European Commission

Clean energy for EU islands

STATE-OF-PLAY INVENTORY OF LEGISLATION AND REGULATION

FOR CLEAN ENERGY ON EUROPEAN ISLANDS

Factsheet: Croatia

The Croatian archipelago lies along the eastern coast of the Adriatic Sea and has 1 244 natural formations, of which 78 are islands, 524 are islets, 642 are cliffs and reefs. 49 of the islands are permanently inhabited, all of which are located relatively close to the shore. Cres and Krk are the largest islands, both with a land area of around 406 km². The Croatian island population makes up 3.10% of the country's total population, which corresponds to 132 756 people.

Islands belong to counties as they are laid out along the Croatian shoreline. All coastal counties have islands. At the local level, islands have their own municipalities within these counties, just like the mainland area does. There is specific legislation to support economic development of islands, the Act on Islands, which defines strategies and subsidies for inhabitants and businesses on islands. Notably, the Act on Islands introduced 'Island coordinators' who are designated people responsible for organising and coordinating plans and projects pertaining to the sustainable development of islands. The Croatian Government is in the process of drafting a National Plan of Island Development for the period 2021-2027, as a medium-term strategic document.

Clean energy national targets

The Integrated National Energy and Climate Plan for the Republic of Croatia for the period 2021-2030 sets a national RES target of 63.8% in the gross direct consumption of electricity, 36.6% in the gross direct consumption of energy for heating and cooling and 14.0% in the gross direct consumption of energy in transport.

Supported RES technologies

Croatia supports a wide range of technologies for electricity generation, energy efficiency, heating, cooling and transport through different schemes. The Croatian Bank for Reconstruction and Development offers lending instruments to promote energy efficiency and renewable energy projects. Electricity generation from renewable energy sources such as solar and wind power is supported by a feed-in tariff/premium. For transport there is support through a subsidy scheme for low- or zero-emission vehicles and there is a quota for the use of biofuel.

Support schemes:

- Technology-neutral investment loans for renewable energy and energy efficiency projects.
- Feed-in tariffs and Feed-in Premiums are awarded through tender procedures operated by the Croatian Energy Market Operator
- A net metering system applies to electricity-producing consumers. Produced electricity must be used primarily for own consumption.
- Subsidies are granted for the purchase of private electric vehicles and public transportation buses with low and very low CO_2 emissions.

- Croatia has a biofuel quota that obliges fuel producers to include a percentage biofuel into their products.
- Croatia co-finances the development of the alternative fuels infrastructure such as charging infrastructure.

Electricity grid

The Croatian electricity grid provides non-discriminatory connection for renewable energy sources and priority access to deliver renewable electricity to the grid. There is a single local distribution system operator. For installations connecting to the low-voltage network that don't require technical adjustments, the grid access is simplified. The country has a smart meter penetration rate of 14.1%. The electricity supplier switching rates for household customers in 2018 was 2.5%.

RES projects authorization process

A range of permits must be obtained for renewable energy projects including from the county and municipality, national level ministries, Croatian Air Traffic Control, the national distribution and transmission system operators and the energy regulator. For rooftop PV and net metering the procedure is simplified.

Supported energy efficiency measures

Croatia requires that all new buildings in the country adhere to the nZEB (nearly zero energy building) standard. Energy efficiency measures for buildings are supported through subsidies of the Energy Efficiency and Environmental Protection Fund and through low-interest loans of the Croatian Bank for Reconstruction and Development. These loans are available only for the private and public sector, not private citizens.

Supporting policies

Croatia offers recognized training programmes for installers of renewable energy installations in the housing and buildings sector, in particular for electricity, heating, and construction. Energy audits and energy certifications of buildings are carried out by certified persons. Public authorities fulfil their exemplary role through energy renovation of public buildings, with the goal of yearly renovation rate of 1,0% of surface area of all public buildings in 2021 and 2022. Currently there are not many large research, development & demonstration (RD&D) programmes in the country, but there are plans for such programmes in the future.

Self-consumption and community energy

Currently, energy sharing (multiple users in one building sharing a RES system) and energy communities (multiple users from multiple buildings sharing a RES system) are not well-defined by the legislative framework. Prosumers are better-defined and commonly exist in Croatia, but there is still a need for improvement of the regulatory framework and implementation of more supporting measures.

Island specific policies

Currently, in the Republic of Croatia there are no special support systems for the development of renewable energy sources on the islands. However, depending on the tender, islands falling under a specific category can get special points (Islands Act NN 116/18, 73/20, 70/21). So far, there are no subsidies, special feed in tariffs or premiums. Nor are there specific permitting or grid policies in place. However, investment subsidies are available for small scale projects based on Public Calls from Croatian Fund for Environment Protection and Energy Efficiency. Within those calls, Islands can receive a larger subsidy than other areas. In general, islands can receive a subsidy of 80 % or 60%, based on their economic development. For example, in the Public Call for energy renovation of family houses (EnU-2/21), published by Fund for Environmental Protection and Energy Efficiency on 15.09.2021[1],the 'first group of islands and areas of special state concern are subsidized with up to 80% of eligible costs, the second group of islands and hilly and mountainous areas with up to 60% of eligible costs and other areas of the Republic of Croatia with up to 40%, according to call conditions'. Measures co-financed are: (i) complete energy renovation, (ii) increase of thermal protection, (ii) installation of RES systems. The Croatian Fund for Environment Protection and Energy Efficiency launched similar calls in the past:

- Public Call for co-financing the use of energy efficiency and renewable energy sources in industrial systems, craft manufactories and family farms
- Public Call for co-financing the use of renewable energy sources (photovoltaic systems) in tourism to natural persons - registered renters and family farms
- Public Call for co-financing the use of renewable energy sources for the production of heat or heat and cooling energy in households, for own consumption
- Public Call for co-financing the use of renewable energy sources in public buildings
- Public Call for co-financing the use of renewable energy sources for the production of electricity in households, for own consumption

Sources

- Number of islands: Ministry of Regional Development and EU Funds (Link)
- Island population: Ministry of Regional Development and EU Funds (Link)
- National Population: Eurostat 2020 (Link)

[1] https://www.fzoeu.hr/hr/natjecaj/7539?nid=165&fbclid=IwAR0J5QC6bayYPVfgWROlfsV4X1fpZ4sMbvTpyEH5kaBajOmbd-S-XZa3Kuc