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After several ineffectual years which followed the “solar boom” in 2009-2010, it is safe to say to that renewable energy and in particular photovoltaic has been experiencing a renaissance in the Czech Republic in recent years.

At the end of 2021, there were over 50,000 photovoltaic power plants with an installed capacity of about 2200 MWp in the Czech Republic. There were 500 solar parks with a capacity of over 1 MWp. During 2022, the number of installations rose to almost 85,000 PV plants with a total capacity of 2,460 MWp.

The development of wind energy in the Czech Republic also continues apace. The Czech government plans to triple the installed capacity from wind power by 2030, from the current 350 MW to 1 MW.

With respect to the wind projects, support from public funds is expected to be provided based on the auction process for which the legislative framework has been adopted. The government has communicated that it plans to provide operational support for wind energy of up to 130 MW of capacity in 2024, while in 2025 it has proposed to support 210 MW of new capacity and 30 MW of modernised wind power plants.

National Recovery Plan reflects the Czech part of the EU Recovery and Resilience Facility, which is an EU-wide initiative for emerging stronger from the COVID-19 pandemic, has an allocation of up to EUR 7 billion. This includes also a section on transition to greener energy representing about EUR 275 million. The supported investments include in particular construction of new photovoltaic sources and modernisation of heat distribution in district heating supply systems.

Whilst the Czech market with cPPAs is less developed than in some other European countries, it is expected to grow in the near future. First larger PPA in the renewable energy sector has been announced in 2021. Under the quasi-corporate PPA scheme, provider of energy supplies for car manufacturer Škoda Auto, contracted the purchase of green energy from a wind farm in Moravian-Silesian region. There is a potential for growth of the corporate PPAs sector. The legal framework for entering into bankable PPAs with longer-term power price fixing is available.

Another area which has recently gained a lot focus in the Czech Republic is facilitating permitting procedures for the development and operation of new renewable energy sources.

The permitting procedures should be facilitated by directly applicable Council Regulation (EU) of 22 December 2022 setting out a framework to accelerate the deployment of renewable energy. New legislation has been adopted to this effect also on the national level. In 2023, law amendment to the Czech Energy Act

and the Czech Construction Act became effective (nicknamed Lex RES I.), bringing set of changes to the RES permitting procedures in the Czech Republic. These include:

In addition, a map of “go-to zones”, which identifies suitable locations for the construction primarily of wind power plants and photovoltaics, is being prepared by the Ministry of Industry and Trade in cooperation with the Minister of the Environment. This should also contribute to facilitating the construction of RES installations in the Czech Republic. It is expected that this will be followed by the adoption of relevant legislation allowing the faster development of renewables in these go-to zones.

On the other hand, the government is taking steps to effectively ban the development of new RES installations on the best quality agricultural land, which in Czech terms represents the first and second protection classes according to the soil ecological classification. More flexible regime should apply to agrivoltaics projects allowing use of land for both agriculture and for photovoltaic installations.

In 2020, the Covid-19 pandemic strongly affected coal production, which decreased by 24% compared to 2019 The contribution of coal in TES declined by 15%, mainly driven by a decreased use of coal in electricity generation (-17%). The share of coal in electricity generation decreased to 41% in 2020, and was replaced by natural gas, bioenergy, nuclear and solar PV.