



# **LEGAL FRAMEWORK IN DISTRICT HEATING AREA IN REPUBLIC OF CROATIA**

**REPUBLIC OF CROATIA  
MINISTRY OF ECONOMY, LABOUR AND ENTREPRENEURSHIP**

# LEGAL FRAMEWORK

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**ENERGY ACT IS A LEGAL BASIS FOR ISSUING THE ENERGY LEGISLATION. LEGAL FRAMEWORK FOR SYSTEMATIC AND STRUCTURED OPERATING AND FUNCTIONING OF THE DISTRICT HEATING SECTOR WAS STARTED IN EARLY 2005. BY ENACTMENT OF:**

- ◆ **THE ACT ON THE PRODUCTION, DISTRIBUTION AND SUPPLY OF THERMAL ENERGY (OJ 42/05)**

**FURTHER REGULATION OF DISTRICT HEATING SECTOR WAS CONTINUED BY ADOPTION OF NECESSARY SECONDARY LEGISLATION:**

- ◆ **GENERAL CONDITIONS OF THERMAL ENERGY SUPPLY (OJ 129/06)**
- ◆ **THE ORDINANCE ON THE DISTRIBUTION AND BILLING OF THERMAL ENERGY (OJ 139/08)**
- ◆ **During 2009 Ministry is in the making process of : ACT ON AMENDMENTS TO THE ACT ON THE PRODUCTION, DISTRIBUTION AND SUPPLY OF THERMAL ENERGY**
  - **Harmonization with Concession act (OJ 125/08)**



# **THE ACT ON THE PRODUCTION, DISTRIBUTION AND SUPPLY OF THERMAL ENERGY (OJ 42/05)**

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- ◆ **REGULATES PERFORMING OF ENERGY-RELATED ACTIVITIES OF PRODUCTION, DISTRIBUTION AND SUPPLY OF THERMAL ENERGY IN THE REPUBLIC OF CROATIA.**
  
- ◆ **INTRODUCES:**
  - Privileged buyer, privileged producer, tariff buyer, producer
  - Distribution of thermal energy – public service
  
- ◆ **A LOCAL SELF-GOVERNMENT UNIT AND A THERMAL-ENERGY DISTRIBUTION ENTITY - shall be obliged to ensure high-quality thermal-energy distribution activities based on the principles of sustainable development, ensure keeping of energy facilities in operational condition and ensure access of public to their operation.**
  
- ◆ **GOVERNMENT ADMINISTRATION OFFICES IN COUNTIES (OR ADMINISTRATIVE BODY OF THE CITY OF ZAGREB IN CHARGE FOR ENERGY-RELATED AFFAIRS) - take part in drafting of the physical planning documents which are prepared by representative bodies of local and regional self government units.**



# **GENERAL CONDITIONS OF THERMAL ENERGY SUPPLY**

## **(OJ 129/06)**

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**GENERAL CONDITIONS BRING ORDER INTO THE SYSTEM,  
INTRODUCE TRANSPARENCY, EQUALITY FOR ALL CUSTOMERS  
AND AVAILABILITY FOR ALL.**

**Legal GROUNDS: Article 29 of Energy act:**

- ◆ **I. GENERAL PROVISIONS**
- ◆ **II. DEFINITIONS OF BASIC CONCEPTS**
- ◆ **III. ISSUING OF APPROVALS FOR THERMAL-ENERGY-RELATED ACTIVITIES**
- ◆ **IV. CONDITIONS FOR CONNECTION TO NETWORK**
- ◆ **V. CONTRACTUAL RELATIONS**
- ◆ **VI. RIGHTS AND OBLIGATIONS OF ENERGY ENTITIES AND NETWORK USERS**
- ◆ **VII. METERING POINTS AND METERING OF SUPPLIED ENERGY**
- ◆ **VIII. READING, BILLING AND PAYMENT**
- ◆ **IX. CONDITIONS FOR RESTRICTION AND DISCONTINUATION OF SUPPLY**
- ◆ **X. COMPENSATION OF DAMAGE**
- ◆ **XI. CONTROL**
- ◆ **XII. TRANSITIONAL AND FINAL PROVISIONS**



