen as an urgent</i>	<i>Recommendation was partially implemented. The regulatory framework for implementing the Act on Energy End-Use Efficiency has been terminated. In the Regulation on contracting and implementation of energy services in the public sector, the Government defined the methods for contracting energy services, more detailed</i>	Ongoing. Privatization and restructuring took place to a certain degree, however, energy efficiency has become one of the most important energy topics. There are obligations regarding this

				<i>requirement for energy conservation.</i>	<i>obligations of energy service providers and customers, more detailed contents of energy efficiency contracts, and budgetary monitoring of energy services for public sector customers, which will endorse the development of the Energy Service Companies (ESCO) market. There is no information as to whether restructuring and privatization of the energy sector did take place, and if so, whether the result was improved energy efficiency in the energy sector.</i>	matter that need to be met by companies and progress is noticeable.
10.7	Renewable energies	7.2	<i>Government and energy enterprises should undertake further research and development of cleaner coal processes, as well as environmentally sound processes using renewable energy resources.</i>	<i>Coal is used only in one power plant and in a fairly modern facility that was granted all permits and approvals by the competent authorities, including in particular: integrated environmental protection requirements, measures to reduce pollution and risks to the environment, and the prevention of major accidents involving dangerous substances. The coal used is of satisfactory quality to guarantee meeting the combustion criteria to reduce pollution and limits below the limit values for emissions into the air. Regulations on the energy efficiency of plants that use coal are fully harmonized with EU legislation, and current inspectional and process control activities have been intensified in order to avoid any possible contamination. The systems are equipped with modern techniques and technologies for continuous monitoring of pollution parameters. Total investments in the programme of renewable energy sources are envisaged to total around €6.3 billion until 2030.</i>	Ongoing. In line with the EC decarbonisation policy and transition to clean energy, in 2020 Croatia prepared a document “Development of scenarios for achieving greater emission reductions by 2030 and climate neutrality in the Republic of Croatia by 2050” for the energy sector. A new Energy strategy in Croatia until 2030 with a view to 2050 was also adopted. Both these documents clearly state that in the future construction of new coal-fired thermal power plants is not foreseen. As for the coal-fired power plant in Plomin, it will be completely decommissioned. Given that it is generally assumed that the use of fossil fuels will decrease in the coming period, the quantities of energy sources that will be covered by CCS will be reduced. In 2030, the application of CCS technology is expected in large thermal power plants that use natural gas and coal. After 2030, coal will gradually be replaced by other energy sources.	