# **THE ORDINANCE ON THE DISTRIBUTION AND BILLING OF THERMAL ENERGY (OJ 139/08)**

- ◆ **PRESCRIBE THE MANNER OF DISTRIBUTION AND CALCULATING THE COST OF DELIVERED HEAT IN THE COMMON THERMAL ENERGY METERS.**
- ◆ **REGULATES THE INSTALLATION OF EQUIPMENT FOR THE LOCAL DISTRIBUTION OF THE SUPPLIED HEAT, HEAT LOSS CONTROL INSTALLATIONS AND THERMAL ENERGY METER.**
- ◆ **BASIC MODELS FOR ALLOCATION OF COSTS FOR DELIVERED HEAT ENERGY ON THE COMMON THERMAL ENERGY METERS**
- ◆ **DISTRIBUTION AND BILLING COSTS FOR DELIVERED THERMAL ENERGY**
- ◆ **INSTALLATION AND MAINTENANCE OF EQUIPMENT FOR THE ALLOCATION OF COSTS FOR DELIVERED HEAT ENERGY ON THE COMMON THERMAL ENERGY METERS**
- ◆ **INSTALLATION OF SEPARATE THERMAL ENERGY METERS**



# **DISTRICT HEATING SECTOR DEVELOPMENT STRATEGY IN REPUBLIC OF CROATIA**

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## **◆ THE AIM OF THE STRATEGY:**

- **DEFINING THE TECHNICAL, ECONOMIC AND LEGAL BASICS TO INCREASE ENERGY EFFICIENCY AND OPTIMIZATION OF THE DEVELOPMENT OF CENTRALIZED HEATING SYSTEMS IN URBAN AREAS.**

## **◆ COVERAGE OF THE STRATEGY:**

- **COUNTY (REGIONAL SELF-GOVERNMENT UNIT),**
- **CITIES (LOCAL GOVERNMENT).**

## **◆ STRATEGY WILL BE MADE IN THREE PHASES, WITH EACH YEAR MAKES IT A SEPARATE ENTITY:**

- **PHASE 1/3 - finished in year 2007. and**
- **PHASE 2/3 - finished in year 2008.**
- **PHASE 3/3 - DUE TO FINANCIAL PROBLEMS DURING YEAR 2009. MAKING OF STRATEGY IS EXPECTED TO CONTINUE IN NEXT YEAR**



# ENERGY SECTOR DEVELOPMENT STRATEGY

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- ◆ **PASSED ON 16TH OCTOBER 2009., PUBLISHED IN OFFICIAL JOURNAL 130/09.**
- ◆ **ENERGY SECTOR DEVELOPMENT STRATEGY IN REPUBLIC OF CROATIA FOLLOWS THREE BASIC OBJECTIVES:**
  - Security of energy supply;
  - Competitiveness of the energy system;
  - Sustainability of energy development.
- ◆ **THE ENERGY SECTOR IS INFRASTRUCTURE, AND ENTREPRENEURIAL AND POSSIBLE EXPORT-ORIENTED ACTIVITIES.**
- ◆ **ENERGY IS VIEWED AS AN ENTREPRENEURIAL ACTIVITY, OPEN TO PRIVATE INVESTMENT.**



# PROBLEMS IN DISTRICT HEATING SECTOR

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- ◆ **THE QUESTION OF OWNERSHIP IN BUILDINGS**
- ◆ **OLDNESS OF SYSTEM AND THE NEED FOR REVITALIZATION**
- ◆ **INVESTMENT COSTS AND PROFITABILITY OF MOUNTING DEVICES FOR THE ALLOCATION OF COSTS FOR DELIVERED HEAT ENERGY ON THE COMMON THERMAL ENERGY METERS**
- ◆ **EDUCATION OF END-USERS - cost reduction (lower consumption) at the same level of comfort, payment of real consumption, etc.**







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**Thank you for your attention**

